

SCHEDULE 6

Exception from home condition report for specific new homes warranties

PART 4

Limits on cover for specific new homes warranties

Permitted limits for newly built properties

15.—(1) This paragraph applies to a property newly built from foundations.

(2) The total amount of any payments, financial compensation or costs of remedial work arising under the new homes warranty may, in relation to the property, be limited to—

- (a) £500,000 plus the annual increment; or
- (b) the value of the property at the time the sale of the property was completed plus the annual increment.

(3) Where the property forms part of a continuous structure, the total amount of any payments, financial compensation or costs of remedial work arising under all the related new homes warranties may be limited to £10,000,000 plus the annual increment in relation to all the premises which form part of the continuous structure.

Permitted limits for converted premises

16.—(1) This paragraph applies to a property where the most recent use of the premises, is or was a primarily non-residential use, and it is due to be converted to a residential property by the time the sale is completed.

(2) The total amount of any payments, financial compensation or costs of remedial work arising under the new homes warranty may, in relation to the property be limited to—

- (a) £250,000 plus the annual increment; or
- (b) the value of the property at the time the sale of the property was completed plus the annual increment.

(3) Where the property forms part of a continuous structure, the total amount of any payments, financial compensation or remedial work arising under all related new homes warranties may be limited to £5,000,000 plus the annual increment in relation to all the premises which form part of the continuous structure.

Permitted excesses

17.—(1) Subject to sub-paragraph (2), the new homes warranty may contain either or both of the following terms—

- (a) a term requiring a contribution to be paid by the policy-holder in relation to any claims made under the new homes warranty; or
- (b) a term requiring a minimum financial value to any claims made by the policy-holder under the warranty.

(2) The contribution or value required in each of the sub-paragraphs (1)(a) or (b) must be no more than £1,000 plus the annual increment.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Permitted limits on cover for costs of alternative accommodation

18. The costs and expenses payable by a warranty provider under paragraph 13 of this Schedule may be limited to those that are reasonably and necessarily incurred.

Permitted limits on cover for professional fees

19. The fees payable by a warranty provider under paragraph 14 of this Schedule may be limited to either or both of the following—

- (a) those that are reasonably and necessarily incurred; or
- (b) those other than fees incurred by the policy-holder in investigating or preparing a claim under the new homes warranty.