

**LABRUMS**  
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Informational Guide

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# Flooding Issues When Buying Property



Our aim, as a firm, is to mitigate risk for you and give you peace of mind when you buy, what is potentially, your most valuable asset. This guide is to help you understand the issues and implications when buying a property which has a high risk of flooding.



## Contamination

If flooding occurs, this sometimes causes contaminants to migrate to and from a property, which could expose a buyer to substantial liabilities in the future.

## Riparian Obligations

Riparian owners are those who own land or property next to a river, stream or ditch. The position of a house overlooking a river might be idyllic, but Buyers need to be aware of their potential rights and responsibilities. Included in these responsibilities are obligations to accept flood flows from elsewhere, and to keep the banks of a water course clear from obstructions, if they could increase flood risk.

## Flood Risk

In June 2013, the government agreed a Memorandum of Understanding with the Association of British Insurers to develop a not-for-profit flood insurance scheme, known as 'Flood Re'. From April 2016, the Flood Re scheme aims to ensure that individuals can obtain affordable flood insurance with cover at a set price in areas where the risk of flooding is high. Small and medium-sized enterprises are excluded from the scheme, details of eligible and non-eligible properties can be found on the Flood Re website ([www.floodre.co.uk](http://www.floodre.co.uk)).



## Buildings Insurance

Some insurers will investigate insurance risk through their own data collection, to evaluate the terms on which they are prepared to insure against flood risk. Buyers should shop around to obtain a variety of insurance quotations as this can help keep premiums down.

Where a landlord obtains insurance for a leasehold property, flooding may be an uninsured risk. In this circumstance, the tenant may be liable to make good any damage caused by flooding, and rent may not be suspended, depending on the lease.

Normally, the buyer's responsibility for the risk of flooding commences from exchange of contracts. Consequently, the buyer should investigate the terms on which insurance is available for all risks prior to committing to the purchase.

Where a property is perceived to be a flood risk, insurers may decline to insure, require high premiums or impose strict conditions. For example, insurers have been known to refuse to insure properties due to a single occasion where heavy rainfall had caused surface water to flood from the highway onto a property.

The British Insurance Brokers Association may be able to help locate a specialist broker. The Department for Environment, Food and Rural Affairs (Defra) also provides guidance for those trying to obtain insurance in flood risk areas. Please refer to [www.floodre.co.uk](http://www.floodre.co.uk) for more information.



## Flood Searches

The Environment Agency website provides free information on flood risk as well as maps showing the risk of flooding from rivers and seas, surface water and reservoirs (<https://www.gov.uk/government/organisations/environment-agency>). Although these maps give a useful indication of whether further investigation is merited, they have their limitations. The Land Registry has a flood risk indicator which combines flood data from different sources with Land Registry property data, to provide customers with a high level indication of whether a piece of land is at risk of flooding. The flood risk indicator can be found at:  
<https://eservices.landregistry.gov.uk/www/wps/portal/FloodRiskAbout>.

## Due Diligence

Solicitors can help buyers identify whether flooding is an issue at a property by:

- Conducting searches and obtaining reports from government bodies and/or commercial providers.
- Making enquiries of the seller.
- Instructing a surveyor to carry out a physical inspection or survey.
- Advising the buyer to establish whether flood risk cover is available in their property insurance.
- Advising the buyer to discuss the level of risk to the property with a surveyor/flood risk consultant.

## Flood Risk Surveys

Valuation reports and surveys may contain useful information about any potential flood risk. The Flood Risk Report is a standard template developed by government and industry for recording flood risk before and after the installation of flood resistance and resilience measures. Provided that a suitably qualified and independent professional surveyor has completed the report, buyers need to be aware that it is useful to provide surveys to potential insurers as they may consider any flood protection measures when assessing the terms for insurance cover.

## Further Help

If you require help with anything mentioned in this guide, contact one of the team at Labrums now:

01727 858807  
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We look forward to hearing from you.

*These guidance notes deal in general terms with a complex subject. While we believe the contents to be correct, they should not be regarded as sufficiently full, accurate or precise so as to apply to any particular situation. You must always seek legal advice concerning any situations referred to in this guide and Labrums or its author can accept no responsibility for any loss suffered by any person as a result of acting in reliance upon the contents of this guide.*