

Clients and problems that may occur

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If your client is a homeowner, it's important to remember they probably don't have a lot of experience with the building process. Most homeowners will only ever do one significant building project. They often come to it with limited understanding, high expectations, other priorities and significant financial commitment.

If you are working on a multi-unit building be clear about who your client is or how the owners will collectively make decisions. There can be different title types (for example, single title, unit title, strata title, cross lease, fee-simple, company share).

If your day to day dealings are with a project manager, be sure to document changes and items that the building owner or owners need to know. Ideally, contracts should set out these lines of communication.

If you are a sub-contractor and your client is the main contractor on a project, they will be juggling many factors including their own clients. It's important that you understand your role from the outset and keep the main contractor informed of your progress or any problems.

Many complaints and disputes result from misunderstandings, such as:

- the terms agreed in the contract or not having a contract
- the level of quality and finish for the agreed money
- the size or complexity of the job
- unforeseen circumstances (for example, additional work or delays)
- the cost of making changes
- when payments are due.

You can help your client by documenting as much information as possible at the beginning and during the building process, checking with them that they understand. You can also direct them to information that will help them understand the process, which will help you.

You need to give them your disclosure statement and the prescribed checklist if they ask for it or if the project will cost more than \$30,000 including GST. You could give it to them anyway.

[Consumer protection - disclosure and checklist \(https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/consumer-protection-disclosure-and-checklist/\)](https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/consumer-protection-disclosure-and-checklist/) has more information.

If you have concerns at any stage of the project, start by discussing them with the client directly (that means the main contractor if you are a sub-contractor).

[Getting started \(https://www.building.govt.nz/getting-started/\)](https://www.building.govt.nz/getting-started/) includes information about homeowner rights and obligations, and might be a good place to direct your clients.

Keep them informed as the design or build work you are doing for them progresses, and let them know when anything needs to be done differently to the plans.

It's a good idea to talk your client through initial and final plans or walk them through the build after each milestone to show them progress. On a build you can check the quality of the work at the same time and address any questions.

It will be much easier (and more time and cost effective) to discuss issues and repair any defective work or products as you go. If you wait until the end of the project, you may have to leave work on other projects to come back and fix something.

Problems can occur if the client:

- doesn't do something they are asked to (related to the build). Keep a written record of the details and when you made the request. You could include it in a text or email, or keep a note with the plans (for example, arranging the plumber to turn up on a certain day)
- provides materials for the build that are unwanted, not to specifications or already purchased by the builder. This can lead to arguments. The builder may be

out of pocket. If something goes wrong and it needs to be fixed or replaced, the builder's guarantee may not cover it

- visits you on site. Remember your obligations under the Health and Safety in Employment Act 1992. You need to take care so that visitors aren't harmed by any hazards in the workplace that you control
- doesn't pay, or the payment is late (a payment schedule should be included in any contract)
- holds out on the final payment even after everything has been signed off and faults rectified (this may be a breach of contract)
- lacks understanding or appreciation of the complexity of a build
- has unrealistic expectations (for example, asks the builder to install cheaper products and is disappointed when they aren't as effective)
- doesn't like the finished build, or some part of it, even though it is built to the specifications (this might mean the client has misunderstood the plans, specifications or contract documentation and made incorrect assumptions about the build)
- wants you to fix or replace something faulty, broken or badly built. If you are the main contractor you will need to organise the repair of anything faulty for the homeowner. You are also responsible for the work done by your subcontractors, so make sure you keep an eye on the quality of their work. Use our Guide to tolerances, materials and workmanship if you're unsure.

[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/) includes our Guide to tolerances, materials and workmanship.

[Implied warranties and defects \(https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/IMPLIED-warranties-and-defects/\)](https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/IMPLIED-warranties-and-defects/) explains protections in place if defects arise in the building work once your project has been completed.

If you have a contract with your client, you could refer to that for any relevant information.

[Construction Contracts Act \(https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/construction-contracts-act-2002/\)](https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/construction-contracts-act-2002/) can help if your contract is insufficient or you don't have one.

[Resolution options \(https://www.building.govt.nz/resolving-problems/resolution-options/\)](https://www.building.govt.nz/resolving-problems/resolution-options/) includes more information about how to resolve problems.



New Zealand Government

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