

### **NEW BUILD GUARANTEES**

New and recently built houses are often sold with the benefit of a warranty from the NHBC or a similar organisation. The NHBC warranty will last for 10 years after the house was first sold.

An NHBC agreement will give the following benefits:

**When the home is being built** under the agreement the builder is required to build the property in accordance with the requirements of the NHBC. The work will be subject to inspection by the NHBC.

**In the first 2 years after construction** the agreement requires that the builder must put right at his own expense any defects which arise as a result of not keeping to NHBC standards for materials and workmanship. If the builder does not rectify the defects the agreement gives the right to a conciliation service run by the NHBC and a right to compensation even if the builder is insolvent.

**The 3<sup>rd</sup> to 10<sup>th</sup> years after construction.** The agreement insures against major damage due to a defect in the structure and against any defect in the drainage system. It does not insure ordinary repairs or defects, which do not cause major damage.

**Subsequent purchasers.** Subsequent purchasers are similarly insured against new defects and major damage within the above periods. They are not insured, however, for any defects, which appeared before, and were not reported by the previous owners. It is important therefore to consider having a survey even if the property has the benefit of an NHBC agreement. The existing owner can then report any defects, which exist, and a claim made prior to your purchase.

This is only a brief summary of the terms of the agreement. Please contact us for further advice if you require it.