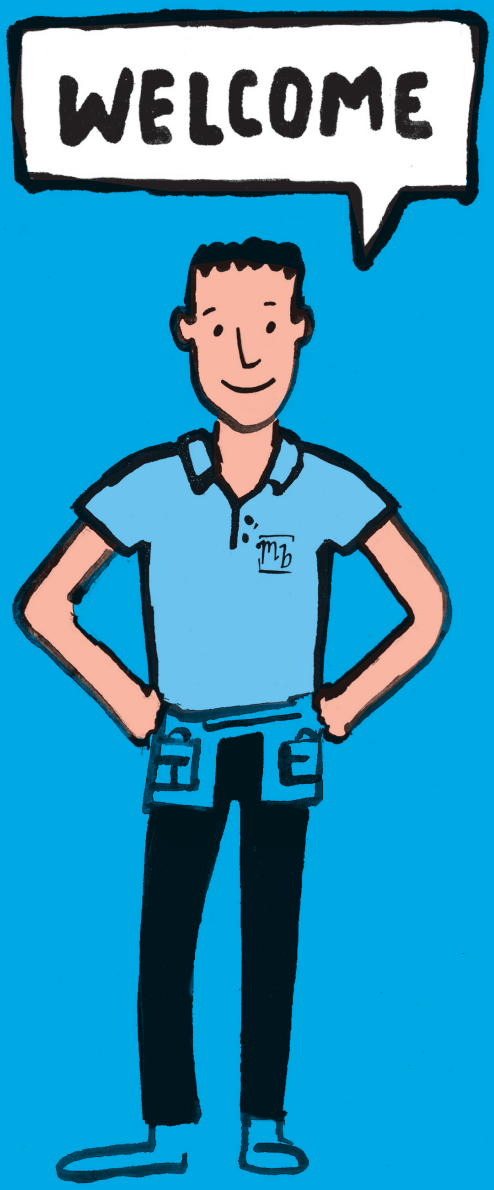
MASTER BUILD SERVICES

Your Master Build 10-Year Guarantee

Protecting your biggest investment



Terms and conditions

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Disclosure information

There is debate and uncertainty as to if and when the Consumer Guarantees Act 1993 remedies apply to building work, and if and when the Fair Trading Act 1986 "extended warranty agreement" provisions apply to building guarantees. In any event, the Master Build 10-Year Guarantee does not impact on the types of remedies provided by that legislation. The purpose of the Master Build 10-Year Guarantee is that you have a third party, MBS, standing behind the builder's obligations.

Your rights as a consumer

The Consumer Guarantees Act 1993 guarantees you the following:

- Services are carried out with reasonable skill and care
- Services are fit for purpose
- Services are carried out in a reasonable time
- Services are charged for at a reasonable price
- Products are of acceptable quality
- Products are fit for the purpose represented
- Products match the description given
- Products arrive on time and in good condition.

Your right to cancel

You may cancel your Master Build 10-Year Guarantee within 5 working days of receiving confirmation of Acceptance of the Guarantee, by giving notice to MBS. In the event of cancellation, the purchase price of the Guarantee will be refunded by MBS, and any cancellation refund made by MBS will be made to the person that made payment of the Guarantee purchase price to MBS. Notice of cancellation should set out your name, the address of the Property, the Guarantee Number and clearly state that you wish to thereby cancel the Guarantee. The notice of cancellation must be sent to:

- Master Build Services Limited, PO Box 1796, Wellington 6140; or
- help@masterbuilder.org.nz

Depending on the Contract Price in the Building Contract, the purchase price of the Guarantee varies from $730 – $6,325 and each Guarantee provides varying levels of cover over 10 years from Acceptance of the Guarantee.

All of the terms and conditions of the Master Build Guarantee and all rights and obligations of both you and MBS are set out in this Guarantee document.

Your new build or renovation needs the protection of a Guarantee

Building a house or undertaking a major renovation is probably the biggest investment of your lifetime – the Master Build 10-Year Guarantee helps protect it.

Our Guarantee is New Zealand's leading and longest standing building guarantee. It has been developed in New Zealand for New Zealand homes, and is only available from a Registered Master Builder.

Over the past decade we have protected more than 105,000 families. This represents $46 billion worth of property.

Your builder will tell you about the Master Build 10-Year Guarantee so you can decide whether you would like to take advantage of the protection the Guarantee has to offer.

Make sure you read this document carefully. It includes your obligations as owner and outlines what the Guarantee covers and also what is not covered by the Guarantee.

"Once again, thank you for sorting all this out for us as it has been a very stressful process. We met today with our new builder to start the second part of the process so it is an amazing feeling to have things finally moving in the right direction."
– Brendon Bellamy

"Many thanks for your speed and efficiency."
– Naven Pillay

"Thank you so much for everything you have done for us so far. We appreciate beyond words how helpful and responsive you have been. Thank you so much for making this experience a good one for us!"
– Natalie McKee

Cover to suit every type of build

A Master Build 10-Year Guarantee protects you through the building process, and for the next 10 years. It provides much greater protection than both the Building Act and Consumer Guarantees Act.

While the vast majority of building projects will run smoothly, sometimes things do go wrong. The Guarantee provides protection when these issues arise. It may also be that your builder is no longer working as a builder in 10 years' time. The Guarantee is there to protect your investment.

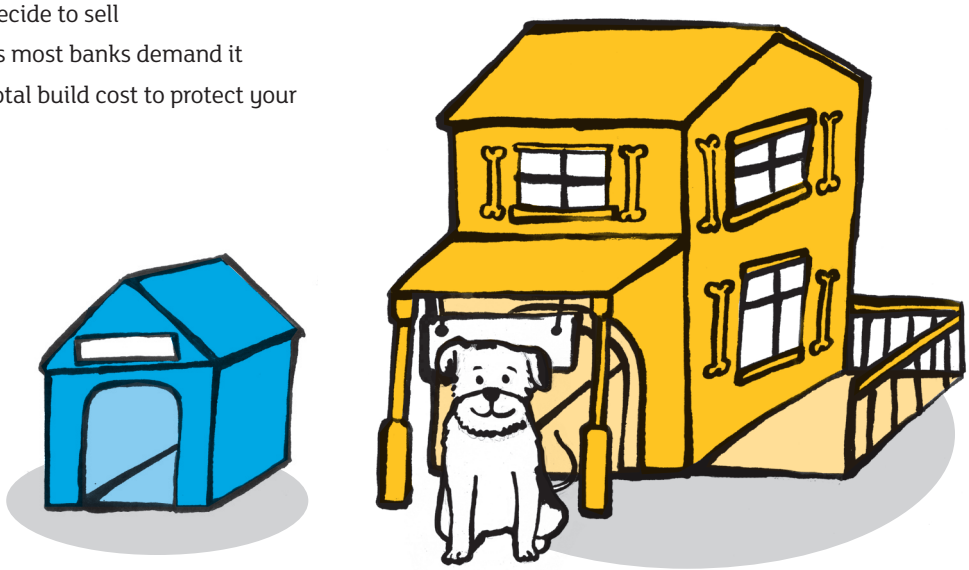
Regardless of what happens in the future, Registered Master Builders will be there to help you for the next 10 years – it's the best protection on the market.

If your building project is a multi-unit development we have a Guarantee tailored specifically for your project. Check out the Multi-Unit Master Build 10-Year Guarantee. Make sure you apply for the correct type of Guarantee – you'll only have cover for a multi-unit development if you've applied for a guarantee that specifically covers that work.

Benefits

The protection provided by our Guarantee not only gives you peace of mind – it also makes good financial sense:

- If something does go wrong with your build, your Guarantee kicks in and we will step in to help you get your home finished to the highest standard or pay you a cash settlement to enable you to do so
- It adds value to your property
- It's fully transferable if you decide to sell
- It helps finance your build, as most banks demand it
- It costs less than 1% of the total build cost to protect your biggest investment.



How much cover do I need?

Our Guarantee is flexible and can be tailored to your needs.

The tiered pricing structure means you get the right level of protection for your build based on the value of your Building Contract. Plus, you have the option of opting out of cover for Loss of Deposit and Non-Completion.

Cover is for Building Contracts valued at between $30,000 and $4,000,000. Building work under $30,000 and over $4,000,000 is not covered by the Master Build Guarantee.

You and your builder need to ensure the completed documents are sent through to MBS, along with the applicable fee, in the required timeframes. If you haven't heard from us within 14 days please contact us on 0800 762 328.

What does it cost?

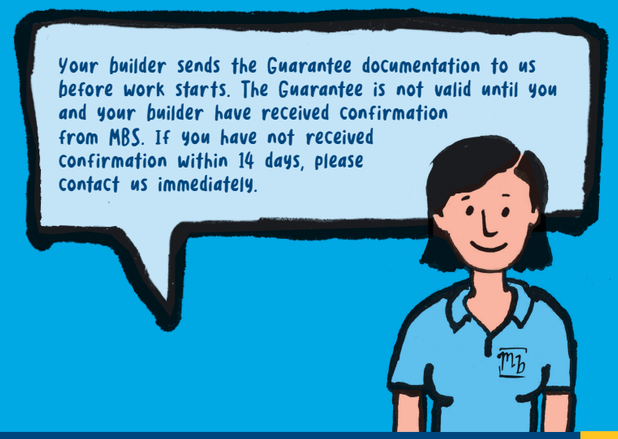
Generally, the cost of a Guarantee is less than 1% of the total build or renovation cost.

Value of Building Contract (inc. GST)	Full cover (inc. GST)	Opting out of Loss of Deposit and Non-Completion covers (inc. GST)
$30,000 - $200,000	$910	$730
$200,001 - $400,000	$1,575	$1,270
$400,001 - $600,000	$1,875	$1,515
$600,001 - $800,000	$2,120	$1,700
$800,001 - $1,000,000	$2,360	$1,875
$1,000,001 - $1,500,000	$2,665	$2,120
$1,500,001 - $2,000,000	$3,330	$2,665
$2,000,001 - $2,500,000	$3,850	$3,300
$2,500,001 - $3,000,000	$4,675	$3,850
$3,000,001 - $3,500,000	$5,500	$4,675
$3,500,001 - $4,000,000	$6,325	$5,500

Transferring the Guarantee

The cost of transferring the Guarantee when you sell your home is $400.00 (including GST). The first transfer of the Guarantee from the developer to the owner is free.

The Guarantee at a glance



If you **don't want the** protection of the Master Build Guarantee you must sign a waiver form at the time you sign your Building Contract – the waiver form must be submitted to MBS before work commences

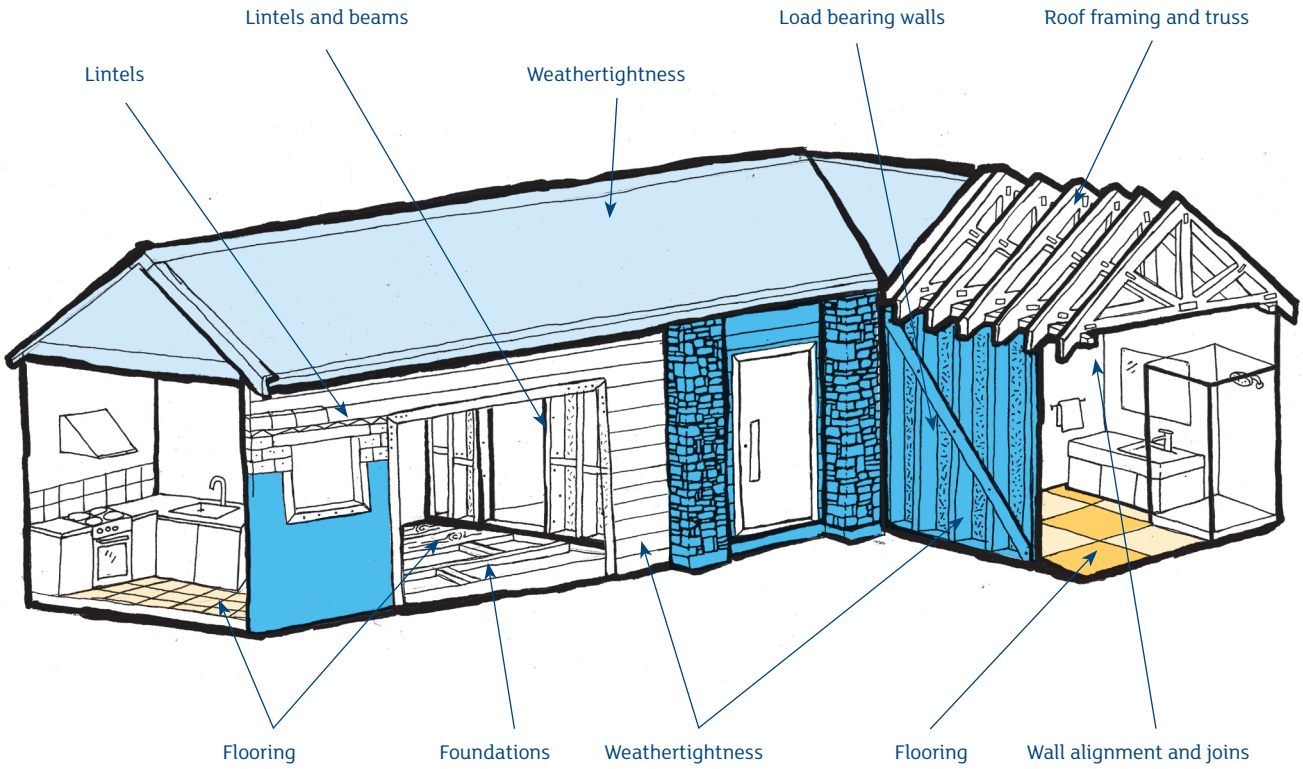
You can **opt out** of Loss of Deposit and Non-Completion cover – you must do so when you apply for your Guarantee

Building stages	Cover timeframes	How much are you covered for?	How does the Guarantee compare with New Zealand legislation?
Before building work begins			
Send in your Guarantee Application and fee	You must apply before building work starts		
Guarantee Acceptance: we let you know your Guarantee has been Accepted	The Master Build 10-Year Guarantee starts now.		
Loss of Deposit	You are covered until building work starts	**$50,000** or **10%** of the value of the Building Contract – whichever is less	✕ No protection!
While building work is under way			
Non-Completion (includes remedial work)	You are covered until building work is completed	**$500,000** or **20%** of the value of the Building Contract – whichever is less	✕ No protection!
After building work is completed			
Materials and Workmanship	You are covered for 2 years after building work is completed	Total for all claims over the life of the Guarantee: **$1,000,000** or **value of Building Contract**, whichever is less	1 yr **Building Act:** 1 year implied warranty* ? **Consumer Guarantees Act:** Possible limited cover*
Structural defects (including rot and fungal decay)	You are covered for 10 years from Guarantee Acceptance	Total for all claims over the life of the Guarantee: **$1,000,000** or **value of Building Contract**, whichever is less	10 yr **Building Act:** 10 years from completion for specific items* ✕ **Consumer Guarantees Act:** No protection!
Temporary accommodation during remedial work	You are only covered after all building work is completed	**Up to $10,000**	No protection!
Selling your property			
The Guarantee may be transferred to a New Owner multiple times during the life of the Guarantee	Transferring the Guarantee does not extend any of the timeframes above		

*Remedies under the Building Act and Consumer Guarantees Act only apply if the building company is still around.

A closer look at what's covered

After building work is completed, your home will continue to be protected by the Guarantee for 10 years after Acceptance of your Guarantee. Examples of the parts of your home that may be covered are illustrated in the diagram below.



Note: This is an illustration only. Cover will depend on the building elements involved in any claim and the Guarantee terms, including items not covered by the Guarantee (see page 9).

Find out more about:

- Things that aren't covered on page 9
- Materials and Workmanship cover on page 13
- Structural Defects cover on page 15

Your obligations

There are certain timeframes you need to meet under the Terms and Conditions of your Guarantee. Failing to do so could mean that your claim may be declined or your Guarantee may be cancelled, so make sure you take careful note of these.

What has happened:	Tell us within:
You believe you have a claim under Loss of Deposit or Non-Completion	30 days of becoming aware of the problem
You believe you have a claim under Materials and Workmanship or Structural Defects	90 days of becoming aware of the problem
Your builder hasn't completed remedial work within the allocated timeframe	30 days of the date the work was meant to be completed
You wish to transfer the Guarantee to a New Owner	90 days of settlement of your Property
You disagree with our decision to decline your claim or part of your claim	21 days of being advised of our decision

Note that you always need to notify us directly – telling your builder, or an inspector that we have organised, does not count as notifying us.

Other important timeframes

- You need to have received notification from us that your Guarantee has been Accepted **before work starts** so make sure you get your application to us in plenty of time
- Permanent Work needs to start **within 5 months** of Acceptance of your Guarantee
- You must make scheduled payments to your builder **within the agreed terms of your Building Contract**.

Getting permission from us

You also need to be aware of some things that you need permission from us to do, or your claim may be declined or your Guarantee may be cancelled.

You must not:

- make any further payments to your builder or other tradespeople once you have discovered a problem that you are going to make a claim about
- do any work to fix the problem yourself, or engage someone to do it
- cancel your Building Contract or agree to any new terms or variations.

Definitions
used in this document

Definitions

Acceptance The decision by MBS to Accept an application for a Guarantee (see page 22).

Application A completed Guarantee Application Form contained in this Guarantee document, any required further documents and the Application fee (where applicable).

Building Act means the Building Act 2004 (and the regulations pursuant to this Act), and any subsequent amendments or re-enactments or equivalent replacement legislation. Likewise, terms used in this document that arise by reference to the Building Act and that are defined by the Building Act (including "code compliance certificate" and "building code") shall be taken to include any equivalent certificate, form or process, or any equivalent rule or regulation, following such an amendment to or re-enactment or replacement of the Building Act.

Building Contract The written and signed contract between the owner and the Registered Master Builder. It includes the plans and specifications. The Building Contract must be one of the following:

- RBC1 published by RMBA; or
- Standard Conditions of Contract (SCC) or Small Works Contract published by NZIA; or
- A recognised Building Contract approved by MBS for the purpose of the Guarantee.

Contract Price The price (including GST) stated in the Building Contract for the building work to be carried out by your builder (excluding the value of any land or peripherals). The Contract Price as stated on the Guarantee Application cannot be changed once the Guarantee has been Accepted.

The Registered Master Builder must give MBS a written estimate of the price of their labour. This estimate will be deemed to be the Contract Price for the purpose of the Guarantee save where it is established that the actual cost is or will be less than the estimate, in which case the actual cost will be the Contract Price.

Defect An inadequacy or failure as outlined in the cover for Materials and Workmanship (page 13) and the cover for Structural Defects (page 15).

Dwelling means the residential house, flat, apartment, townhouse, unit or building to be constructed in accordance with the Building Contract at the location nominated in this Guarantee Application. A Dwelling is intended to be occupied by not more than one household.

Guarantee The Master Build 10-Year Guarantee provided on these Terms and Conditions.

Leaky Building A building that has been identified as having weathertightness issues, ie, as being or likely to be a building into which water has penetrated as a result of any aspect of the design, construction, or alteration of the building, or materials used in its construction or alteration.

MBS Master Build Services Limited.

Multi-Unit Development A multi-unit is a development, or a series of buildings, that are connected together, whether they are all connected together, or connected in groups of two or more, and the development or series of buildings is intended to include 11 or more dwellings.

Irrespective of whether the works take place in stages, or over separate time periods, or on separate titles, if the development meets the definition above they are a multi-unit development for the purposes of the Master Build Multi-Unit 10-Year Guarantee.

Multi-Unit Guarantee The Master Build Multi-Unit 10-Year Guarantee.

New Owner The person or people named as Transferee(s) in the Request for Transfer form or Request for Reinstatement. Where relevant, this may be the New Owner's authorised agent.

Permanent Work Any completed building work that is fixed and/or permanent (see page 23).

Practical Completion When the building work is completed (see page 24).

Practical Completion Date The deemed Practical Completion Date (see page 24).

Property The land and any building on the land where the building work is being carried out, at the location named in the Application.

Scope of Works A definitive list detailing the building work to be carried out under the Building Contract, including materials where applicable.

Storey A level of a building that is constructed over more than one level (regardless of whether the levels are built directly above or below one another). This can include garages or basements in buildings of more than one level.

What the Guarantee
doesn't cover

Your Guarantee doesn't cover any of these items:

- **Any items on a multi-unit development or where the building work is completed on a labour only basis** (i.e. no cover under the Guarantee at all).
- **Building Contracts valued at under $30,000 or over $4,000,000** (i.e. no cover under the Guarantee at all).
- **Any building work where the building is over three Storeys high** (i.e. no cover under the Guarantee at all).
- **Stacked apartments** – any building that contains one or more apartments over one or more Storeys (i.e. no cover under the Guarantee at all).
- **Connected Dwellings (of two or more).** Where Dwellings are connected together, they must **all** have a Guarantee or none of the Dwellings can be covered by the Guarantee.
- **Any advance payment** you have made to your builder that is not the contract deposit or part of the Schedule of Staged Payments (see page 33), or that we have not given you approval for. This includes:
  - any payment where the value of the work that has been completed is less than the amount you have paid to your builder; or
  - any payment made before it is due; or
  - any cost or loss that happens because of the advance payment.
- **Any work carried out before the Guarantee is Accepted** – there is no retrospective cover under the Guarantee
- **If you are both the owner and the builder** or an associate of the builder (associate has the meaning set out in section 7 of the Construction Contracts Act 2002) (i.e. no cover under the Guarantee at all).
- **Any issue or claim that is covered by insurance** (including contract works insurance, home and contents insurance and/or professional indemnity insurance).
- **Any changes to the Contract Price** – any increase in the Contract Price as it appears on the Guarantee Application will not be covered by the Guarantee.
- **Any consequential damage to your home,** including damage that has happened as a result of a Defect that is part of any claim under your Guarantee.
- **Any consequential loss,** including a loss that has happened because of a Defect that is part of any claim under your Guarantee. Examples of consequential loss include travel expenses and legal costs.
- **Any damage or Defect that you already knew about or should have known about** (including any Defect that could reasonably expected to be discovered during an inspection before you take possession of, or move into your home).
- **Any damage or Defect that is caused by normal wear and tear** (including where the damage or deterioration could reasonably have been avoided by regular inspections and maintenance).
- **Any damage or Defect caused by use of materials outside the intended use or the manufacturer's guidelines** (such as exceeding the weight bearing capacity of walls or incorrect maintenance).
- **Any damage or Defect beyond the reasonable control of your builder** (such as subsidence, erosion or soil movement, condensation, shrinkage, contraction or expansion of any material, and act of God which may include earthquake, cyclone or volcano).
- **Anything that is not your builder's responsibility** (including work, services, materials or chattels that are not part of the Building Contract OR that you have arranged or paid for directly).
- **Any damage or Defect due to errors or omissions in the design work (including plans, specifications and drawings) or engineering work** where the design work or engineering work has been carried out by a third party.
- **Any damage or Defect where you have chosen to use paint colours** in a way that conflicts with the manufacturer's recommendations for the use of that paint.

Your Guarantee doesn't cover any of these items:

- **Where you have chosen to use non-approved materials.** This includes:
  - materials that we believe don't comply with an appropriate Australian or New Zealand Standard
  - secondhand or recycled materials
  - earth or straw based products and materials
  - unpainted exterior cladding (except for brick veneer)
  - colours that have a non-approved light reflective value.
- **Unavoidable aesthetic variance** (such as it not being reasonably practicable to match materials).
- **Items that are not a part of or directly connected to your home** (such as swimming pools, driveways, landscaping, paths, lawns, gardens or fences, civil works, external drainage and retaining walls that are not part of the building's foundation).
- **Commercial buildings** – there is no cover under the Guarantee for a building or part of a building used for commercial purposes.
- **Buildings that have been moved** from their original, permanent Property.
- **Managed labour-only contracts / project managed contracts** (where your builder is managing the building site but does not provide the materials or labour, or where the people carrying out the work are not your builder's sub-contractors or employees).
- **Agreed deviations** (where you and your builder have chosen not to follow the Building Contract, the building consent, or relevant building trade practices and standards during the building work).
- **Where you have changed builders** – the Guarantee only covers building work carried out by the Registered Master Builder named in your Guarantee Application.
- **Claims for Loss of Deposit or Non-Completion** if you have chosen to opt out of these covers in your Guarantee Application.

Before

Cover before your building work is completed

What you are covered for

Loss of Deposit cover protects you if your builder is unable to complete the building work and you lose your deposit.

Non-Completion cover protects you if your builder is unable to complete the building work and you have to pay more than the original contract price to get your building work completed. It can also cover you if remedial work is needed to the work done by your builder so far.

What you are not covered for

If you have chosen to opt out of Loss of Deposit and Non-Completion covers, you are not covered by this part of the Guarantee.

Some things are not covered under the Guarantee – you can read a list of these on page 9.

Read the details of what the Guarantee doesn't cover on page 9.

Period of cover

- Loss of Deposit cover begins on the date of Acceptance and ends when Permanent Work starts under your Building Contract.
- Non-Completion cover begins when Permanent Work starts and ends on the Practical Completion Date.

Read about Acceptance of your Guarantee on page 22.

Read about Permanent Work and Practical Completion on pages 23 and 24.

How much you are covered for

Under your Guarantee you are covered for:

- up to $50,000 or 10% of your Contract Price (whichever is less) for Loss of Deposit
- up to $500,000 or 20% of your Contract Price (whichever is less) for Non-Completion.

Maximum cover under Loss of Deposit is

$50,000.

Maximum cover under Non-Completion is

$500,000.

Who to contact if you want to make a claim

Let us know straight away if you think you might be in a situation where you will lose your deposit, or your builder will not be able to complete your building work.

If you believe you have a claim under Loss of Deposit or Non-Completion cover, you must:

- notify us **no later than 30 days** after the date you became aware of the problem; and
- make a claim on the official claim form **no later than 14 days** after notifying us of the problem; and
- **get written approval** from us before you make **any further payment** to your builder or other tradespeople.

If you don't lodge a claim within 14 days of notifying us of the problem, we do not accept any liability and are not liable for any existing or future claim for the problem you notified us about.

You must tell us within 30 days of becoming aware of a problem.

You must make a claim under the Guarantee within 14 days of telling us about the problem.

What happens next

We assess and calculate your claim (see page 18). If your claim is approved we will pay you either:

- before Permanent Work starts for Loss of Deposit; or
- after Permanent Work has started for Non-Completion.

Read how we calculate your claim on page 18.

After

Cover after your building work is completed
– Structural Defects

What you are covered for

This cover protects you if an issue with the expected standard of the work carried out by your builder results in Structural Defects to your home, including a problem with the weathertightness of your home (rot and fungal decay).

Structural Defects means damage to:

- the foundation systems and footings; or
- beams, girders, lintels and columns; or
- load-bearing walls and partitions; or
- roof framing and floor systems

caused by failure of such load-bearing elements which affects their load-bearing functions in a way that makes your home unsafe, unsanitary or uninhabitable.

The repair of a Structural Defect means:

- repairing, replacing or removing the defective elements to fix the Structural Defect; and
- repairing, replacing or removing any other elements as necessary to ensure your home is safe, sanitary, weathertight and habitable.

To be covered for rot and fungal decay, the design, materials and construction of your home need to achieve a score of 12 or less in the "Building envelope risk matrix" at the time the building consent was issued. The building envelope risk matrix is in the Ministry of Business, Innovation and Employment's Acceptable Solution E2/AS1, which can be found on www.building.govt.nz.

You are also covered for reasonable costs and expenses relating to removal, storage and alternative accommodation if your home is unable to be lived in as a result of the damage or Defect in your claim. This cover is for a maximum value of $10,000.

Accommodation cover is for a maximum value of

$10,000.

What you are not covered for

Some things are not covered under the Guarantee – you can read a list of these on page 9.

Only materials and workmanship provided by the Registered Master Builder are covered under the Guarantee.

Read the details of what the Guarantee doesn't cover on page 9.

How much you are covered for

The maximum cover for **all** claims throughout the life of your Guarantee is the lesser of the value of your Building Contract or $1,000,000.

Maximum total cover of

$1,000,000.

Who to contact if you need to make a claim

First, you need to contact your builder as soon you discover a Defect.

Unless your builder has completed **all work** to fix the Defect, you must:

- notify us **no later than 90 days** after the date you became aware of the Defect; and
- make a claim on the official claim form **no later than 14 days** after notifying us of the Defect.

If you don't lodge a claim within 14 days of notifying us of the Defect, we do not accept any liability and are not liable for any existing or future claim for the Defect you notified us about.

You must tell us within 90 days of becoming aware of a problem.

You must make a claim under the Guarantee within 14 days of telling us about the problem.

What happens next

If your claim appears valid and remedial work is needed, we tell the builder to fix the Defect. We set them a timeframe to do this (sometimes we may agree to give them an extension to the timeframe).

If the builder doesn't fix the Defect within that timeframe (or any extension) you must contact us no more than 30 days after the date the work was due to be completed.

If the builder is unwilling or unable to fix the Defect, we may accept the claim and, in MBS's sole discretion, either help you fix the Defect or pay you a cash settlement for the reasonable value of the loss or damage you have incurred.

If your builder doesn't fix the Defect, you must let us know within 30 days of the deadline we gave them.

After

Cover after your building work is completed
– Structural Defects

What you are covered for

This cover protects you if an issue with the expected standard of the work carried out by your builder results in Structural Defects to your home, including a problem with the weathertightness of your home (rot and fungal decay).

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- beams, girders, lintels and columns; or
- load-bearing walls and partitions; or
- roof framing and floor systems

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- repairing, replacing or removing any other elements as necessary to ensure your home is safe, sanitary, weathertight and habitable.

To be covered for rot and fungal decay, the design, materials and construction of your home need to achieve a score of 12 or less in the "Building envelope risk matrix" at the time the building consent was issued. The building envelope risk matrix is in the Ministry of Business, Innovation and Employment's Acceptable Solution E2/AS1, which can be found on www.building.govt.nz.

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What you are not covered for

Some things are not covered under the Guarantee – you can read a list of these on page 9.

Only materials and workmanship provided by the Registered Master Builder are covered under the Guarantee.

Read the details of what the Guarantee doesn't cover on page 9.

Period of cover

This cover is for Defects that have been identified after your building work is finished.

It starts on the date of Acceptance of your Guarantee and ends 10 years after that date. Making a claim does not end the Guarantee.

Structural Defects covers you for 10 years from the date we accepted your Guarantee Application.

How much you are covered for

The maximum cover for **all** claims throughout the life of your Guarantee is the lesser of the value of your Building Contract or $1,000,000.

Maximum total cover of

$1,000,000.

Who to contact if you want to make a claim

First, you need to contact your builder as soon you discover a Defect.

Unless your builder has completed **all work** to fix the Defect, you must:

- notify us no later than **90 days** after you became aware or should have become aware of the Defect; and
- make a claim on the official claim form **no later than 14 days** after notifying us about the Defect.

If you don't lodge a claim within 14 days of notifying us of the Defect, we do not accept any liability and are not liable for any existing or future claim for the Defect you notified us about.

You must tell us within 90 days of becoming aware of a problem.

You must make a claim under the Guarantee within 14 days of telling us about the problem.

What happens next

If your claim appears valid and remedial work is needed, we tell the builder to fix the Defect. We set them a timeframe to do this (sometimes we may agree to give them an extension to the timeframe).

If the builder doesn't fix the Defect within that timeframe (or any extension) you must contact us no more than 30 days after the date the work was due to be completed.

If the builder is unwilling or unable to fix the Defect, we may accept the claim and, in MBS's sole discretion, either help you fix the Defect or pay you a cash settlement for the reasonable value of the loss or damage you have incurred.

If your builder doesn't fix the Defect, you must let us know within 30 days of the deadline we gave them.

Before

Making a claim before your building work is completed

What you need to do

If you believe you have a claim under Loss of Deposit or Non-Completion cover, you must:

- notify us **no later than 30 days** after you became aware of the problem; and
- make a claim on the official claim form **no later than 14 days** after notifying us of the problem; and
- **get written approval** from us before you make any further payment to your builder.

If you don't lodge a claim within 14 days of notifying us of the problem, we do not accept any liability and are not liable for any existing or future claim for the problem you notified us about.

You must tell us within 30 days of becoming aware of a problem.

You must make a claim under the Guarantee within 14 days of telling us about the problem

You must not cancel your Building Contract without our approval (see page 23).

What happens next

If we accept your claim for Loss of Deposit or Non-Completion:

- we find you a replacement Registered Master Builder to finish the uncompleted work; and
- you enter into a new Building Contract, you will need a new Guarantee application for this work with the replacement builder; and
- we pay you any money due to you under your claim (see 'How your claim is calculated' on page 18).

If we can't secure a replacement builder, we will pay you the money due to you under your claim (see 'How your claim is calculated' on page 18).

How we calculate your claim

Under Loss of Deposit cover the amount we pay you is the lesser of:

a) the difference (if any) between the amount of the deposit you paid to your builder and the value of any products or services you have already received under the uncompleted Building Contract (this includes the value of any plans you have received and the cost of any building consent that has been obtained for your building work); ***and***

b) the difference (if any) between what is left to pay on your uncompleted Building Contract and the lowest price for completing the work under the new Building Contract. If more than one replacement Registered Master Builder has provided a price, the lowest price will be used.

Example:

The price in the Building Contract was $368,514.00 and the owner paid a deposit of $20,000.

The owner received a set of plans and drawings and a building consent with a total value of $8,000.

We approved the claim and paid the owner $12,000 – the difference between the deposit paid, and the value that they have received from the plans and drawings and the building consent.

Under Non-Completion cover the amount we pay you is:

a) the lowest price for completing the work under the new Building Contract (if more than one replacement Registered Master Builder has provided a price, the lowest price will be used), ***minus***

b) the value of the uncompleted work under the original Building Contract (including any valid Contract Variations). If the original Building Contract did not provide for staged payments, the value of the uncompleted work is calculated using the Schedule of Staged Payments (see page 33).

Example:

The building owner has so far paid $147,520.42 on a Building Contract of $1,068,841.87. There is therefore $921,321.45 remaining to be paid.

Due to personal circumstances, the builder is now unable to complete the building work and we have found a replacement builder. The replacement builder has provided a price of $1,033,000.00 to complete the building work.

The difference between the price provided by the replacement builder ($1,033,000.00) and the amount remaining to be paid by the owner on the original contract ($921,321.45) is $111,678.85.

We approved the claim and made a payment to the owner of $111,678.85.

After

Making a claim after your building work is completed

What you need to do

As soon as you discover a Defect that may lead to a claim under the Guarantee, you must notify your builder in writing. You must then notify us about the Defect and let us know that you have contacted your builder.

Unless your builder has completed **all work** to fix the Defect, you must:

- notify us **no later than 90 days** after you became aware or should have become aware of the Defect; and
- make a claim on the official claim form **no later than 14 days** after notifying us about the Defect.

These timings apply regardless of any agreement you have come to with your builder about fixing the Defect.

If you don't make a claim within 14 days of telling us about the Defect, we do not accept any liability and are not liable for any existing or future claim for the Defect.

If you are planning to make a claim you must not:

- do any work to fix the Defect (see page 25)
- hire someone else to fix the Defect (see page 25)

You must tell us within 90 days of becoming aware of a Defect.

You must make a claim within 14 days of notifying us of the Defect.

What happens next

First we investigate your claim. If your claim appears valid and remedial work is needed, we tell your builder to fix the Defect. We set them a timeframe to do this (sometimes we might agree to extend this timeframe).

If your builder agrees to fix the Defect, we'll let you know and give you a date for the work to be completed. If your builder doesn't make good the Defect within that timeframe (including any extension) you must tell us no later than 30 days after the date the work was due to be completed.

If your builder can't or will not comply with our instruction to fix the Defect, we may accept the claim. We'll notify you whether your claim has been accepted or declined.

If we accept your claim you must agree to:

- hand over to us any rights and remedies against any person or organisation involved in the building work, whether or not they are named in your Building Contract
- assist us with any reasonable request for help with enforcing those rights and remedies.

We do not take any action under your Guarantee until we are satisfied that you have taken all reasonable steps to have your builder make good the Defect.

If your builder doesn't carry out any agreed work to fix the Defect, you must tell us within 30 days of the date the work was due to be completed.

How your claim is calculated

If your claim is accepted we work with you either to select a replacement Registered Master Builder to fix the Defect or to pay you a cash settlement for the reasonable value of the loss or damage you have incurred. MBS has sole and absolute discretion as to whether to select a replacement Registered Master Builder or pay a cash settlement.

We agree with you the work that needs to be done, and then we decide whether to repair or replace the Defect and how the work will be carried out.

Where we choose to select a replacement Registered Master Builder to fix the Defect, the replacement builder provides a price for the work, and you enter into a new Building Contract, you will need a new Guarantee application for this work with them. Once the new Building Contract is entered into, we are not liable for any additions or changes to the work, unless we have given you written approval for these.

If we choose to pay you a cash settlement, then we will pay you the reasonable value of the loss or damage you have incurred.

Once a new Building Contract is in place, we are not liable for any changes to the work to be carried out that we have not given our approval for.

Transferring
your Guarantee

Your Guarantee can be transferred to a New Owner

If you sell your Property, your Guarantee can be transferred any time within the period covered by the Guarantee. Transferring the Guarantee does not extend the period covered by the Guarantee.

All transfers need our approval and you can only transfer the Guarantee to someone else if it is currently in your name.

A Request for Transfer form must be completed and sent (by the New Owner) to us.

The New Owner of your Property must fill out and sign a Request for Transfer form. By doing so, they will be deemed to:

- confirm they are the New Owner of the Property specified by the Guarantee Number on the Transfer form.
- acknowledge acceptance of all the Terms and Conditions of the Guarantee.
- certify they have no knowledge of any existing damage or Defect that may give rise to a claim on the Guarantee.
- certify that there are no pending claims or unresolved disputes between them and the Registered Master Builder, and they are not aware of any circumstances which could give rise to a claim under the Guarantee.
- acknowledge that the truth of the representations set out on the Transfer form are essential to Master Build Services Limited (MBS), and its decision to accept the application to transfer the Guarantee.
- certify that the information provided is true and correct.

The completed Request for Transfer must be sent to us within 90 days of settlement of the purchase accompanied by the transfer administration fee.

We'll notify you whether the Request for Transfer has been accepted or declined.

Note: The New Owner must pay the transfer fee when the Request for Transfer is submitted to MBS. If the Request for Transfer is declined, we will refund the fee.

Transferring the Guarantee does not extend the Guarantee timeframe.

The Request for Transfer form is filled out by the New Owner, not by you.

We must receive the Request for Transfer within 90 days of settlement.

General
conditions

Acceptance of your Guarantee

Once your builder has let us know that you have decided to take up the benefits of a Master Build 10-Year Guarantee, and you have completed the Guarantee Application Form and paid the Guarantee fee, we decide whether to accept your Application (this includes a late Application fee if we receive your Application after Permanent Work has started, but before the Practical Completion Date).

Your Guarantee comes into force ("Acceptance") when we have sent notice of Acceptance to you and your builder. You are now covered by the Guarantee in accordance with the Terms and Conditions of the Guarantee (as published on www.masterbuilder.org.nz) and the Contract and Commercial Law Act 2017.

Sometimes a Building Contract can cover multiple homes. However, the Guarantee only applies to **one home.**

Note: As part of our administration process the Guarantee fee may be banked when we receive it – this does not mean Acceptance of your Application. If your Application is declined, we will refund the fee.

Pre-approval required for some types of building work

The Guarantee is intended for residential building work. Your builder needs to get specific prior approval from us in the following circumstances:

- Any building work on a building that is part of a Multi-Unit Development; or
- Any building work on a Leaky Building.

Where prior approval has not been given, the Guarantee will be cancelled.

Limitations on our liability

Opting out of Loss of Deposit and Non-Completion

If you have chosen to opt out of the Loss of Deposit and Non-Completion cover in your Application, you are not covered by these parts of the Guarantee and any reference to them in the Guarantee Terms and Conditions does not apply.

Investigations into claims

Any investigations we do into your claim are for MBS's benefit only and are done solely to enable us to assess whether you have a valid claim. We are not liable for anything that comes out of our investigations apart from our existing liability under your Guarantee.

Cover is limited to 10 years

Your Guarantee expires 10 years from the date of Acceptance.

There are no extensions to this timeframe under any circumstances, including where remedial work has been done, the Guarantee has been transferred to a New Owner, or we've received Notice of Practical Completion from you outside this timeframe.

Terminating the Building Contract

If you want to terminate your Building Contract

If you want to terminate your Building Contract, you must first get written consent from us or your Guarantee will be cancelled.

If your builder terminates your Building Contract

If your builder terminates your Building Contract because you have breached the Building Contract, and we are satisfied from the evidence that they have a valid case for doing so, your Guarantee will be cancelled. Any payments you have made to MBS will be refunded (minus an administration fee) to whoever paid the Guarantee fee (either you or your builder).

If your builder terminates your Building Contract and we are not satisfied from the evidence that they have a valid case for doing so, you can make a claim under Loss of Deposit or Non-Completion cover (unless you opted out of these covers in your Guarantee Application). If you have opted out of Loss of Deposit and Non-Completion the Guarantee will be cancelled and any payments you have made to MBS will be refunded (minus an administration fee). The refund will be made to whoever paid the Guarantee fee (either you or your builder).

If a receiver or liquidator terminates your Building Contract

If a receiver or liquidator validly terminates your Building Contract, you can make a claim under Loss of Deposit or Non-Completion cover (unless you opted out of these covers in your Guarantee Application). If you have opted out of Loss of Deposit and Non-Completion the Guarantee will be cancelled and any payments you have made to MBS will be refunded (minus an administration fee). The refund will be made to whoever paid MBS the Guarantee fee (either you or your builder).

If we ask you to terminate your Building Contract

If we ask you to terminate your Building Contract, you must do so promptly in accordance with the terms in your Building Contract (for example, to allow us to organise for any remedial work or completion work to be done).

Getting building consents for your building work

If your building work requires a building consent under the Building Act, we may require you to provide proof that you have one.

We will not be liable for any claim under Structural Defects cover if the building work in the claim does not have any required building consents.

Starting building work

Important: no work should start before your Guarantee has been Accepted.

We would normally expect Permanent Work to start soon after Acceptance of your Guarantee.

Permanent Work is any work carried out on site that will be a fixed or permanent part of your home.

If Permanent Work hasn't started within 5 months of the date of Acceptance, you or your builder must let us know. You can request an extension to the timeframe for starting permanent work and we will decide whether to grant you an extension.

After the 5 month period is up, your Guarantee may be cancelled if Permanent Work hasn't begun or you haven't been granted an extension by us.

If you've been granted an extension, you or your builder need to write to us before the extension is up to let us know that Permanent Work has started, or your Guarantee may be cancelled.

When your building work is finished

There are two important steps in the completion of your building work – one is Practical Completion and the second is the code compliance certificate, issued by your council to confirm your building work complies with the Building Code.

Practical Completion is when the building work on your home is finished, except for any minor Defects or incomplete work that don't prevent you from living in and using your home, and that can be remedied or completed without causing you any unnecessary inconvenience.

The Code Compliance Certificate is issued once your local council has done their final inspection and is satisfied that the building work has been completed in accordance with the building consent that was issued for the work, and therefore complies with the Building Code.

Timeframe for Practical Completion

We would normally expect Practical Completion to take place within 5 months of Acceptance of your Guarantee. As soon as Practical Completion has taken place, you or your builder need to notify us and tell us the date Practical Completion occurred.

If we receive notice of Practical Completion within 5 months of the date of Acceptance, and we are satisfied that Practical Completion has taken place, the date you've given us will be the Practical Completion Date.

If we haven't received notice of Practical Completion from you or your builder within 5 months of the date of Acceptance, or we are not satisfied that the date of Practical Completion you or your builder have given us is accurate, we may decide to adopt a different Practical Completion Date (a deemed Practical Completion Date). The deemed Practical Completion Date might be:

- 5 months from the date of Acceptance of the Guarantee; or
- 5 months from the date Permanent Work started; or
- a date we decide that Practical Completion took place; or
- the date you took possession of your home (you must provide proof of this if we request it); or
- the date specified in a certificate of Practical Completion issued by an architect.

We may agree to change a deemed Practical Completion Date if we later receive notice of Practical Completion from you or your builder.

Getting a Code Compliance Certificate for your building work

As soon as the building work is complete, you must apply for a Code Compliance Certificate if one is required under the Building Act.

We will not be liable for any claim under Structural Defects cover if the building work in the claim does not have any required Code Compliance Certificate.

Access to your home

You must allow us, our inspectors, your builder and any replacement builder reasonable access to your home to inspect the building work, investigate any Defects and carry out any agreed completion work or remedial work.

Access to information

You and the builder must each provide us with any information we need to assess your claim and meet our obligations under your Guarantee. This may include (but is not limited to):

- any financial arrangement you have made with your builder; and
- any payments you have made or not made to your builder under the Building Contract; and
- copies of any Contract Variations; and
- copies of drawings, plans, consent documents, specifications, pricing calculations, payment schedules, and quotations; and
- a list of any sub-trades and suppliers.

Agreeing whether a Defect can be claimed under the Guarantee

We have accepted and approved the Ministry of Business, Innovation and Employment's "Guide to tolerances, materials and workmanship in new residential construction 2015". Where agreement cannot be reached on whether a Defect can be claimed under the Guarantee, you, your builder and MBS must use this Guide to come to a decision.

To view the Guide, which may be updated from time to time, visit MBIE's website.

You must not do or organise any work yourself

Your Guarantee will be cancelled if you do any work yourself (or engage someone to do any work) to either complete the building work or fix any Defects, except in an emergency.

An emergency is a problem that could endanger either your home or its occupants if it isn't dealt with immediately.

If an emergency happens while you are covered by the Guarantee, contact your builder immediately. If you are unable to get hold of your builder, contact us immediately on 0800 762 328 so we can give you permission to get emergency repairs done. We will meet the reasonable costs of any authorised emergency repairs (the amount is at our discretion) **only if** we have first given you permission.

Failing to comply with the terms and conditions of the Guarantee

If you don't comply promptly with any of the Guarantee Terms and Conditions and this prevents us from dealing efficiently or economically with your claim or with the Defect under your claim, then we may decline the claim, even if we have previously accepted it.

Making scheduled payments to your builder

If you don't make a scheduled payment to your builder that is due under the Building Contract (including releasing any retentions), your Guarantee will be cancelled unless the payment is overdue because of a genuine dispute or you have notified us of a problem and are waiting for us to determine whether payments should continue.

A genuine dispute is where:

- you have begun legal proceedings against the builder; or
- your builder has begun legal proceedings against you; or
- you or your builder have begun action under the dispute resolution provisions in your Building Contract;
- you or your builder have begun action under the Construction Contracts Act 2002.

You must also promptly send us copies of any relevant notices and documents about the dispute.

Receiving notifications

Any notifications we send to you will be deemed to be received by you if they are:

- handed to you; or
- delivered to the postal addresses provided in the Guarantee Application Form; or
- sent to the email addresses provided in the Guarantee Application Form.

If no postal address is provided, the notice may be delivered to the last known place of residence or business or registered office.

Any notifications you or your builder send to us will be deemed to be received if emailed to help@masterbuilder.org.nz or delivered to MBS, PO Box 1796, Wellington 6140.

Cancellation of your Guarantee

Whenever this document states that if certain actions or events occur, your Guarantee **will** be cancelled, this means your Guarantee will be cancelled and will be deemed to be cancelled, regardless of any notice we have sent to you or your builder. We will not be liable for any existing or future claims under your Guarantee.

Whenever this document states that if certain actions or events occur your Guarantee **may** be cancelled, we have the right to decide to cancel your Guarantee. We will notify you of this decision and we will not be liable for any existing or future claims under your Guarantee.

Builders and inspectors are not agents of MBS

Your builder is not an agent of MBS for any matter relating to this Guarantee. This means that except where allowed for in these Terms and Conditions, we are not bound by or liable for anything your builders says, does or fails to do.

It also means that any statement or claim or notification you make to your builder does not count as being made to MBS. You always need to notify us directly.

If we have appointed an inspector (such as an RMBA Service Manager) as part of our investigations into a claim or dispute or to review any completion or remedial work, we are not bound by or liable for anything the inspector says or does, or any recommendation they make during the investigations.

It also means that any statement or claim or notification you make to an inspector does not count as being made to MBS. You always need to notify us directly.

Managing disputes

Disputes between you and your builder

If there is a dispute between you and your builder (or your replacement builder) about your respective rights and obligations under the Building Contract, we can require you to resolve this dispute before we decide to decline or accept a claim under the Guarantee.

Disputes about the value of a claim

If we cannot agree with you the value of your claim under the Guarantee, then we may engage an independent registered quantity surveyor to decide the value of the work. This value might include:

- the contract price for any remedial work; or
- the reasonable value of replacing or repairing a Defect; or
- the reasonable value of finishing uncompleted work under the Guarantee Schedule of Staged Payments (see page 33).

Both parties must accept the valuation provided by the quantity surveyor and the cost of engaging the quantity surveyor will be shared equally by both parties.

Disputing our decision to decline a claim

If you disagree with our decision to decline your claim or part of your claim, you must notify us within 21 days of being advised of our decision. Once we've received notice of the dispute, both parties must communicate in good faith to try to resolve the dispute.

If the dispute can't be resolved within 21 days of MBS receiving notification of the dispute, either party can notify the other that they would like the dispute to go to mediation. The other party must consider the request in good faith and may not unreasonably refuse the request.

If the dispute is still not resolved either 42 days after MBS received notification of the dispute (or 21 days after the mediation process has finished if the dispute has gone to mediation), then either party may notify the other that they would like the dispute to be referred to arbitration (under the Arbitration Act 1996).

If the parties can't agree on the mediator or the arbitrator, a mediator or arbitrator will be appointed by the current President of the Arbitrators and Mediators Institute of New Zealand.

We have the right to reinspect your home and any building work that is the subject of the dispute before any dispute resolution process begins.

Checklist for the Guarantee Application Form

Your checklist for the Guarantee Application Form

Please use this checklist to make sure you have answered all the questions correctly on this form that relate to you and your building work. We can only process your application if you complete the form accurately.

If you miss out any details we may need to contact you and there may be a delay in processing your application.

Have you specified the type of work you are planning on doing?

You **must** provide a contract price. If you are using a charge up schedule, please provide an estimate. For Spec/Showhome or Builder's Own Home applications please provide the build cost only (excluding land and margin).

Please remember to include the **size** of the dwelling or works in m^2.

BUILDER

Have you specified your **legal entity name** not your trading or personal name?

BUILDER

The builder's own reference number for this building project.

Have you specified the correct address for the building work?

Please list here any work or materials being supplied by the owner or by separate contract

You must select a contract type. Please see reverse for Contract Type definitions.

OWNER

Only complete this section if you **do not** wish to take out cover for Loss of Deposit and Non-Completion. If so, has the **owner** ticked both boxes and signed and dated the section?

OWNER

Have you listed all your contact details correctly?

BUILDER

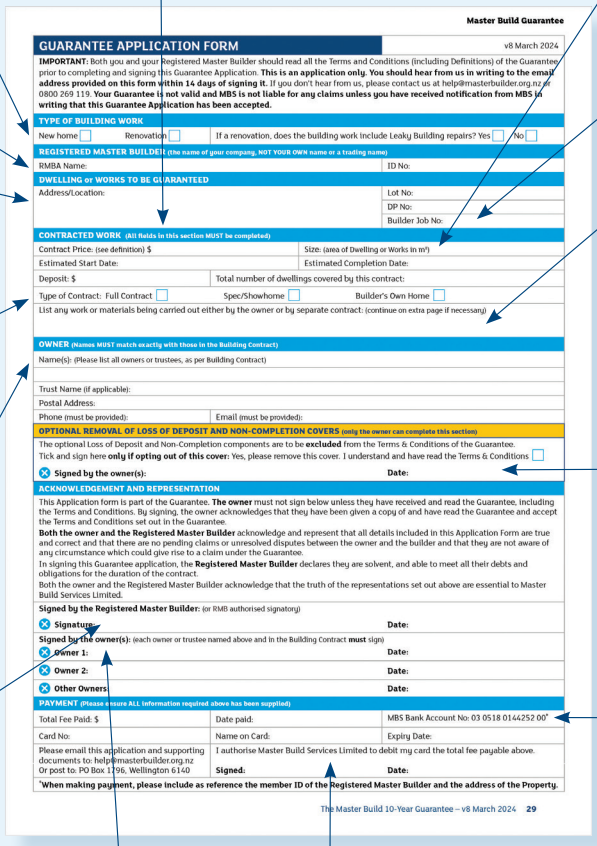
Have you signed and dated this section?

Payment must be made at the time of submitting an application. You can pay by direct credit or by credit card by providing the details on the bottom of the form. If paying online, please include your **Member ID** and the **address** of the property as a reference.

OWNER

Have you signed and dated this section?

If credit card details are provided, have you signed and dated this section?



Master Build Guarantee

GUARANTEE APPLICATION FORM v8 March 2024

IMPORTANT: Both you and your Registered Master Builder should read all the Terms and Conditions (including Definitions) of the Guarantee prior to completing and signing this Guarantee Application. **This is an application only. You should hear from us in writing to the email address provided on this form within 14 days of signing it.** If you don't hear from us, please contact us at help@masterbuilder.org.nz or 0800 269 119. **Your Guarantee is not valid and MBS is not liable for any claims unless you have received notification from MBS in writing that this Guarantee Application has been accepted.**

TYPE OF BUILDING WORK

New home ☐ Renovation ☐ | If a renovation, does the building work include Leaky Building repairs? Yes ☐ No ☐

REGISTERED MASTER BUILDER (the name of your company, NOT YOUR OWN name or a trading name)

RMBA Name: | ID No:

DWELLING or WORKS TO BE GUARANTEED

Address/Location: | Lot No: | DP No: | Builder Job No:

CONTRACTED WORK (All fields in this section MUST be completed)

Contract Price: (see definition) $ | Size: (area of Dwelling or Works in m²)

Estimated Start Date: | Estimated Completion Date:

Deposit: $ | Total number of dwellings covered by this contract:

Type of Contract: Full Contract ☐ Spec/Showhome ☐ Builder's Own Home ☐

List any work or materials being carried out either by the owner or by separate contract: (continue on extra page if necessary)

OWNER (Names MUST match exactly with those in the Building Contract)

Name(s): (Please list all owners or trustees, as per Building Contract)

Trust Name (if applicable):

Postal Address:

Phone (must be provided): | Email (must be provided):

OPTIONAL REMOVAL OF LOSS OF DEPOSIT AND NON-COMPLETION COVERS (only the owner can complete this section)

The optional Loss of Deposit and Non-Completion components are to be **excluded** from the Terms & Conditions of the Guarantee.
Tick and sign here **only if opting out of this cover**: Yes, please remove this cover. I understand and have read the Terms & Conditions ☐

⊗ **Signed by the owner(s):** | **Date:**

ACKNOWLEDGEMENT AND REPRESENTATION

This Application form is part of the Guarantee. **The owner** must not sign below unless they have received and read the Guarantee, including the Terms and Conditions. By signing, the owner acknowledges that they have been given a copy of and have read the Guarantee and accept the Terms and Conditions set out in the Guarantee.
Both the owner and the Registered Master Builder acknowledge and represent that all details included in this Application Form are true and correct and that there are no pending claims or unresolved disputes between the owner and the builder and that they are not aware of any circumstance which could give rise to a claim under the Guarantee.
In signing this Guarantee application, the **Registered Master Builder** declares they are solvent, and able to meet all their debts and obligations for the duration of the contract.
Both the owner and the Registered Master Builder acknowledge that the truth of the representations set out above are essential to Master Build Services Limited.

Signed by the Registered Master Builder: (or RMB authorised signatory)

⊗ **Signature:** | **Date:**

Signed by the owner(s): (each owner or trustee named above and in the Building Contract **must** sign)

⊗ **Owner 1:** | **Date:**

⊗ **Owner 2:** | **Date:**

⊗ **Other Owners** | **Date:**

PAYMENT (Please ensure ALL information required above has been supplied)

Total Fee Paid: $ | Date paid: | MBS Bank Account No: 03 0518 0144252 00*

Card No: | Name on Card: | Expiry Date:

Please email this application and supporting documents to: help@masterbuilder.org.nz
Or post to: PO Box 1796, Wellington 6140

I authorise Master Build Services Limited to debit my card the total fee payable above.

Signed: | **Date:**

*When making payment, please include as reference the member ID of the Registered Master Builder and the address of the Property.

The Master Build 10-Year Guarantee – v8 March 2024 29

GUARANTEE APPLICATION FORM

v8 March 2024

IMPORTANT: Both you and your Registered Master Builder should read all the Terms and Conditions (including Definitions) of the Guarantee prior to completing and signing this Guarantee Application. **This is an application only. You should hear from us in writing to the email address provided on this form within 14 days of signing it.** If you don't hear from us, please contact us at help@masterbuilder.org.nz or 0800 269 119. **Your Guarantee is not valid and MBS is not liable for any claims unless you have received notification from MBS in writing that this Guarantee Application has been accepted.**

TYPE OF BUILDING WORK

New home ☐ Renovation ☐ | If a renovation, does the building work include Leaky Building repairs? Yes ☐ No ☐

REGISTERED MASTER BUILDER (the name of your company, NOT YOUR OWN name or a trading name)

RMBA Name: | ID No:

DWELLING or WORKS TO BE GUARANTEED

Address/Location: | Lot No: | DP No: | Builder Job No:

CONTRACTED WORK (All fields in this section MUST be completed)

Contract Price: (see definition) $0.00 | Size: (area of Dwelling or Works in m²)

Estimated Start Date: | Estimated Completion Date:

Deposit: $ | Total number of dwellings covered by this contract:

Type of Contract: Full Contract ☐ Spec/Showhome ☐ Builder's Own Home ☐

List any work or materials being carried out either by the owner or by separate contract: (continue on extra page if necessary)

OWNER (Names MUST match exactly with those in the Building Contract)

Name(s): (Please list all owners or trustees, as per Building Contract)

Trust Name (if applicable):

Postal Address:

Phone (must be provided): | Email (must be provided):

OPTIONAL REMOVAL OF LOSS OF DEPOSIT AND NON-COMPLETION COVERS (only the owner can complete this section)

The optional Loss of Deposit and Non-Completion components are to be **excluded** from the Terms & Conditions of the Guarantee.
Tick and sign here **only if opting out of this cover:** Yes, please remove this cover. I understand and have read the Terms & Conditions ☐

⊗ **Signed by the owner(s):** **Date:**

ACKNOWLEDGEMENT AND REPRESENTATION

This Application form is part of the Guarantee. **The owner** must not sign below unless they have received and read the Guarantee, including the Terms and Conditions. By signing, the owner acknowledges that they have been given a copy of and have read the Guarantee and accept the Terms and Conditions set out in the Guarantee.

Both the owner and the Registered Master Builder acknowledge and represent that all details included in this Application Form are true and correct and that there are no pending claims or unresolved disputes between the owner and the builder and that they are not aware of any circumstance which could give rise to a claim under the Guarantee.

In signing this Guarantee application, the **Registered Master Builder** declares they are solvent, and able to meet all their debts and obligations for the duration of the contract.

Both the owner and the Registered Master Builder acknowledge that the truth of the representations set out above are essential to Master Build Services Limited.

Signed by the Registered Master Builder: (or RMB authorised signatory)

⊗ **Signature:** **Date:**

Signed by the owner(s): (each owner or trustee named above and in the Building Contract **must** sign)

⊗ **Owner 1:** **Date:**

⊗ **Owner 2:** **Date:**

⊗ **Other Owners:** **Date:**

PAYMENT (Please ensure ALL information required above has been supplied)

Total Fee Paid: $ | Date paid: | MBS Bank Account No: 03 0518 0144252 00*

Card No: | Name on Card: | Expiry Date:

Please email this application and supporting documents to: help@masterbuilder.org.nz
Or post to: PO Box 1796, Wellington 6140

I authorise Master Build Services Limited to debit my card the total fee payable above.

Signed: **Date:**

***When making payment, please include as reference the member ID of the Registered Master Builder and the address of the Property.**

REQUEST FOR TRANSFER
(TO BE COMPLETED BY THE NEW OWNER OF THE PROPERTY)

YOU MUST READ: The clauses relating to the Transfer of the Guarantee's Terms and Conditions

- This is a Request for Transfer only and is not an offer to transfer the Guarantee.
- The New Owner (Transferee) should read all the Terms and Conditions of the Guarantee prior to completing and signing this application.
- The following document is required to process this transfer:
  – this Request for Transfer completed by the New Owner.
- **Please fill in ALL applicable areas.** (Please Print Clearly)

REQUEST FOR TRANSFER (This section MUST NOT be signed or submitted to MBS before your settlement date)

Guarantee Number:

Address of Property:
AS LISTED IN YOUR SALE AND PURCHASE AGREEMENT

Date of Settlement: AS LISTED IN YOUR SALE AND PURCHASE AGREEMENT	Vendor: AS LISTED IN YOUR SALE AND PURCHASE AGREEMENT

Purchase Price: AS LISTED IN YOUR SALE AND PURCHASE AGREEMENT	Lot #: AS LISTED IN YOUR SALE AND PURCHASE AGREEMENT	DP #: AS LISTED IN YOUR SALE AND PURCHASE AGREEMENT

TRANSFEREE

The New Owner (Transferee) warrants that all of the information they have provided in this form is true and correct and acknowledges that any omission or misrepresentation will result in the transfer being declined. If an error or omission is discovered after a transfer has already been approved, the Guarantee will be cancelled.

- I, the undersigned Transferee, hereby confirm that I am the New Owner of the Property specified by the Guarantee Number above.
- I hereby acknowledge acceptance of all the Terms and Conditions of the Guarantee.
- I hereby certify that I have no knowledge of any existing damage or Defect that may give rise to a claim on the Guarantee.
- I hereby certify that there are no pending claims or unresolved disputes between myself and the Registered Master Builder, and I am not aware of any circumstances which could give rise to a claim under the Guarantee.
- I acknowledge that the truth of the representations set out above are essential to Master Build Services Limited (MBS), and its decision to accept the application to transfer the Guarantee.
- I hereby certify that the information I have provided is true and correct.

Transferee Name(s): (Please list all purchaser names (**must match** names listed in your Sale and Purchase Agreement))

⊗ **New Owner 1:**

⊗ **New Owner 2:**

⊗ **Other New Owners:**

Trust Name: (if applicable)

Postal Address:

Phone:

Email: (Important – this is our primary form of communication with you)

Signed by the New Owner(s): (each New Owner or trustee named above and in the Sale and Purchase Agreement **must** sign)

⊗ **New Owner 1:**	**Date:**
⊗ **New Owner 2:**	**Date:**
⊗ **Other New Owners:**	**Date:**

PAYMENT

Total Fee Paid: $	MBS Bank Account No: 03 0518 0144252 00*
Payer Name:	
Card No:	
Name on Card:	Expiry Date:
Please email this Request for Transfer and supporting documents to: help@masterbuilder.org.nz Or post to: PO Box 1796, Wellington 6140	I authorise Master Build Services Limited to debit my credit card the total fee payable above. **Signed:** **Date:**

***When making payment, please include the Guarantee Number and the address of the Property.**

SCHEDULE OF STAGED PAYMENTS (all amounts are GST inclusive)

Required Contract Price: $

(A) CONTRACT DEPOSIT

Guarantee Covered Deposit Value: $	Agreed Deposit: $
Payable on the date the Contract is executed	Deposit: $

(B) OTHER ITEM (as listed in the Special Conditions)

Excavation or Site Works	$
Drainage + Power + Water	$
	$
	$
	$
	$

*Note: An 'Other Item' will be payable at any stage of the contract upon **Substantial Completion** of the Item*

Total Of Other Items (B) =	**$** 0.00
Required Calculation **Sub-Total: Contract Deposit (A) + Total of Other Items (B) =**	**$** 0.00

(C) DWELLING COST Contract Price (at top of page) – (minus) Sub-Total (above)

Staged Payments: are a percentage of the **(C) Dwelling Cost** (above) **Only**		$ 0.00
Upon **Substantial Completion** of the following:		
(i) Foundations and floor structure	10%	$ 0.00
(ii) All wall framing	15%	$ 0.00
(iii) All roof framing	5%	$ 0.00
(iv) The roof and fascia	8%	$ 0.00
(v) All exterior doors and windows	9%	$ 0.00
(vi) All exterior wall linings and/or veneers	10%	$ 0.00
(vii) All exterior decoration or coatings	2%	$ 0.00
(viii) Installation of pre-wire, pre-plumb and insulation	6%	$ 0.00
(ix) All interior linings	5%	$ 0.00
(x) Interior doors, architraves and scotia	3%	$ 0.00
(xi) Internal stopping, completed and sanded	3%	$ 0.00
(xii) All interior decoration or coatings	4%	$ 0.00
(xiii) Kitchens and bathrooms	6%	$ 0.00
(xiv) Plumbing and electrical	6%	$ 0.00
(xv) Hardware and tiling	3%	$ 0.00
(xvi) **Final Payment**	5%	$ 0.00

Upon completion of the Works, the balance of the Contract Price is payable before the owner takes possession.

***Note:** Failure to make the final payment may invalidate any Master Build Guarantee.*

Check Calculation	Contract Price $ 0.00	= Sub-Total $ 0.00 + 100% Dwelling Cost	$ 0.00
Due Dates	Payments:	All payments are due within seven (7) Working Days of the payment invoice.	
	Payment Schedule:	Where a payment claim is served under the Construction Contracts Act 2002, the payment schedule and payment of the final payment are due within seven (7) Working Days of the date of the payment claim.	

(D) ADJUSTMENTS

The Registered Master Builder may include the cost of adjustments provided for in the Building Contract with any staged payment. In the event that any adjustments have not been invoiced at the time possession of the Works is given to the owner, such adjustments shall be paid by the owner within seven (7) Working Days of the date of the Registered Master Builder's invoice for such adjustments.

IMPORTANT NOTE

The percentages referred to under (C) may be inappropriate and are based on a single-storey house, using standard construction materials, built on flat stable land in an urban location. The suggested percentages may be inappropriate in your contract.

Getting in touch

At any point during your Master Build cover, we'd be happy to hear from you.

Call:
0800 762 328 or
(04) 385 8999
(Monday to Friday 8.30am to 5pm)

Write to:
Master Build Services Limited
PO Box 1796
Wellington 6140

Visit:
masterbuilder.org.nz or
Email:
help@masterbuilder.org.nz

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