



**HOUSES  
CONSTRUCTED  
BY DIRECT  
LABOUR**

**PRACTICE OF  
THE IRISH  
PERMANENT  
BUILDING  
SOCIETY**

**I**t will be of interest to members to know the requirements of the Irish Permanent Building Society where a house is constructed by direct labour.

The Society requires that the erection of the premises be supervised by an Architect or Engineer, who, on completion of the premises, will complete a Declaration verifying:

- (A) That the house was built in accordance with the plans and specifications.
- (B) That he supervised the erection of the premises and verifies that same has been completed to his satisfaction.
- (C) That the Building Conditions of the Planning Permission have been complied with in full.
- (D) That the cost of erection of the premises, including the site cost of £X, is not less than £Y.

A Declaration in the above form, supported by the usual Architect's/Engineer's Declaration required for new houses would satisfy the Society's requirements. The Society will rely on the Declaration to verify the price (construction costs plus site cost), and will not require production of invoices from the Applicant or his Solicitor in respect of construction costs, costs of materials, etc.

Supervision need not be continuous but a minimum of five inspections is felt essential so long as they include an inspection of foundations and, at completion, of roof timbering.

It sometimes happens that potential Borrowers do not advise the Society that the premises will be erected by direct labour and consequently do not find out about the need for this supervision until too late. Members acting for clients purchasing or taking transfers of sites might consider warning clients about this requirement to avoid difficulty at a later stage.

**UPDATE:**

1. The Irish Permanent Building Society is no longer a building society but is now a registered bank and has changed its name.
2. The practice set out above is, as far as the Conveyancing Committee is aware, now applicable in regard to all lenders.