

Everything You Should Know: Construction Contract Disputes

Construction contract disputes may hinder progress, affect owner-builder relations, deteriorate the quality of work, and may render a huge waste in time and money. Contracts are essential to your building project. Knowing that construction contract disputes may arise would help you complete your work properly, anticipate and avoid legal consequences in the future.

Causes and Cases of Contract Disputes

Below are examples of major issues that lead to contract disputes.

1. Vague or Ambiguous Contract

It is important to write a contract that is concise and has clear terms and conditions. Having a contract that cannot be easily read or understood may lead to major building disputes. For example, clauses or terms that have double meaning and are not clearly defined in the contract cause misinterpretation and often lead to contract disputes. That's why you should always check back on your agreements with the other party and make sure you are both on the same page before finalising your contract.

2. Breach of Contract

If a builder, subcontractor or any party to the contract fails to comply with their obligations as described in the contract, then the other party will most likely file a complaint. This could be due to failure to perform within the specified timeframe, or failure to adhere to plans and other specifications in the contract.

**You Can Be Confident That You Are Getting
The Right Legal Advice.**

Contracts Specialist Is A Sydney-Based Construction Law Firm That Deals With Building Disputes, Construction Contracts, Debt Recovery, And Security Of Payment. With Contracts Specialist, You Are Ensured That You Are In Good Hands.

3. No Dispute Resolution Provisions

If a builder, subcontractor or any party to the contract fails to comply with their obligations as described in the contract, then the other party will most likely file a complaint. This could be due to failure to perform within the specified timeframe, or failure to adhere to plans and other specifications in the contract.

4. Claims Errors and other Variations in Contract

A claim is a written demand by one of the parties to the contract seeking payment, adjustments in contract and other concerns. Other variations to contract obligations made along the way, especially when it comes to costs and expenses, may also cause disputes in the future even when a building project is finished.

5. Claims Errors and other Variations in Contract

A claim is a written demand by one of the parties to the contract seeking payment, adjustments in contract and other concerns. Other variations to contract obligations made along the way, especially when it comes to costs and expenses, may also cause disputes in the future even when a building project is finished.

6. Other Cases of Contract Disputes

Always remember that having a good contract is essential before starting a building project. A construction lawyer can help you all throughout the entire process, starting with drafting your initial contract until enforcing your legal rights. Here are a few examples of cases pertaining to contract disputes.

- **Sample Case 1:**

A builder claimed that they were a licensed builder and could operate on a home building project with a contract that exceeds \$500,000. After the building project was done, the homeowner and a building consultant found out that the builder was unlicensed and could only work to a maximum value of \$6,000, but had already received \$300,000 as payment for their work.

**You Can Be Confident That You Are Getting
The Right Legal Advice.**

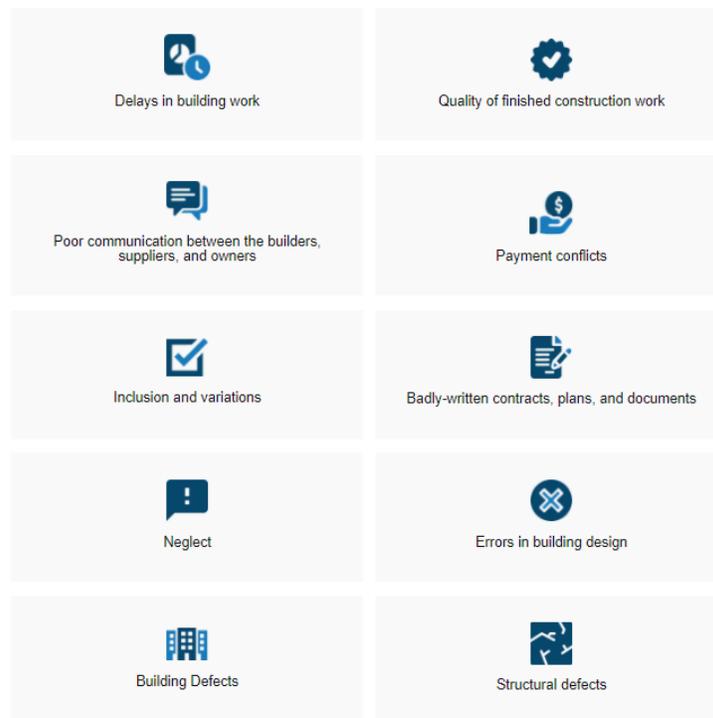
Contracts Specialist Is A Sydney-Based Construction Law Firm That Deals With Building Disputes, Construction Contracts, Debt Recovery, And Security Of Payment. With Contracts Specialist, You Are Ensured That You Are In Good Hands.

The homeowner has lost a significant amount of money, has trouble locating the builder, and cannot recover the money. This could have been easily prevented if the contract between the homeowner and the builder is compliant with construction laws.

- **Sample Case 2:**

A contract was both agreed upon by the homeowner and the builder. Along the way, they both changed some terms in the contract and accepted those changes. When the project was completed, the homeowners were happy with the outcome of the work and the builder's performance. However, the homeowner noticed and did not like the balustrades that were built. The homeowners sought a refund of the variation amount, and insisted that those were different from the contract. The builder argued that the homeowner shouldn't be entitled to a refund since there was no loss of amenity. Nevertheless, the case was resolved and the homeowners won and got the requested refund.

Having a well crafted written contract will help you avoid or identify problems early in the project and resolve building disputes later on. Some examples of building disputes are:



**You Can Be Confident That You Are Getting
The Right Legal Advice.**

Contracts Specialist Is A Sydney-Based Construction Law Firm That Deals With Building Disputes, Construction Contracts, Debt Recovery, And Security Of Payment. With Contracts Specialist, You Are Ensured That You Are In Good Hands.

Contract Clauses That You Should Always Be Aware Of

What you write in your construction contract is really important because it is legally binding to all parties. When it comes to avoiding contract disputes, you should always be aware of the clauses and terms that are included in your contract. Before starting your building project, make sure that the contract includes the following.

- Statute of Limitations Clause
- Time of Performance Clause
- Termination Clause
- Variation Clause
- Payment Clause
- Dispute Resolution

To know more details on important construction clauses that you should now, read here.

Resolving Contract Disputes and Prevention

Nobody likes disputes, especially when it's taking most of your time and money. However, some disputes are unavoidable. The best way to deal with them is to be proactive in checking the possible cause/s of the dispute based on your contract and having a plan to resolve it.

Here are some methods that you can use in resolving disputes:

- Conciliation
- Mediation
- Arbitration
- Litigation

In preventing disputes, these known methods in your contract are important. You can also include the following clauses in the contract to identify possible disputes and quickly resolve them, or to obtain compensation for damages and losses.

**You Can Be Confident That You Are Getting
The Right Legal Advice.**

Contracts Specialist Is A Sydney-Based Construction Law Firm That Deals With Building Disputes, Construction Contracts, Debt Recovery, And Security Of Payment. With Contracts Specialist, You Are Ensured That You Are In Good Hands.

- Dispute Avoidance Processes (DAP)
- Building Inspections
- Building Insurance
- Building Warranties

If you are unable to resolve the dispute through the methods provided in the contract, there are two governing bodies in Victoria that handle building dispute resolutions. They are The Victorian Civil and Administrative Tribunal (VCAT) and the Domestic Building Dispute Resolution Victoria (DBDRV). If you want to read more about the resolution processes in contract disputes, [click here](#).

Need Help?

Our construction lawyer can help you draft your contract in accordance with construction laws, specify contract dispute clauses, or help you in dispute resolutions and make sure your legal rights are enforced.

**You Can Be Confident That You Are Getting
The Right Legal Advice.**

Contracts Specialist Is A Sydney-Based Construction Law Firm That Deals With Building Disputes, Construction Contracts, Debt Recovery, And Security Of Payment. With Contracts Specialist, You Are Ensured That You Are In Good Hands.