



In a Practice Note published in the October 1985 issue of the Gazette, solicitors acting for persons who proposed entering into a building contract and agreement for sale with a builder/vendor were advised of the necessity of making appropriate searches in the Registry of Deeds, Land Registry and the Companies Office and of advising their clients of the risks posed by the existence of any encumbrances.

Recent High Court decisions have highlighted the risks involved for purchasers in the above situation and the importance of solicitors properly advising their clients of these risks. In the absence of any bonding scheme to protect purchasers' monies pending the completion of the purchasers' transaction, it is recommended that Solicitors acting for purchasers in the situation outlined above, should request the builder's/vendor's solicitor to hold all monies as stakeholder pending the completion of the transaction. In the event of the builder's/vendor's solicitor being unwilling or unable to act as stakeholder, purchasers' solicitors should strongly advise their clients in writing of the substantial risk of losing the monies and the inadvisability of entering into the transaction.

ROCHE-V-PEILOW FOLLOW-UP

DEPOSITS AND STAGE PAYMENTS ON NEW RESIDENTIAL PROPERTIES