



NHBC Homebuilder Toolkit

NHBC guidance on how to comply with the Consumer Code for Homebuilders

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The Consumer Code for Home Builders gives protection and rights to purchasers of new homes, ensuring that all new home buyers are treated fairly and are fully informed about their purchase before and after they sign the contract.



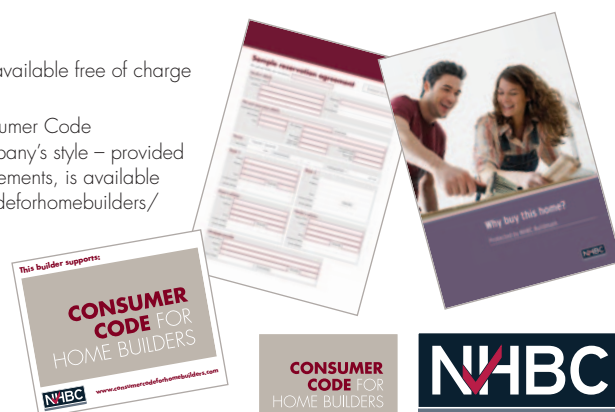
Homebuilder's checklist

What you should do	Guidance	Tick?
■ Display the Code to customers and provide, without charge, a copy to those who ask for it – and one to all who reserve.	Make sure you and/or your agent have copies of the Code to display and hand out.	✓
■ Train staff who deal with your customers.	Have you ensured that your staff and those who have been appointed to act on your behalf to deal with customers, such as estate agents, are appropriately trained and knowledgeable about the Code and its requirements?	✓
■ Clearly display window sticker in your site sales office or selling agent's window.	Builders are required to confirm their commitment to the Code. You can achieve this by displaying the window sticker. [see note 1]	✓
■ Ensure systems and procedures are in place to meet Code requirements.		✓
■ Make copies of Consumer Code available.	Have you a stock of the Consumer Code requirements to give to customers?	✓
■ Provide site contact details.	Have you provided your customers with a way of contacting someone about the site or their new home?	✓
■ Provide adequate pre-purchase information.	Does this include information on Reservation Agreement, summary of warranty cover, description of management services/organisations for the home and associated costs, list of contents provided and standards to which home is being built?	✓
■ Update and complete your Reservation Agreement.	Do you have your updated Reservation Agreements for your customers to complete, ensured the clauses comply with the Code and checked whether your selling agent is instructed to use the Reservation Agreement? [see note 2]	✓
■ Have NHBC Warranty information available.	Have you information that explains the NHBC Warranty? [see note 3]	✓
■ Ensure Health & Safety information is available and inform customers of any Health & Safety issues.	Have you got information to help people understand the Health & Safety issues on your site? If the occupied site is on an active site, you must also tell the home owner about any aspect of the site that might be dangerous.	✓
■ Provide clear and truthful sales and advertising material.	Are processes in place to ensure that all sales and advertising material is checked for clarity and is true, including material produced by selling agents?	✓
■ Advise customer to appoint professional legal advisor.	You must allow the buyer to use their own solicitor if they choose to do so.	✓
■ Keep customers informed.	Are you regularly telling your customer what build stage the home has reached?	✓
■ Advise on completion dates.	Have you advised your customer when the home will be build-complete?	✓
■ Arrange a formal handover to the home buyer.	A formal demonstration and handover process is a very important part of informing the customer on how to run their home and what to expect.	✓
■ Ensure customer service and company contact details are provided on legal completion.	Have you provided your customer with contact information, for both working hours and emergency out-of-hours? [see note 4]	✓
■ Co-operate with qualified, professional advisors appointed by the home buyer as detailed in the Code.		✓

Notes – How NHBC can help you

- NHBC can provide post card sized window stickers to help you with this. These are available free of charge direct from NHBC.
- NHBC have prepared a template Reservation Agreement that complies with the Consumer Code requirements. This can be used directly or as a template for you to adapt to your company's style – provided that the information fields are kept. This, along with some advice on Reservation Agreements, is available as a free download from <http://www.nhbc.co.uk/NewsandComment/Consumercodeforhomebuilders/>
- NHBC have prepared a leaflet called "Why buy this home", which contains an explanation of the insurance cover provided by NHBC to your customers. It also contains a full listing of the Consumer Code requirements.
- NHBC have teamed up with Homeserve to develop a range of services that can assist you in your customer service commitments, including an emergency out-of-hours facility.

Contact details for NHBC – www.nhbc.co.uk, customer services – 0844 633 1000



Reservation Agreement

Guidance notes

Introduction

To help you comply with the Consumer Code for Homebuilders we have developed a Reservation Agreement template that can be adapted and used by you. The template that we have drafted includes the relevant elements that are considered mandatory under the Code, plus some data-gathering fields that would otherwise normally be expected in a Reservation Agreement.

The Reservation Agreement can be downloaded from the NHBC web site and used without change, or can be used as a basis to create your own Reservation Agreement document. The template may not suit every circumstance, but could be used as a guide.

It is strongly recommended that the mandatory sections of the template agreement be kept so as to avoid the potential of a claim by a home buyer for failure to comply with the Consumer Code for Home Builders. It is the responsibility of each home builder to satisfy themselves that their Reservation Agreement complies with the Consumer Code for Home Builders. This template is provided on the basis that NHBC does not accept any liability whatsoever or howsoever arising from a Home Builder's use or adaptation of this template.

The recommended mandatory information is as follows:

Information	Comment	Consumer Code clause number
Contact details for the builder	Name, address and telephone number as a minimum.	2.2, 2.6
Contact details for the home buyer	Name, address and telephone number as a minimum.	2.6
Details of the plot being purchased	Sufficient information to specifically identify the development and plot.	2.6
Purchase price		2.6
Reservation date	The date on which the Reservation Agreement is signed.	2.6
Reservation expiry date	The date upon which the agreement will automatically terminate if the sale contract is not signed.	2.6
Anticipated build completion date	The formal estimate of when construction will be completed.	3.2
An explanation and an estimate of the management fees (if and when appropriate)	Management fees are usually only appropriate for developments with a management company whose activities are funded by regular payments by the residents.	2.1, 2.6
Condition 1	Confirmation of the home builder's obligation under the Code that they will not try to sell the property to someone else whilst the Reservation Agreement is in place.	2.6
Condition 2	Confirmation of the home buyer's right to cancel the Reservation Agreement at any time.	2.6
Condition 3	Confirmation of the right of the home buyer to get their reservation fee back, less the home builder's reasonable expenses in holding the reservation open.	2.6
Condition 5	Clarification of how spoken statements will be managed.	3.1

Reservation Agreement

Guidance notes continued

Additional important comments		
Condition 7	Confirmation to the home buyer that some information may be used by the Consumer Code for Home Builders Management Board for the purposes of customer satisfaction surveys.	This is not specifically a Consumer Code requirement, but is a condition of the Consumer Code Scheme Rules that such information is provided when requested
Signatures	This is a legal document and both parties must sign to say that it is exchanged with full knowledge and understanding. This includes giving the home buyer a copy of the Code Requirements.	This is not specifically a Consumer Code requirement, but is standard practice to bring the legal document into force.

Additional comments	
Choices	An opportunity possibly to record the details of the standard specification choices.
Tenure	It is standard practice to record the nature of the future ownership of the property.
Buyer 2	Useful if the property is being bought in joint ownership.
Mortgage provider	Not always known at this stage, but can be a useful place to record information.
Solicitors' details	Not always known at this stage, but can be a useful place to record information. It is important to note that the Consumer Code for Home Builders does not allow a home builder to restrict a home buyer's choice of legal advisor (Clause 2.5).
Extras	A home builder may offer a list of standard extras and their cost. The Reservation Agreement may be a place to usefully record these.
Condition 4	A standard clause in the Reservation Agreement.
Condition 6	A standard clause in the Reservation Agreement.

Sample Reservation Agreement

Subject to contract

All outlined fields are mandatory

Vendor's details

Organisation name:	<input type="text"/>	Telephone:	<input type="text"/>
Address:	<input type="text"/>	Fax:	<input type="text"/>
	<input type="text"/>	Email address:	<input type="text"/>
	<input type="text"/>		

Plot and reservation details

Development Name:	<input type="text"/>	House type:	<input type="text"/>
Plot number:	<input type="text"/>	Plot address:	<input type="text"/>
Price:	<input type="text"/>		<input type="text"/>
		Reservation date:	<input type="text"/>
		Reservation expiry date:	<input type="text"/>
		Anticipated build completion date:	<input type="text"/>
		Reservation fee:	<input type="text"/>

Tenure

Freehold / leasehold

Lease terms: years Commencing on: / / Initial ground rent: £ per year

Buyer 1

Name:	<input type="text"/>		
Address:	<input type="text"/>		
	<input type="text"/>		
Town:	<input type="text"/>	Postcode:	<input type="text"/>
Contact number:	<input type="text"/>		
Email address:	<input type="text"/>		

Buyer 2

Name:	<input type="text"/>		
Address:	<input type="text"/>		
	<input type="text"/>		
Town:	<input type="text"/>	Postcode:	<input type="text"/>
Contact number:	<input type="text"/>		
Email address:	<input type="text"/>		

Buyer's solicitor

Name of firm:	<input type="text"/>		
Address:	<input type="text"/>		
	<input type="text"/>		
Town:	<input type="text"/>	Postcode:	<input type="text"/>
Contact number:	<input type="text"/>		
Email address:	<input type="text"/>		

Vendor's solicitor

Name of firm:	<input type="text"/>		
Address:	<input type="text"/>		
	<input type="text"/>		
Town:	<input type="text"/>	Postcode:	<input type="text"/>
Contact number:	<input type="text"/>		
Email address:	<input type="text"/>		

Mortgage provider

Name of firm:	<input type="text"/>		
Address:	<input type="text"/>		
	<input type="text"/>		
Town:	<input type="text"/>	Postcode:	<input type="text"/>
Contact number:	<input type="text"/>	Email address:	<input type="text"/>

Estimate of management fees

Insurance:	£	Other:	£
Lease/ground rent:	£	Other:	£
Management services:	£	Other:	£
Window cleaning:	£	Other:	£
Garden services:	£		
			Total estimate: £

Conditions relating to this Reservation:

1. In return for the buyer paying the reservation fee, the vendor agrees to reserve the property at the purchase price until the reservation expiry date.
2. The buyer has the right to cancel the reservation at anytime.
3. If the buyer cancels the reservation, the vendor agrees to pay back the reservation fee less any reasonable administrative and other costs incurred in processing and holding the reservation (shown as estimated retention).
4. The reservation deposit will be deducted as part payment of the deposit due on Exchange of Contracts.
5. The buyer agrees to notify their legal advisor and the vendor, in writing, prior to Exchange of Contracts what spoken statements, if any, they are placing material reliance upon.
6. The buyer is responsible for all costs and expenses incurred by them in the purchase of the property, unless otherwise set out in the Reservation Agreement.
7. The buyer consents to the Reservation Agreement information to be used by the vendor to progress the purchase, and for use in customer surveys under the Consumer Code for Homebuilders, all such information to be applied in accordance with the Data Protection Act 1998.

We have read, understood and accept the conditions detailed on this Reservation Agreement. We confirm that we have received a copy of the Consumer Code for Home Builders.

Buyer 1	
Signed:	<input type="text"/>
Date:	<input type="text"/>
Buyer 2	
Signed:	<input type="text"/>
Date:	<input type="text"/>
Authorised vendor's representative	
Signed:	<input type="text"/>
Position:	<input type="text"/>
Date:	<input type="text"/>

Data Protection Act*

We will aim to keep your personal information up to date, but rely on you telling us promptly if your name, address, telephone number or any other details change.

We will not pass your personal information to anyone outside our group, except to third parties for the purpose of providing products, services and/or marketing information to you (e.g. professional advisers, finance providers, estate agents, recommended suppliers). We may also copy this form to relevant third parties.

Your personal information may be used by us and any of the persons mentioned above for: internal purposes and to provide products, services and/or marketing information to you. Your personal information may also be used for research purposes and to help us develop our website, products and/or services.

Please indicate your preferred method of communication by ticking the relevant box: post; telephone; email.

Please tick the relevant box if you do not wish to receive marketing information on properties, research, products and/or services that might be of interest to you from: us; our recommended suppliers.

Our full privacy policy can be found at: *[Builder or Developer to insert the location of their privacy policy here]*

This is a legal agreement; if in any doubt as to its meaning or effect, the buyer should seek legal advice before signing it.

*Suggested wording so as to ensure compliance with the Data Protection Act

Customer journey

The table below is an abstract from NHBC Foundation publication NF26 – *Home sale and handover: a best practice guide for home builders*. ** It outlines the type of information is needed and at what stage of the sale and occupation process so as to keep buyers well informed. (red indicates the requirements of the Consumer Code for Home Builders).

Customer journey best practice model	
Stage	Recommended information
Pre-reservation enquiry	<ul style="list-style-type: none"> ■ Brochure showing plot location, layout and appearance ■ Sales prices ■ Management and service charges ■ Summary of home warranty cover ■ Specification and contents ■ Information on when home will be finished ■ Contact information ■ Copy of the Consumer Code on request
Reservation	<ul style="list-style-type: none"> ■ Reservation Agreement ■ Choices of fixtures and fittings ■ Copy of the Consumer Code
Exchange	<ul style="list-style-type: none"> ■ Progress update ■ Written confirmation of verbal reliance ■ Anticipated date of legal completion
Pre-completion	<ul style="list-style-type: none"> ■ Information on substantial and significant changes ■ Home tour
Completion	<ul style="list-style-type: none"> ■ Handover checklist ■ Handover pack ■ Details of after-sales service ■ Information on how to get complaints resolved ■ Contact information ■ Running-in information ■ Health and safety information on live sites
Post-completion	<ul style="list-style-type: none"> ■ NHBC Guide to Your New Home * ■ Buildmark warranty documents ■ Courtesy or service call or letter ■ Customer satisfaction survey

* NHBC. *Guide to your new home: a practical guide to looking after your new home*. Milton Keynes, NHBC.

**NHBC Foundation. NF26 – *Home sale and handover – A best practice guide for home builders*. Available from NHBC or as a download from www.NHBCFoundation.co.uk Milton Keynes, NHBC.

Consumer Code

Brand guidelines

Whenever you use or refer to the Consumer Code, you should use the brand guidelines set down by the Consumer Code Management Board. These are as shown in the diagram below. The logo is available for download from the Consumer Code web site at www.consumercodeforhomebuilders.co.uk/Downloads



BRAND
GUIDELINES

COLOUR PALETTE:



PANTONE Warm Gray 5



PANTONE 195

FONT: FUTURA LIGHT

ABCDEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz

FONT: FUTURA BOLD

ABCDEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz