

Handover

A home reaches practical completion or is ready for handover when all the building work is done and the property owner can move in.

It must be 'suitable for occupation', meaning it functions as a normal home, has power and water, and is weatherproof.

The house or work done for a renovation can still have some outstanding items, such as painting touch-ups, but must not include any major defects.

This is also the point where the property owner will make the final payment.

Before handover

The builder should tell the client 2 to 3 weeks before they expect to do the handover.

They will provide the property owner with a notice at least 5 business days before practical completion.

Pre-handover inspection

We suggest arranging an on-site inspection between the contractor and the property owner, perhaps a week before the date nominated for the handover inspection. This gives you a final opportunity to address any remaining issues before handover.

Final payment

The contractor can ask for final payment once they reach practical completion. The contractor will need to let the property owner know at least 2 to 3 weeks before the date.

Some contracts require the contractor to provide all certificates of inspection (including the final certificate) before receiving the final payment.

On smaller jobs, the contractor can ask for payment when all work is complete.

Again, it must follow the [contract](#), plans and specifications, and comply with the relevant statutory requirements.

On handover day

Documentation

The contractor should give the owner copies of any outstanding documentation such as:

- the practical completion certificate (for a new home)
- certificates of inspection
- product warranties for appliances installed (if there are any issues with appliances after handover, the property owner should contact the product supplier, not the contractor)
- reports, notices or other documentation issued by service providers (e.g. electricity, gas, telephone, water or sewerage).

We recommend that the contractor provides the property owner with all certificates of inspection (including, where appropriate, the final certificate) before receiving the final payment. This can also be a mandatory requirement of the contract, so be sure to know the contract conditions.

A property owner can engage the services of a building inspector to go through the building work on their behalf.

Inspection

The contractor and property owners walk through the property and complete the defects document during the handover inspection.

Defects document

The defects document lists the minor defects and minor omissions that both the contractor and the property owner agree to. It must:

- state when the contractor will attend to the matters
- separately list minor defects or minor omissions that only the property owner believes exist
- be signed by the property owner and the contractor. Or, if the contractor has signed it, they need to make reasonable efforts to have the owner sign it.

Fixing items listed on the defects document

The contractor will need to fix any minor defects or omissions that they note at handover as soon as practical, with the property owner providing reasonable access to the site. The contract may provide a specific timeframe for this.

If any other defects are discovered after that time, the property owner should send the contractor a written list. The contractor and property owner should keep copies of all correspondence for their records.

A contractor must repair any defects noticed at handover or within 12 months of when the work is finished. The property owner must notify the contractor of any such defects within 12 months of when they notice them.