Housing contract now free

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IF YOU'RE A CONTRACTOR, YOU MUST PROVIDE A WRITTEN CONTRACT FOR RESIDENTIAL BUILDING WORK COSTING $30,000 OR MORE (GST INCLUSIVE). THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT (MBIE) RECOMMENDS YOU HAVE A CONTRACT, EVEN IF THE WORK WILL COST LESS THAN $30,000 SO EVERYONE HAS AN UNDERSTANDING OF OBLIGATIONS, REQUIREMENTS AND EXPECTATIONS. IT HELPS TO PROTECT BOTH YOU AND YOUR CLIENT, AND CAN MAKE YOUR LIFE A LOT EASIER IF DISPUTES ARISE IN THE FUTURE.



Since January 1st 2015, under Part 4A of the Building Act 2004, it has been mandatory to have a written contract with your client for all residential building work that costs $30,000 (including GST) or more. This does not apply to subcontracts between a main contractor and a subcontractor.

FREE ONLINE CONTRACT

NZS 3902:2004 is a standard building contract you can use for clients who engage you to build their house, or to do simple building work or alterations.

MBIE has sponsored NZS 3902:2004 so that anyone can download this contract for free from the Standards New Zealand website and comply with the mandatory contracting provisions.

Although this contract is expected to be used mainly for house construction, it can also be used without amendment for other small building works.

MEETS REQUIREMENTS AND HELPFUL IF DISAGREEMENT OCCURS

Using NZS 3902:2004 will also ensure the terms of your contract with the client meet the minimum requirements set out in Part 4A of the Building Act 2004 (which requires a written contract as noted above).

Know your stuff: Consumer protection (https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-73/know-your-stuff-consumer-protection/) has further information on your other obligations.

Disagreements can happen during construction. If they do, NZS 3902:2004 sets out a disputes resolution process that may help you reach a solution. You may also consider getting legal advice when dealing with disputes.

SOMETIMES A DIFFERENT CONTRACT IS NEEDED

While NZS 3902:2004 is useful, it is not appropriate for all situations, and you may need to either seek advice or use other standard contracts that are better suited.

You can also prepare or have a lawyer prepare a contract for you, or the client (or their agent or designer) may propose using some other standard contract (such as NZS 3916:2013 **Conditions of contract for building and civil engineering – Design and construct).**

NZS 3902:2004 Housing, alterations and small buildings contract (https://www.standards.govt.nz/sponsored-standards/building-standards/) can be freely downloaded on the Standards New Zealand website. You can also purchase NZS 3902:2004 as hard copy or an online library subscription.

NZS3916:2013 Conditions of contract for building and civil engineering – Design and construct (https://www.standards.govt.nz/touchstone/building/2013/nov/nzs-3916-conditions-of-contract-for-building-and-civil-engineering-design-and-construct/) can be purchased on the Standards New Zealand website.

Contractors: Do your homework (https://www.building.govt.nz/getting-started/your-rights-and-obligations/builder-and-designer-rights-and-obligations/contractors-do-your-homework/) has further information on consumer protection measures if you're doing residential building work.



1. **When did it become mandatory for building contractors to provide a written contract for work that costs $30,000 (including GST) or more?**
   a. 1 January 2004
   b. 1 January 2015
   c. 1 January 2012

2. **Who is responsible for ensuring there is a written contract for work that costs $30,000 (including GST) or more?**
   a. The client
   b. The local council
   c. The building contractor (which might be you as the LBP)

3. **Where can you download NZS 3902:2004 free of charge?**
   a. From the LBP website
   b. From the New Zealand Standards website
   c. From the Building Performance website

CHECK YOUR ANSWERS HERE - https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-83/housing-contract-now-free/quiz-answers/



NZS 3902:2004 Housing, alterations and small buildings contract (https://www.standards.govt.nz/sponsored-standards/building-standards/)

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