



Quiz

Residential Construction Defects

1. When is 'completion' as defined under the first limb of section 3B of the *Home Building Act 1989* (NSW)?
 - a. When there are no outstanding defects, except for minor items
 - b. When the building can be put to its intended use
 - c. However the relevant building contract defines the same
 - d. When the works can be declared to be 'practically complete'
2. What is the statutory warranty period for major residential building defect claims?
 - a. 7 years
 - b. 6 years
 - c. 2 years
 - d. 10 years
3. Which of the following is typically the most likely avenue for a successful claim against a builder for defective work?
 - a. A claim in misleading and deceptive conduct
 - b. A claim in negligence
 - c. A claim in contract
 - d. A claim under the *Home Building Act* statutory warranties

4. When does a new building contract need to be entered into for rectification of defective building works?
 - a. All building contracts and all insurance contracts must extend to any building work done by way of rectification of the original work in accordance with Section 92 of the *Home Building Act*
 - b. A new contract is usually required if the defect is in the nature of a design defect or an issue with the scope of the works
 - c. A new contract is never required unless the original building contract does not contemplate a scope of work that is rectification works
 - d. A new building contract is only required if the limitation period under the original contract is nearing expiry.

5. How does the position in Victoria differ from the NSW in relation to residential building contracts?
 - a. The statutory warranties that get implied into NSW contracts do not apply to Victorian contracts as per the *Domestic Building Contracts Act 1995* (Vic)
 - b. The limitation period in relation to rectification works in Victoria is 10 years from the date of practical completion
 - c. The limitation period in Victoria in relation to rectification works is 10 years from the date of an issuance of an occupation certificate or a certificate for completion of works
 - d. A claim in negligence for defective works has a 10 year limitation period in Victoria

Answers:

1. C 2. B 3. D 4. B 5. C