

Pre-Handover Checklist

The Pre-Handover Checklist needs to be completed jointly by all of the parties to the contract: the owner (or owners) and the builder (or his or her nominated representative). The purpose of the document is to ensure that all the parties examine the building project both internally and externally together, and that they jointly identify and record all matters which may require completion or rectification.

The clients are thus able to raise issues with the builder on all items that they feel come within the description “incomplete or defective materials or work supplied by the builder under the contract”. The builder then has an opportunity to discuss these claims/requests with the owners and to express his or her contrary views whenever he or she is of the opinion that an item is outside the proper scope of that definition.

Any one of the parties who is unable to be present should authorise, in writing, a delegated person to act on his or her behalf. That delegated person must then participate in the joint inspection and sign the lists.

The purpose of the collaborative meeting is, ideally, to agree on the extent of work that the builder must still carry out before achieving completion. If there remain any item or items on which no agreement can be reached, those items should be marked accordingly on the list. All parties should be aware that the Building Commission and its staff, in collaboration with Consumer Affairs Victoria and the relevant building associations, have published an important document. It is titled “Guide to Standards and Tolerances 2007”. Reference to this Guide may assist the parties in achieving agreed outcomes about some of the contested items.

The completed checklist must be copied, and each page of both sets signed and dated by all parties before leaving the inspection. As soon as practicable, the builder must provide the clients with a written advice of a realistic completion date for the whole of the agreed work on the list.

The builder acknowledges that he or she is not entitled to request, demand or to receive the final payment – or any part of the final payment – until that work has been satisfactorily completed. The client must acknowledge that upon such satisfactory completion there is no justification for delaying or failing to pay the builder any of the monies then outstanding under the building contract, including any outstanding monies relating to agreed variations.

Clients need to appreciate that any additional items to those on the list prepared and signed at the joint meeting should no longer be considered to be relevant to completion or an impediment to the builder’s entitlement to be paid the final claim in full.

However, in so far as these items are defects falling within the builder’s responsibility, the builder has a continuing legal and contractual obligation to rectify them as part of the warranty. In the event that a builder fails or refuses to comply with any of these obligations, home-owners have a number of avenues for obtaining advice, assistance and redress. These include the Building Advice and Conciliation service (BACV) of Consumer Affairs Victoria; advisory and complaints services within the Building Commission, as well as the various dispute resolution methods that are more generally available.