

building warranty

Does my building have unlimited warranty?



We would all like to think that our building comes with 'gold standard' unlimited warranty.

NO building comes with an unlimited warranty.

Warranty Periods in Queensland



In Queensland the building warranty period is regulated by the Queensland Building and Construction Commission (QBCC).

Warranty Periods and Timeframes

The QBCC have two categories of building defect and both categories of building defect come with very strict time frames

STRUCTURAL DEFECTS	
Warranty Period	6 years 3 months from practical completion
When you must lodge a complaint	Within 3 months of noticing the defect (meaning very technically you have 6 years and 6 months)

NON-STRUCTURAL DEFECTS	
Warranty Period	6 months from practical completion
When you must lodge a complaint	Within 6 months from practical completion

Some builders may offer a longer defect period eg 12 months for non-structural defects. However, you need to be careful that this warranty period was 'transferrable' to you as the new owner. Often units are constructed by developers ... meaning you purchased from the developer and not the builder and you might not have any contractual relationship with the builder at all.

What is 'Practical Completion'?

QBCC defines practical completion as being

A home reaches practical completion or is ready for handover when all the building work has been done and you are able to move in, i.e. it is reasonably suitable for habitation. Some minor defects and minor omissions are acceptable.

It becomes very important to try and establish the 'practical completion' date. Often (but not always) the 'practical completion' date becomes the date the Council or Local Authority issues its Certificate of Classification.



Timelines are important!

Building Contract Signed			
Construction Period			
Practical Completion / Warranty Period Commences			
Non-Structural Warranty Period			
Non-Structural Warranty Period Ends (6 months after Practical Completion)			
Structural Warranty Period Continues			
Structural Warranty Period Ends (6 years 3 months after Practical Completion)			

Legend

Construction Phase	
Non-Structural Warranty Period	
Structural Warranty Period	

An Example

Building Contract	1 July 2020
Practical Completion	31 March 2021 (9 months later)

So our critical dates are

Practical Completion	31 March 2021
End of Non-Structural Warranty Period	30 September 2021 (ie 6 months after practical completion)
End of Structural Warranty Period	30 June 2027 (ie 6 years 3 months after practical completion)

Practical Completion versus Settlement Date

The Settlement Date is the date you become the owner of your unit and this date has no relevance to the building warranty date.

Expanding on the above example

Building Contract	1 July 2020
Practical Completion	31 March 2021 (9 months later)
Contract Date	15 June 2021 (ie it took the developer 2 ½ half month to get a contract after practical completion)
Settlement Date	15 July 2021 (ie 30 days after the contract date)

The critical dates do **NOT** change because a unit has been sold they remain the same:

Practical Completion	31 March 2021
End of Non-Structural Warranty Period	30 September 2021 (ie 6 months after practical completion)
End of Structural Warranty Period	30 June 2027 (ie 6 years 3 months after practical completion)

This means the Non-Structural Warranty Period is almost already over when the new owner acquires the unit.

Therefore, it is totally possible for the warranty periods to be over or completed depending on exactly when 'Settlement' happened compared to the 'Practical Completion' Date.

Non-Structural versus Structural Defects

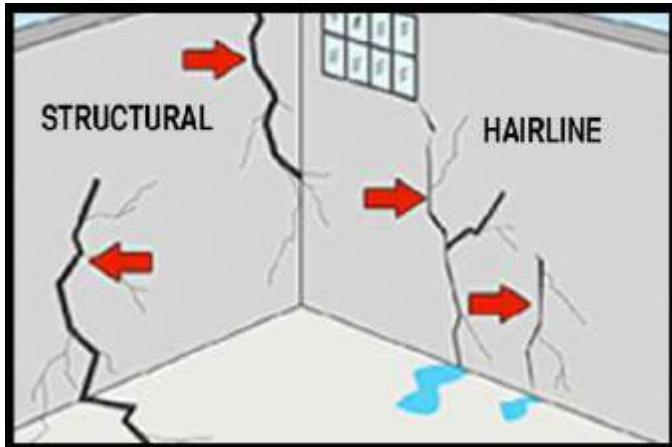
Structural Defects include

- Leaking Roof
- Health & Safety Issues
- Structural Cracks

Non-Structural Defects include

- Sticking Drawers
- Minor or hairline cracks in plasterboard (often called shrinkage cracks)
- Grout falling out of tiles
- Paint chips

What is a Structural Crack?



A useful resource to look at is QBCC's Standard and Tolerances Guide to help explain what is acceptable.



STANDARDS AND TOLERANCES GUIDE

https://www.qbcc.qld.gov.au/sites/default/files/Standards_and_Tolerances_Guide_0.pdf

Summary

< 5 mm crack	Not structural
> 5 mm crack	Structural

What happens if the crack is getting worse?

A crack might start as a non-structural crack and then later become a structural crack.

Best practice

- Every 3 months take a picture
- When taking the picture ensure you include a ruler so you can demonstrate the crack widening

Don't forget to watch warranty expiry dates!

Does the QBCC builders warranty cover everything?

No ... the builders warranty does not cover everything.

Some notable exclusions include:

- Developments greater than 3 levels
- Landscaping
- Driveways (considered part of landscaping)
- Electrical Work (dealt with by the Electrical Safety Office)
- Damage caused by lack of maintenance (eg gutters overflowing because they were blocked by leaves)
- Work not performed by the builder (eg if the work was never undertaken by the builder the builder cannot be held responsible)
- When it is impossible to determine if the builder was at fault (eg concrete in a drain – was the concrete the result of the builder or the landscaper)

DESCRIPTION OF TYPICAL DAMAGE AND REQUIRED REPAIR	APPROX. CRACK WIDTH LIMIT (SEE NOTE 1)	DAMAGE CATEGORY
Hairline cracks	< 0.1mm	0 Negligible
Fine cracks that do not need repair	< 1mm	1 Very Slight
Cracks noticeable but easily filled. Doors and windows stick slightly	< 5mm	2 Slight
Cracks can be repaired and possibly a small amount of wall will need to be replaced. Doors and windows stick. Service pipes can fracture. Weather tightness often impaired	5mm to 15mm (or a number of cracks 3mm or more in one group)	3 Moderate
Extensive repair work involving breaking-out and replacing sections of walls, especially over doors and windows. Window and door frames distort. Walls lean or bulge noticeably, some loss of bearing in beams. Service pipes disrupted	15mm to 25mm but also depends on number of cracks	4 Severe

Extract from AS 2870 - Residential Slabs and Footings²

10.6 Cracks in internal rendered finishes including hard plaster

Assess crack categories and defects in internal rendered surfaces on masonry substrate in accordance with Table 4.2. Category 0, 1 and 2 cracks are not defects. Category 3 and 4 cracks are defects.

Dispute Resolution Process

Steps to follow

- Write to the builder
- Give the builder the opportunity to rectify
- Builder fails to rectify
- QBCC Complaint

Can I just fix the problem and bill the builder?

No ... you must give the builder the opportunity to rectify

The process is going to take too long ... does that give me the right to fix the problem and bill the builder?

No ... you must give the builder the opportunity to rectify

How long will the process take?

In our experience 3 to 12 months depending on the severity of the issues.

Evidence Supporting the Complaint

To make a complaint the following will be needed:-

- Full back ground statement of details (write a letter)
- Pictures (provide lots of pictures)
- A copy of a recent Rates Notice (to prove ownership)
- A copy of your Purchase Contract (to prove ownership)

Who makes the complaint?

Relates to Common Property	By the Body Corporate
Relates to Individual Unit Issues Only	By the unit owner



TIPS

- Talk to the builder as soon as possible (don't wait until the very end to talk to the builder)
- Do not try fix things yourself because that will usually mean the disqualification of the claim
- Write down as much information as possible – send a copy to the builder – what you send the builder does not need to be 'perfect' – it is better just to send through in a timely manner even if that means sending the information multiple times
- Take pictures and put rulers in the pictures if there are cracks – send a copy to the builder
- Read and understand the QBCC's Standards and Tolerances guide
- Telephone QBCC and talk through the rectification issue you have – talk to them about the Standards and Tolerances Guide
- Ensure you can find your latest Rates Notice and Purchase Contract
- Remember time frames – if you miss a deadline then it is too late