



**NEED TO MAKE
COMPANIES OFFICE
SEARCHES AGAINST
BUILDER/VENDOR**

The Supreme Court has recently held in a case of Roche-v- Peilow that a Solicitor acting for a person who proposes to enter into a Building Contract and Agreement for Sale with a Builder/Vendor should not only make a Search in the Land Registry or where appropriate a Registry of Deeds Search, but a Search against the Builder/Vendor in the Companies Office. If the Purchaser's Solicitor finds that the site is encumbered by a Legal or Equitable Mortgage he must bring that fact to the notice of his client and allow his client, after proper advice, to decide whether or not the client should take the risk of accepting the transaction with the risk posed by the existence of the encumbrance.

The Court emphasised that advice on this aspect of the transaction should be given to the prospective Purchaser in addition to the advice already normally given by solicitors in such situations namely, that a Client making periodic payments during the course of building is likely to lose them all if the Builder goes Bankrupt, has a Receiver appointed to it or goes into Liquidation.

It is suggested that Searches should be made by the Purchaser's Solicitor in any case in which money is being paid to a Builder/Vendor or any person as Agent for a Builder/Vendor on account of the Building Contract Price or the purchase price of the land.