

## Statutory Warranties in Construction Works

When it comes to construction work, an implied warranty or “statutory warranty” is an assurance made by the builder to the owner that the works carried out are of quality and meet a certain standard. The Building Act 1993 (VIC) (Building Act) and the Domestic Building Contracts Act 1995 (VIC) (DBCA) provide for the statutory warranties that aim to protect the owners by making sure that the building contractor uses good workmanship, delivers everything listed in the contract, and ensures everything is in working order.

If a builder fails to do their obligations set in the contract and meet the standards required by law, then action can be brought against them.

Construction Lawyers Melbourne has helped many builders and homeowners when it comes to building disputes and breach of statutory warranties. But first let’s take a look at more information surrounding statutory warranties.

### What Do Statutory Warranties Require?

Statutory warranties apply to all building work. Under the Building Act and the DBCA or often referred to as ‘Section 8’ warranties, statutory warranties that builders should adhere to are:

- Carry out work in a workman-like manner, and within plans and specifications in the contract.
- Ensure materials are good and suitable for the purpose. Materials should be new unless otherwise stated in the contract (e.g. salvaged or antique wood).
- Carry out work in accordance with all laws and other legal requirements, including the Building Act.
- Carry out the work with reasonable care and skill, and complete works by the date or within the period specified in the contract.
- Ensure that the property is suitable for occupation when completed.
- Ensure that the work carried out and the material used are fit for the intended purpose.

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The above warranties are also tied to the land. If the work is completed and the land was sold, the new owner will be protected by the same warranties.

## Time Limits

Defects and issues may arise following or during work, and actions can be brought up for breaching statutory warranties. The Building Act states that within 10 years after completion of work or after issuance of occupancy permits and final inspection, any action should be brought up in a court or tribunal.

Most building dispute claims are brought up before the Victorian Civil and Administrative Tribunal (VCAT). A prerequisite of this is an application to the Domestic Building Disputes Resolution Victoria (DBDRV), which is a process to resolve the matter through discussion between all parties to the contract. If the dispute remains unresolved, the DBDRV issues a certificate and allows you to proceed to VCAT. The DBDRV process must be completed within the 10-year time limit.

If you want to learn more about VCAT, DBDRV and the building dispute resolution process, [click here](#).

## Insurance and Coverage

When it comes to time limits, you should also consider the time period provided in the Domestic Building Insurance policy. Previously known as 'builders warranty insurance', you must take out this insurance for any work done that has exceeded \$16,000. The Domestic Building Insurance policy also runs with the land and protects owners or subsequent purchasers. It has a coverage of up to \$300,000.

The policy covers a period of 6 years for structural defects and 2 years for non-structural defects. It also provides cover for claims in case the builder dies, becomes insolvent, or fails to comply with a tribunal or court order.

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## How we can help

If you want to know more about statutory warranties or get advice on how it affects or benefits you, contact Construction Lawyer Melbourne. We can definitely help you. First consultation is free, so don't wait and call now.

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