

Implied warranties and defects

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The Building Act sets out implied warranties to protect your residential building work - whether you have a contract or not.

All residential building work is covered by implied warranties. They apply:

- for up to 10 years regardless of whether you have a written contract or what the contract terms are
- regardless of the cost of your building project.



Implied warranties are automatic and cover almost all aspects of building work from compliance with the Building Code to good workmanship and timely completion of building work. A breach of these warranties is a breach of the contract.

To activate the implied warranties, you must take any dispute you have with defects or workmanship to court, and prove loss or damage as a result.

[Activating your consumer rights](https://www.building.govt.nz/resolving-problems/resolution-options/activate-your-consumer-rights)

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has more information about activating your implied warranties, consumer guarantees and resolving problems under the Construction Contracts Act.

What the implied warranties cover

The implied warranties are:

- All building work will be done properly, competently and according to the plans and specifications in your approved consent.
- All the materials used will be suitable and, unless otherwise stated in the contract, new.
- The building work will be consistent with the Building Act and the Building Code.
- The building work will be carried out with reasonable care and skill, and completed within the time specified or a reasonable time if no time is stated.
- The home will be suitable for occupation at the end of the work.
- If the contract states any particular outcome and the homeowner relies on the skill and judgement of the contractor to achieve it, the building work and the materials will be fit for purpose and be of a nature and quality suitable to achieve that result.

These warranties apply automatically to all contracts for building work on a residential house, whether written or verbal.

For example, if your builder substitutes lower-quality wallboard than specified in the building plans without having your agreement, and this causes damage to the property, this breaches your written or verbal contract.

Building with the warranties in mind

Any materials that are not new or are being recycled should be specified in your contract with the main contractor. This is usually your builder.

This can be particularly challenging if you are renovating, as you may need to use recycled items to match features, finish or measurements (for example, floor or skirting boards).

If you or your builder decides to use different materials than specified in the plans, you will need to advise your council as the changes are likely variations to the approved consent. You will also need to agree and sign the changes in your contract.

Your builder needs to make sure all the subcontractors can do their job. Warranties for subcontractors are covered in the contract with your builder.

Repairing defects

As well as the implied warranties, there is a 12-month defect repair period. If any defects in the building work emerge within 12 months of the completed build date, your builder has an obligation to fix them.

To help you understand what is a defect and what is not, we created a Guide to tolerances, materials and workmanship in new residential construction.

It covers aesthetic issues in new builds and renovations. You and your builder can refer to the guide to resolve any disputes.

You can also refer to it to understand acceptable qualities of building work.

[How to identify defects](https://www.building.govt.nz/projects-and-consents/sign-off-and-maintenance/completing-your-project/how-to-identify-defects)

(<https://www.building.govt.nz/projects-and-consents/sign-off-and-maintenance/completing-your-project/how-to-identify-defects>).

has information about the guide.

When the warranties are breached

Most breaches can be resolved through the simple negotiation process set out in your contract.

If your contractor does not fix the breach within a reasonable timeframe, seek legal advice as you may be able to have another tradesperson repair the work and you pay the costs.

If the warranties are breached and the building will not be safe for occupants or lacks the expected quality set out in the contract, your contractor may have to pay you for the loss of value to your home. Alternatively they might have to re-reimburse you for their faulty building work.

You may also have the option to cancel your contract, though you should seek legal advice.

You can take the tradesperson to district or high court. To be successful in court, you will have to show you have suffered loss or damage as a result of the actions of the tradesperson. The court can award you compensation for the breach.

[Resolving problems](https://www.building.govt.nz/resolving-problems)(<https://www.building.govt.nz/resolving-problems>) has more information about disputes with contractors.

Keep any documentation

You should keep copies of your contract as well as other building document for your own reference, as well as future buyers.

If workmanship defects appear at a later date, there will be a paper trail to see who may be responsible. The warranties may still apply if it is within the 10-year time frame.

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- with a Weathertight Services claim, it is published under section 12 of the Weathertight Homes Resolution Services Act 2006.