



# Buying a new home?

| Your guide to Buildmark cover for new and newly converted homes |



## What are you looking for in a new or newly converted home? An ensuite bathroom, designer kitchen or a beautiful location?

But before you set your heart on a property, shouldn't you stop and consider the practical issue of what cover the home will have?

Fortunately, if your builder and the property are registered with NHBC, you have the assurance of knowing that the builder must build your home in accordance with NHBC's Standards of construction, and that it will be protected by the Buildmark cover.

This guide to NHBC and Buildmark cover should answer many of your questions.

### Important Note

The cover described in this leaflet generally only applies to homes built on sites registered with NHBC on or after April 2005. It does not apply to sites registered before that date even though the homes on it are built after that date.

You should not rely on the house builder's sales staff to provide you with exact details of the cover on your home. If you require more details you should call NHBC Customer Services on 01494 735363.

## What is NHBC?

NHBC is the standard setting body and leading warranty and insurance provider for new and newly converted homes in the UK. Providing risk management services to the house-building and wider construction industry, NHBC has approximately 18,000 registered builders who agree to comply with our Rules and Standards.

NHBC registers around 85% of new homes in the UK and around 1.6 million homeowners are currently benefiting from our 10 year warranty and insurance cover. NHBC has protected over 30% of the existing homes in the UK.

Established over 65 years ago as a non-profit distributing company, NHBC's primary purpose is to help raise standards in the house-building industry and provide consumer protection for new home owners.

## Why do I need cover on my home?

If you are buying a new home you will need cover like Buildmark to help you secure a mortgage. Mortgage lenders prefer to lend on homes that have this type of cover because they know the home will have been built to specified standards of construction.

If you are buying a converted property your lender may not require you to have cover. However, if you choose a converted property with Buildmark you will know that NHBC has carried out a technical investigation of the project to check its viability and that you have protection if problems arise.

Due to the nature of conversion sites NHBC may, on occasions, add exclusions to the policy. These will be printed on the Insurance Certificate. If you have any queries regarding the cover being offered on your home please phone our Customer Service helpline on 01494 735363.

## Does Buildmark cover me against all faults and defects?

Buildmark is not a complete guarantee against all defects. Buildmark is an insurance policy which covers you against specified risks which could be very expensive to put right. It does not provide cover for general wear and tear, condensation, normal shrinkage, damage arising from failure to maintain the property, or minor faults which first appear after the second year. For full details you should read your copy of the Buildmark policy which specifies the cover provided. The Buildmark policy belongs to you so make sure you ask your solicitor for this document.

When you move in, you should also receive NHBC's 'Guide to your new home' from your builder. It contains useful information about 'running-in' your new home. An NHBC video or CD-ROM is also available free from your builder.

## What does 'NHBC registered builder' mean?

Only builders and developers who can demonstrate financial security and technical competence can be registered with NHBC. They must follow the NHBC Rules and build homes to NHBC Standards of construction.

## What are NHBC Standards and who sets them?

NHBC Standards are the definitive standards for house construction and conversion in the UK and have been developed over many years. They are set by a committee representing all relevant organisations interested in improving the quality of new and converted homes. Builders, consumer organisations and professional institutions are represented on the committee. They take into account the Building Regulations, British Standards and NHBC's own claims record of defects. We believe that prevention is better than cure, so the Standards are continually improved to minimise defects.

## How does NHBC check that my builder complies with the Standards?

During the construction of homes, NHBC Inspectors carry out inspections to satisfy themselves, as far as practicable, that homes conform to NHBC Standards and are an acceptable risk for Buildmark cover. Inspectors aim to visit each property during construction at predetermined key stages in the construction process. However, the NHBC inspector does not check every detail of construction on each property, the responsibility to build in accordance with NHBC Standards and Building Regulations is that of the builder.

If you have concerns about the quality of your home you should in the first instance consult the builder. If you do not get a satisfactory answer, telephone NHBC Customer Services on 01494 735363.



## What is Buildmark cover and when does it start?

Buildmark is a ten year insurance policy divided into four main parts:

- Cover before completion
- The first 2 years after completion
- Cover in years 3 to 10
- Additional cover in years 3 to 10 where NHBC's subsidiary carried out the building control

### ■ Cover before completion

If, due to insolvency or fraud, the builder does not start building or converting your home or fails to finish it, NHBC will reimburse money you have paid the builder for the home that cannot be recovered from him. If the property is not finished, NHBC can pay for the property to be finished in accordance with its Standards. There is a separate financial limit to this part of the cover.

### ■ The first 2 years after completion

For the first 2 years Buildmark covers you against any damage and defects which results from the builder failing to meet NHBC Standards.

Under this part of Buildmark, the builder is responsible for any repairs necessary. You must report any faults to the builder as soon as possible, and you should keep a copy of any correspondence. If the builder fails to rectify the problems, NHBC offers a free Resolution Service which aims to resolve disputes between you and the builder. Under the Resolution Service, NHBC can also help arrange the remedial work needed to put things right if the builder fails to do so. If the builder is insolvent, then NHBC insures their obligations.

Please remember that the builder is not responsible for items such as normal shrinkage or normal condensation due to the property 'drying out', general wear and tear and damage arising from failure to maintain the property.

## ■ Cover in years 3 to 10

Buildmark covers you against the full cost, subject to a minimum claim value, of putting right any physical damage to the home caused by a defect in any one of the specified parts of the building. Buildmark covers:

- foundations
- load-bearing walls
- non load-bearing partition walls
- wet-applied wall plaster
- external wall rendering and external vertical tile hanging
- load-bearing parts of the roof
- tile and slate coverings to pitched roofs
- ceilings
- load-bearing parts of the floors
- staircases and internal floor decking and screeds where these fail to support normal loads
- retaining walls necessary for the structural stability of the house, bungalow, flat or maisonette its garage or other permanent outbuilding
- double or triple glazing panes to external windows and doors (in converted properties they must be newly installed at the time of conversion)
- below-ground drainage for which you are responsible
- defective chimneys and flues causing a danger to the health and safety of occupants.

Among the problems we have helped to remedy are dry rot affecting structural timbers and foundation failure due to inappropriate design.

Please remember that this part of Buildmark does not cover items such as gutters, central heating, fixtures and fittings etc. Nor does it cover you against any claim that is insured elsewhere, or by your household insurance policy (e.g. storm damage to roof tiles).

Please refer to your policy or telephone us on 01494 735363 for details of the cover provided.

## ■ Additional cover in years 3 to 10 where NHBC's subsidiary carried out the building control

This cover only applies if NHBC Building Control Services Ltd has carried out the building control.

If it has, you are covered against costs arising from the builder's failure to comply with specified statutory Building Regulations. The Insurance Certificate will show if this cover applies to your home. The financial limit for a claim made under this section is the original cost of the work covered by NHBC Building Control Services Ltd Final Certificate.

In addition we provide cover against the cost of cleaning up contamination of the land on which the home is built, if a local authority or the Environment Agency take action against the homeowner under environmental law.



## Is there a financial limit to the cover after legal completion?

Yes. For 10 years after the legal completion of the first sale of the home the most we will pay is the original purchase price as shown on the Insurance Certificate up to a maximum of:

- £500,000 for a newly built home, or
- £250,000 for a converted home  
(up to £1 million for all the homes in a continuous converted structure)

The financial limit is increased each year in line with the RICS House Rebuilding Cost Index or by 12% compound per year if less, from the date of the Insurance Certificate (please see the Buildmark booklet for full details).

## Who pays for the Buildmark cover?

The cost of Buildmark is included in the purchase price of your home. Your builder pays the premium directly to NHBC. The premium is based on a scale of charges relating to the sales value of each home.

## What if I sell my home before the ten years expire?

If you sell your home while Buildmark is still in force, the benefit of the rest of the cover automatically transfers to the new owners. You should pass the Buildmark documents to the new owner.

## Where can I find out more about Buildmark cover?

NHBC's website at [www.nhbc.co.uk](http://www.nhbc.co.uk) offers a wide range of useful information including advice on what to look for when buying a new home, and how to 'run-in' a new home. You can also make use of our on-line register to check that your builder is registered with NHBC.

(This guide does not apply to self build projects. If you would like information on our Solo for Self Build product please contact us.)

## NHBC's Checklist

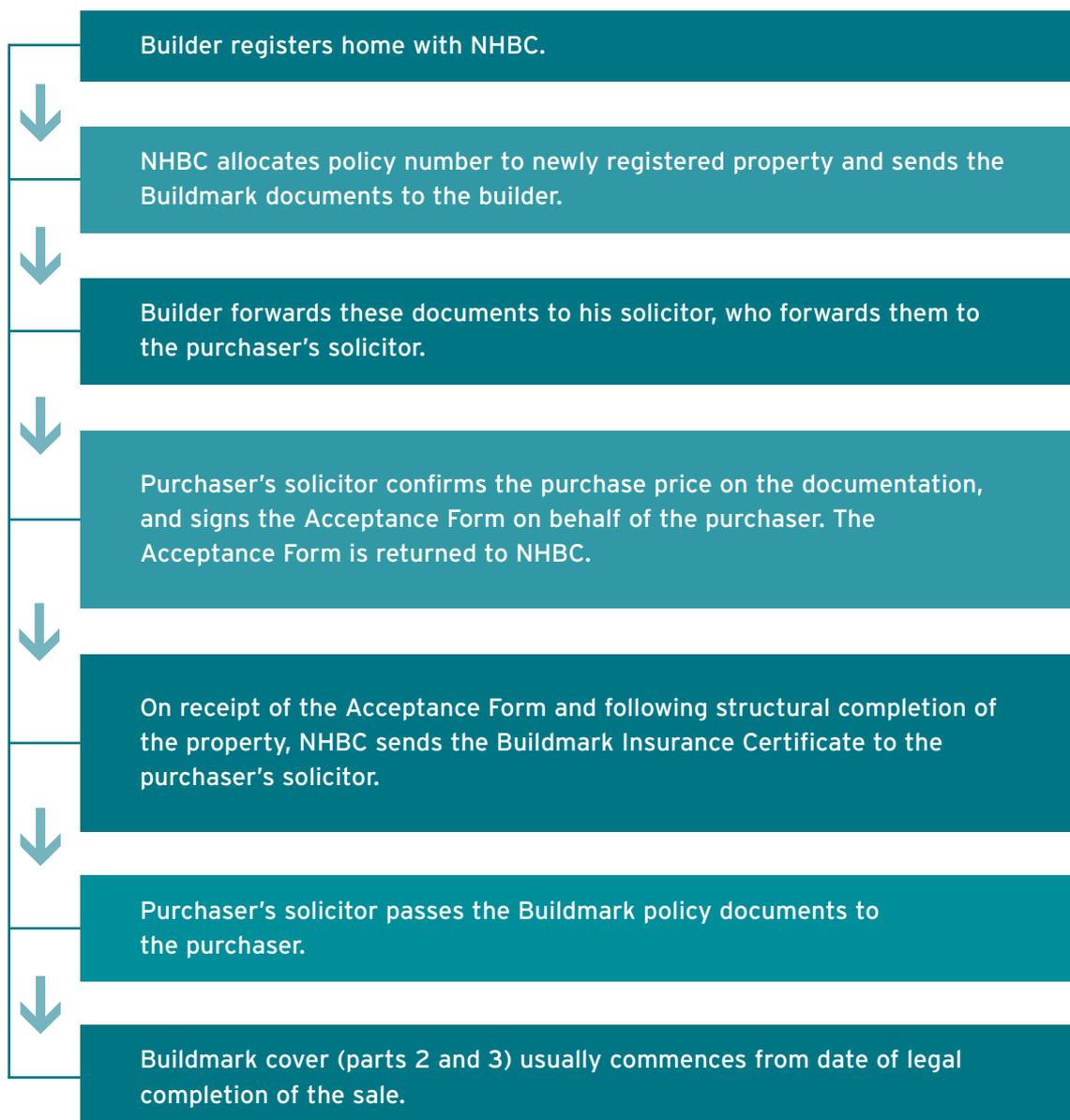
- Check that the home is NHBC registered by calling us on 01494 735363.
- Check the builder has a good national or local reputation.
- If you need a mortgage, ask your lender at an early stage.
- Employ a solicitor (or licensed conveyancer) and seek professional advice if you are in doubt.
- Make sure you take the opportunity to discuss and understand the Buildmark cover with your solicitor or licensed conveyancer.
- Before completing your purchase we recommend you inspect your new home carefully, especially baths, basins, windows, appliances and other items to ensure they are not damaged before you move in.
- Check that NHBC has carried out a pre-handover inspection and issued a cover note before you move in.
- Report any damage or defect of any correspondence to your builder and be sure to keep a copy.
- If you have any queries or concerns, please contact Customer Services on 01494 735363.

To view a specimen copy of the latest Buildmark policy document please visit our website at [www.nhbc.co.uk](http://www.nhbc.co.uk) or request a copy from our Distribution team on 01494 735328 quoting reference BM8/3.

For a copy of the policy applicable to your home please contact customer services on 01494 735363 and quote your policy number.



## Buildmark - The distribution process





**NHBC**

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NHBC is authorised and regulated by the Financial Services Authority

HB1022 04/05