

New Zealand
Certified
Builders
Association



Homeowner Handbook

When you choose an approved NZCB builder you'll qualify to apply for Halo – our comprehensive 10-Year Residential Guarantee. You can also be assured that all of our builders have met stringent building qualification and financial business standards.

You're in good hands.





Image: www.nzob.nz/revere-gallery/
Project: Grand Island Design

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Build with complete peace of mind

When you build with an approved member of New Zealand Certified Builders, and you get a Halo 10-Year Residential Guarantee, you're protected.

Disclosure Information

The Halo 10-Year Guarantee does not compromise any of Your statutory rights. It is intended to provide additional protection. The Halo 10-Year Guarantee is a third-party guarantee, the purpose of which is that You have Halo Guarantees Limited, standing behind the builder's obligations and agreeing (subject to the specific terms of the guarantee) to answer for the builder's default or liability in respect of those primary obligations owed to You by the builder.

Your rights as a Consumer

Where the Consumer Guarantees Act 1993 applies to goods and/or services provided to You. This includes:

Goods must:

- be of acceptable quality
- be fit for a particular purpose that the consumer made known to the supplier, unless it was unreasonable for the consumer to rely on the supplier's skill when selecting the goods for that purpose
- match any description given to the consumer
- match any sample or demonstration model shown to the consumer
- be able to be legally sold to the consumer
- arrive on time and in acceptable condition
- have spare parts and repair facilities available for a reasonable time, unless the consumer is notified that the manufacturer does not undertake that repair facilities and parts will be available that comply with any express guarantee given by a manufacturer.

Services must:

- be carried out with reasonable care and skill
- achieve the result the consumer made known to the business that the consumer was seeking, unless it was unreasonable for the consumer to rely on the businesses' skill to expect that result
- be finished by the agreed date or within a reasonable time if no completion date was agreed
- be supplied at the agreed price or at a reasonable price if no price was agreed.

Your right to change your mind and cancel

You may let Us know that You do not want the Halo 10-Year Guarantee within 5 working days of confirmation of the Guarantee, by giving written notice to Halo Guarantees Limited. Your Guarantee will then be cancelled, and the purchase price of the Guarantee will be refunded by Us. In the event of cancellation of Your Guarantee, the refund made by Halo Guarantees Limited will be made to the person that made payment of the Guarantee. Please ensure Your notice of cancellation includes Your name and the address of the property affected.

The notice of cancellation must be sent to:

- Halo Guarantees Limited
PO Box 13415, Tauranga Central, Tauranga 3141
- hello@halo.nz

Residential Guarantee

This Guarantee is for Residential Dwellings of 3 storeys or less only. We do not provide cover for apartments, any unit title builds, or a build that is or will be used or occupied by multiple tenancies, or administered by a body corporate, or any type of commercial building work.

Pre-Practical Completion cover has further limitations, see section 4 for details.

Section 1

Introduction

The terms and conditions of the Guarantee and rights and obligations of both you and Halo Guarantees Limited are set out in this document.

About Your Guarantee

Welcome to Your Halo 10-Year Residential Guarantee

In providing You with this Guarantee, Halo Guarantees Limited is offering to answer to You for the default and/or liability of the Builder in respect of the Builder's obligations under the Building Contract (subject to the limitations and exclusions contained in these Guarantee documents).

It is important to remember the Guarantee only becomes operational if the Builder cannot or will not fulfil their obligations to you either under their contract with You or under the relevant legislation.

The first step when You believe that the Builder has not completed the works satisfactorily is to contact them and follow the procedures laid down in Section 5 of the Guarantee. Keep in mind the timeframes that You are required to meet as shown in Sections 2 and 5. The timeframes shown in Sections 2 and 5 must be adhered to. Compliance with these timeframes is a condition precedent to Your receipt of any entitlement under Your Guarantee.

The Guarantee Agreement

This document and Your Guarantee Schedule or Guarantee Application Form (whichever is applicable) are Your Guarantee documents and together they make up the Guarantee agreement between You and Us. It is important that You read this document carefully along with Your Guarantee Schedule (if applicable) so You can be sure of the terms and conditions of the Guarantee, including what You are covered for, the cover period, exclusions, monetary caps on claims and the claim process.

If the Builder completed the Building Contract online and a Guarantee application was made on your behalf, We will decide whether We will offer you a Guarantee. A late fee may be applied if the Guarantee is not applied for prior to the commencement of the Works.

We will notify You in writing of the acceptance of the Guarantee and it will only come into force:

- after payment of the Guarantee fee is received by Us (payment to the Builder does not constitute payment to Us); and,
- for Post Completion Cover, a completed, signed and dated Halo Completion Certificate has been received by Us and the Guarantee issued.

Once Your Guarantee comes into force, You are covered in accordance with the terms and conditions contained in this document for the duration of Your Guarantee, unless the Guarantee is cancelled earlier.



Section 2

Important Information

It is important that:

- You check Your Guarantee Schedule (if applicable) to ensure the details are correct
- You notify Us as soon as possible of any inaccuracies on Your Guarantee Schedule
- You comply with any obligations detailed under each section of this document and under the Guarantee Agreement as a whole
- You read the claims conditions in section 5 of this document. If You do not meet these conditions We may reject a claim

Accuracy of Information

In deciding to offer/accept this Guarantee and in setting the terms and cost, We have relied on the information in the Guarantee Application Form and/or Guarantee Schedule, as applicable.

If You become aware that any information You or the Builder has given is incomplete or inaccurate, or if You or the Builder become aware of any issue(s) or circumstance(s) which may affect Our decision to accept Your Guarantee, You must contact Us as soon as possible.

Notices must be delivered to:

Halo Guarantees Limited
PO Box 13415, Tauranga Central, Tauranga 3141
hello@halo.nz

If the information in the Guarantee Application Form or Guarantee Schedule is not accurate, We may refuse to accept a claim and/or cancel the Guarantee.

Period of Cover

Subject to acceptance by Us of Your Guarantee, the period of cover under Pre Completion Cover (if selected) begins on signing the Building Contract and payment of the deposit to the Builder and ends on the Practical Completion Date of the Works. The Post-Practical Completion Cover of this Guarantee begins on the Practical Completion Date of the Works, and ends 10 years after that date, unless the Guarantee is cancelled or voided earlier in accordance with the terms and conditions of this Guarantee.

Making a claim does not bring the Guarantee to an end. The Guarantee lasts until it is exhausted (see below) or 10 years.

Practical Completion

The expressions "Practical Completion" and "Practical Completion Date" are defined in Section 7.

When You and Your Builder have agreed that Practical Completion has been achieved, You must notify Us by completing and submitting the Completion Certificate provided with Your Guarantee handbook.

The Completion Certificate must be received by Us by either:

- Posting the certificate to Halo Guarantees Limited, PO Box 13415, Tauranga Central, Tauranga 3141; or
- Emailing hello@halo.nz

Once the Completion Certificate is received by Us then the Workmanship and Materials Defect Guarantee Period and the Structural Defect Guarantee Period will commence.

If the Practical Completion has not been achieved by the anticipated Practical Completion Date in Your application / Guarantee, You must notify Us in writing and provide an updated estimated Practical Completion Date. If We do not hear from You then the Guarantee periods will be deemed to commence on the date originally specified in Your Guarantee / application.

We are not obliged to send You prompts or reminders, so it is important that You keep Us informed as to the status of Your build from the originally specified date through to completion.

There may be circumstances where You cannot reach agreement with the Builder as to when Practical Completion has been achieved.

If this happens then We will attempt to determine whether Practical Completion has been achieved, and if so, on what date. In making Our determination We will take into account the following factors:

- Consultations with You, the Builder, and any third parties We may deem appropriate.
- The evidence on the Council property file, including but not limited to a Code of Compliance Certificate.
- Evidence of when You took possession of the Works.
- The original date that You and the Builder agreed that Works would be completed.

Our determination shall be at Our absolute discretion and the relevance of Our determination shall be confined to the sole purpose of establishing relevant periods and entitlements under this Guarantee. Our determination shall not be considered relevant or used in evidence in resolving any ongoing dispute You may have with the Builder regarding Practical Completion under Your Building Contract.

Maximum Limit of Guarantee Cover and Number of Claims

Rating factors are shown in the Cost of the Guarantee Schedule but this does not change the maximum total cover for all claims under the Guarantee which is the lesser of:

- The value of Your Building Contract; or
- \$1,000,000 including GST or value of the Building Contract.

The maximum total cover of any one claim under the Guarantee (except for Pre-Practical Completion Cover) is 25% of the value of the Building Contract, or \$250,000 including GST, whichever is the lesser. Subject to these limits, there is no limit to the number of claims You may bring under the Guarantee.

Maximum total cover and claim limits under the Guarantee for Pre Practical Completion cover varies depending on the claim matter. These cover and claim limits are detailed in Section 3.

What does it cost?

Generally, the cost of a Guarantee is less than 0.44% of the total build or renovation cost.

Contract Value	Minimum rate for Post Completion Cover	Minimum fee - Post Completion Cover Only (excl. GST)	Price Range (excl. GST)	Minimum fee with Pre-Completion Cover (excl. GST)	Price Range (excl. GST)
Up to \$200,000	0.44%	\$630	\$630 - \$880	\$945	\$945 - \$1,320
\$200,001 to \$400,000	0.34%	\$880	\$880 - \$1,360	\$1,320	\$1,320 - \$2,040
\$400,001 to \$600,000	0.28%	\$1,360	\$1,360 - \$1,680	\$2,040	\$2,040 - \$2,520
\$600,001 to \$800,000	0.23%	\$1,680	\$1,680 - \$1,840	\$2,520	\$2,520 - \$2,760
\$800,001 to \$1,000,000	0.20%	\$1,840	\$1,840 - \$2,000	\$2,760	\$2,760 - \$3,000
\$1,000,001 to \$1,500,000	0.16%	\$2,000	\$2,000 - \$2,400	\$3,000	\$3,000 - \$3,600
\$1,500,001 to \$2,000,000	0.14%	\$2,400	\$2,400 - \$2,800	\$3,600	\$3,600 - \$4,200
over \$2,000,000	Price on Application	Price on Application	Price on Application	Price on Application	Price on Application

The Cost of the Guarantee

The cost of the Guarantee is calculated by applying the “minimum rate” to the Building Contract value based on the band in which it falls, subject to the minimum Guarantee Fee applicable for the band. If Pre Completion cover is accepted, the total cost can be calculated by following the process above and applying the “minimum rate” times 1.5.

Additional Guarantee Levies apply as follows:

Combined Pre and Post Practical Completion Cover Guarantee - \$70.00 + GST

Post Practical Completion Cover only Guarantee - \$50.00+GST

Receipt or banking of the Guarantee Fee or the Guarantee Levy does not constitute acceptance by Us of Your Guarantee.



Image: www.nzob.nz/revere-gallery/
Project: The High Life (2)

Your obligations

To ensure that you are eligible for cover under this Guarantee, you must let us know of any defects or potential claims within certain timeframes. If You fail to meet those timeframes, it may lead to Your claim being declined.

Event	Relevant timeframe
You become aware that there is a possible claim for loss of deposit or non-completion Cover.	You must notify Us in writing within 14 calendar days from the date You become aware or ought to have been aware that there is a possible claim for loss of deposit or non-completion Cover. You have 45 calendar days from that date to lodge a claim with Us for loss of deposit or non-completion cover.
You become aware of any issue with the Works or the Sub-Works (as applicable) that You consider may be a Structural Defect or Workmanship and/or Materials Defect	You must notify Us in writing, as well as the Builder, and the supplier and manufacturer of affected materials (if applicable) of the defect in writing immediately. We must always be notified directly – notifying Your Builder does not count as notifying Us. If Your Builder refuses to complete or fails to make reasonable progress with the required remedial work within 90 calendar days of being notified by You of the Structural Defect or Workmanship and/or Materials Defect, You may lodge a claim with Us. You have a maximum time frame of 120 calendar days to lodge a claim with Us after You become aware or ought to become aware of the circumstances that could give rise to a claim.
You would like to transfer Your Guarantee to a subsequent owner	A completed Request for Transfer together with a non-refundable administration fee of \$250 plus GST must be received by Us any time prior to settlement of the sale of the property or up until a maximum of 60 calendar days following settlement or the Guarantee will be cancelled, with no refund of the Guarantee Fee. Please note that transferring the Guarantee to a new owner will not reset cover periods – the 10 year Guarantee period will still be calculated from the Practical Completion Date.
You disagree with a decision made by Us	If You disagree with decisions We make in relation to this Guarantee, including (but not limited to) a decision to decline a claim or the value of a claim, You must notify Us within 10 calendar days of being told of Our decision.



Image: www.nzob.nz/revere-gallery/
Project: Great Escape (2)

The Guarantee at a glance

If your NZCB builder is using an NZCB Building Contract online, your Halo Guarantee Application is automatically sent to Halo Guarantees Limited. If your NZCB Builder is using an NZCB hardcopy Building Contract or another type of Building Contract, then you will manually have to complete a Halo Guarantee Application form online.

HALO 10-YEAR RESIDENTIAL GUARANTEE	COVER TIME FRAME	HOW MUCH ARE YOU COVERED FOR?
Application process		
Ensure your Halo Guarantee Application has been sent	You must apply before building work starts	
Guarantee Acceptance We will let You know when your guarantee has been accepted (after processing your application and payment of the guarantee fee is received) in the form of an electronic letter	The Halo Guarantee commences on the Possession Date or the Completion Date (whichever is the earlier) and ends on the 10th anniversary of that date	
Before building work is completed		
Loss of deposit cover	When the building contract is signed and deposit is paid. Ends when substantial work commences.	Maximum cover is the lesser of 5% of the value of the Building Contract or \$50,000 (incl GST).
Non-completion cover	When substantial work starts and ends on practical completion.	Maximum cover is the lesser of 10% of the value of the Building Contract or \$250,000 (including GST).

After building work is completed

Materials and Workmanship defects [Structural and Non Structural]	You are covered for 2 years after building work is completed	Maximum total for all claims over the life of the Guarantee = \$1,000,000 or value of Building Contract, whichever is the lesser*
Structural defects	You are covered for the next 8 years from Guarantee Acceptance	Maximum total for all claims over the life of the Guarantee = \$1,000,000 or value of Building Contract, whichever is the lesser*
Temporary accommodation during remedial work	During remedial work	Covered up to 26 weeks

Selling your property

The Guarantee is fully transferrable to a new Owner(s) an unlimited number of times during the life of the Guarantee	Transferring the Guarantee does not extend any of the timeframes above	
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* Maximum single claim \$250,000 or value of the Building Contract, whichever is the lesser.

What part of the build is covered?

Building a new home or making a significant alteration is probably the biggest investment you'll ever make, and if anything goes wrong it could be the most costly too. Build with peace of mind with a Halo 10-Year Residential Guarantee.

Floors

[examples of structural elements]

- Concrete foundations, foundation walls and floor systems
- Piles and bracing elements, bearers, joists, subfloor framing
- Inter-story flooring
- Structural retaining and block walls

Walls

[examples of structural elements]

- Structural framing e.g. beams, lintels
- Bracing elements and fixings e.g. Ridged air barriers which provide bracing
- Structural steel portals, beams and columns

Roof

[examples of structural elements]

- Trusses, rafters, purlins, tile battens and bracing members
- Ceiling diaphragms
- Sheathing material such as ply

Decks and Decking

Decking that is part of the primary structure and includes;

- Piles, bearers, bracing elements, joists stringers, subfloor framing
- Decking materials
- Handrails and posts
- Pergola or other structure carrying a roof





Section 3

What is covered?

Categories of Cover

There are two categories of cover under this Guarantee:

- Optional Pre Practical Completion cover (including loss of deposit and non-completion cover); and
- Post-Practical Completion cover (including Workmanship and Materials and Structural Defect cover).

Pre-Practical Completion Loss of Deposit Cover

The Pre-Practical Completion Guarantee is an optional extension to the Post-Practical Completion Guarantee that covers instances where You have paid a deposit to the Builder, but prior to substantial Works (for example, earthworks, retaining works, etc) being commenced, the Builder suffers an Insolvency Event, and your deposit is lost.

The Pre-Practical Completion extension is not available as a stand-alone Guarantee, only as an extension to your Post-Practical Completion Guarantee (with the payment of an additional fee).

The Pre-Practical Completion extension is not available for portable or modular homes, Builder's own projects (Spec Builds) or for Multi-Build situations. See definitions of these terms in section 7 for further clarification.

It is important to note that the Pre-Practical Completion extension can only be selected at the time you take out your Post-Practical Completion Guarantee. It cannot be added later, including after you have made any payment to Your Builder or after work has started on Your build.

The maximum total loss of deposit cover is the lesser of 5% of the value of the Building Contract or \$50,000 (incl GST).

If We accept a claim by You for Loss of deposit cover, We will refund You the value of the deposit less the value of any products, services, or Works already received by You or completed by the Builder of which you have obtained value from (which may include, but is not limited to, the value of building plans prepared, the Guarantee Fee, etc).

Special Conditions Applicable to Loss of Deposit Cover

After making a claim for Loss of deposit cover, You must not make any further payments to the Builder (or liquidator, receiver, administrator, or statutory manager) without Our consent to do so.

Loss of deposit cover is designed to protect You when the Builder suffers an Insolvency Event. However, We may also, at Our sole discretion, accept claims for Loss of deposit cover where You have cancelled the Building Contract. In exercising this discretion We will consider the following factors:

- The circumstances and reasons which caused You to decide to cancel the Building Contract.
- Efforts by the Builder to satisfy Your concerns and keep the Building Contract on foot.

Pre-Practical Completion - Non-completion Cover

A Pre-Practical Completion Guarantee will also cover instances where the Builder suffers an Insolvency Event after substantial Works have commenced, but before Practical Completion has been achieved.

The maximum total non-completion cover under this Guarantee is the lesser of 10% of the value of the Building Contract or \$250,000 (including GST), aggregate.

If We accept a claim by You for non-completion cover, We will pay You for costs associated with engaging the Substitute Builder that exceed the value of the original Building Contract (including any valid building contract variations, and less any progress or variation payments You have made to the Builder for work actually completed).

- For example, if the original Building Contract was valued at \$500,000, You have made progress payments of \$200,000, and the cost to complete the Works with the Substitute Builder is \$350,000. We would pay You the sum of \$50,000.
- If You have made scheduled payments (an advanced payment for a portion of the Works that had not yet been completed by the Builder) those scheduled payments will be deducted from the above calculation.

All payments You made to the Builder must be substantiated to Our satisfaction to assist Us in calculating available non-completion cover.

If We accept a claim for non-completion cover, it does not mean that claims made by You for Post-Practical Completion Cover will be automatically accepted by Us. Any defects discoverable at the time Practical Completion is achieved will not be covered by this Guarantee.

Special Conditions Applicable to Non-completion Cover

The provision of non-completion cover will be subject to the following:

- A Substitute Builder must be engaged. We will work with You to find a Substitute Builder. The Substitute Builder must be a member of New Zealand Certified Builders. The cost of the Building Contract with the Substitute Builder must be submitted to Us for approval. Whilst We will not dictate the identity of Your Substitute Builder, We reserve the right to limit payments made to You under this non-completion cover in the event that We consider the rates charged by the Substitute Builder, or costs claimed, to be excessive. In exercising this discretion, We will consider the following factors:
- Any other quotes obtained during the procurement of the Substitute Builder;
- The opinion of a quantity surveyor.

Optional Pre-Completion Cover is available where the Builder and the proposed dwelling have been assessed and approved by Halo as eligible for cover under this Guarantee. Owners should confirm with Halo before entering into a Building Contract that both the Builder and the proposed dwelling satisfy Halo's eligibility requirements.

Post-Practical Completion - Workmanship and Materials Defect Guarantee

We will cover You for any Workmanship and Materials Defects in the Works or the Sub-Works (as applicable), that is discovered and notified to Us by You during the Workmanship and Materials Defect Guarantee Period, where the Defect arises from the Builder's failure to comply with the Building Code and/or Guide to Acceptable Tolerances, applicable at the Practical Completion date.

Special Conditions Applicable to Cover for Workmanship and Materials Defect

We will not provide cover for a Workmanship and Materials Defect unless:

- the Works or the Sub-Works (as applicable) have achieved Practical Completion; and
- the Builder has been notified and has failed to rectify the Workmanship and Materials Defect within a reasonable timeframe (reasonable access for the Builder, including, but not limited to, their representatives, sub-trades and suppliers must be provided), and/or
- the Builder has withheld consent to resolve the dispute by using a disputes resolution service or other legally binding process, and/or
- the Builder fails to comply with the decision of the disputes resolution service or other legally binding process

If a claim relates to materials used in the Works or the Sub-Works (as applicable), You must first make a claim under any warranty or guarantee given by the manufacturer or supplier of those materials.

Structural Defects And Weathertightness

This Guarantee covers Defects with Your dwelling that constitute a breach of the New Zealand Building Code (as it was at the time of the Guarantee application) in respect of the following items:

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

For the purposes of this guarantee a Structural Defect also includes a Defect (whether or not it is one of the types defined immediately above) that allows water to penetrate into the Residential Dwelling from the exterior, and results in damage to the Residential Dwelling. However this weathertightness extension does not apply if the Residential Dwelling scores 13 or more on the risk matrix table E2/AS1 Table 2: Building envelope risk scores (which is a measure of weathertightness risk) published by the Ministry of Business, Innovation and Employment (MBIE).

Special Conditions Applicable to Cover for Structural Defect

We will not provide cover for a Structural Defect unless:

- a Code Compliance Certificate has been issued for the Works where required by the Building Act 2004, and
- the Builder has failed to take steps towards and rectify the Structural Defect within a reasonable time of being notified, and/or
- where the Structural Defect is disputed, the Builder has failed to engage in the dispute resolution mechanisms of the Building Contract or other legally binding process,
- the Builder fails to comply with the decision of the dispute resolution service or other legally binding process

Additional Costs (Post Practical Completion Cover Only)

Where You have a valid claim under this Guarantee We will also, as part of that claim, cover You for the following additional costs only (with Our written consent), which are not directly related to the remediation of the Defect:

- Reasonably incurred alternative accommodation costs if You are required to vacate Your dwelling as a direct result of the Defects
- Reasonably incurred costs of protecting, moving and storing of Your furniture and personal effects
- Reasonably incurred costs for architects, surveyors, consulting engineers and other fees in relation to the complete or partial rebuilding or rectifying the Structural Defects but does not include legal costs or fees incurred by You in preparing a claim.
- Costs and expenses reasonably incurred by You with Our written consent for:
 - removal of debris
 - dismantling or demolishing
 - shoring up
 - temporary protection of the Residential Dwelling.

Any compensation provided by Us for additional costs is capped at a maximum aggregate total of \$30,000 for any one claim under the Guarantee.

Spec and Builder-Owned Homes

Post Completion Guarantees for spec and Builder owned homes may be available at Our discretion subject to the following provisions. We may accept applications for Guarantees covering Residential Dwellings that are owned or part-owned by the Builder or by anyone who effectively controls the Builder (such as a majority shareholder or director of a building company) - including Residential Dwellings that are intended to serve as their home, Residential Dwellings that are built for the purpose of resale such as "spec homes", and portable or modular Residential Dwellings constructed off-site. Further;

- The Builder must have provided to Us the same information (as near as can be achieved) and at the same time, as if the Residential Dwelling was owned by an independent third party and apply for the Guarantee via the established application process.
- Once the Building Site has been sold (whether before, during or after construction) or ownership of the portable or modular building has transferred to the purchaser, a Transfer of Ownership application must be submitted, and this must be accepted by Us in writing for cover to continue assuming the Guarantee is confirmed (which will be at Our sole discretion), it will only be for the benefit of the new owner (and any successors in title until the expiry of the Structural Defect Guarantee Period) and it will only be for the residual time left to run (if any) under the Workmanship and Materials Defect Guarantee Period and the Structural Defect Guarantee Period
- In the case of a portable or modular building, the Practical Completion Date will be determined in accordance with the provisions of this Guarantee but will not be any earlier than the date when it has been installed on its destination site portable or modular Residential Dwellings constructed off-site do not include buildings which have been previously permanently located at another site, and then relocated to a new site.
- If a portable or modular home is used as a showhome, the Practical Completion Date is the date the portable or modular home reaches Practical Completion.

Consent-Exempt Minor Dwellings (Granny Flats)

Pre-Practical Completion and Post-Practical Completion Guarantees are available for Consent-Exempt Minor Dwellings where the Builder and the proposed dwelling have been assessed and approved by Halo as eligible for cover under this Guarantee. Owners should confirm with Halo before entering into a Building Contract that both the Builder and the proposed dwelling satisfy Halo's eligibility requirements and the applicable exemption criteria under the Building Act 2004.

Image: www.nzob.nz/revere-gallery/
Project: Timber Treat



Section 4

What is not covered?

The following items are excluded from the Guarantee and We will not provide any cover for any claim arising from or in connection with these items:

Associated Works

Any Defect outside of the Residential Dwelling, including, but not limited to, landscaping, retaining walls and decks not part of the primary structure, fencing, driveways or paths, patios or similar land improvements, swimming pools, spa pools or sauna, main supply services or drains supplied by a public utility, external drainage and sewage systems, water tanks, septic tanks and systems or septic farms or solar or wind electrical generating systems.

Damage Outside of The Works

Damage due to, or arising out of, any defect in the design, workmanship, materials or components of the Residential Dwelling which do not form part of the Works or the Sub-Works (as applicable).

Defects discovered when building owned by the Builder

Any Defect whilst the building is owned by the Builder or any associated entity of the Builder.

Defects discoverable at Practical Completion

Any Defect that was or should reasonably have been identified at Practical Completion of the Works.

Demolition

Any demolition or deconstruction works that form part of the Building Contract works and any subsequent damage that results from those works.

This does not include demolition carried out as part of an approved Post Practical Completion claim.

Errors or Omissions in Design or Engineering Work

Any Defect due to errors or omissions in the design or engineering work where such work was carried out by a third party, whether or not such work was part of the Works.

Fines and Penalties

Fines, penalties, or liquidated damages.

Force Majeure Events

Any Structural Defect or Workmanship and Materials Defect (whichever is applicable) that results from any cause beyond the Builder's reasonable control, such as subsidence, settlement, heave or landslide (unless such loss or damage is as a result of a defect in the workmanship, materials or components of the Works).

Fraud

Any loss which results from any fraudulent act(s) of the Builder.

Guide to Acceptable Tolerances

Any alleged Defect that falls within the Guide to Acceptable Tolerances.

Indirect or Consequential Losses

Losses outside the scope of the physical building works are not covered, nor are losses which do not result directly from a Defect unless expressly stated in this Guarantee. For example, We will not be liable for costs arising from inconvenience or distress; loss of enjoyment; consequential losses of any kind; loss of use; loss of income or business opportunity; legal costs or expenses arising either directly or indirectly as a result of the events or circumstances that led to the Defect, rent, mortgage or interest payments of any kind.

Any damage to materials or structures that fall outside of the scope of the Building Contract Works shall not be covered by this Guarantee.

Labour Only

Any Building Contract where the Work is completed on a labour only basis.

Limited Liability Company

For residential building Works, You will require Our approval if You intend the Guarantee holder to be an incorporated limited liability company. You do not require Our approval where the Guarantee holder is a trustee company.

Multi-Unit Builds

Pre-Practical Completion cover is not available for anything more than two joined units, or where there are more than two units in a Building Contract.

Neglect, Deterioration or Wear and Tear

Loss, damage, or deterioration due to:

- Your neglect or failure to carry out normal or specific maintenance.
- Wear and tear, normal deterioration caused by aging process or otherwise, normal dampness, condensation or shrinking, change in colour, texture, opacity, staining or cosmetic blemishes to any element of the Residential Dwelling.
- Unavoidable aesthetic variance, including the inability to match materials, colours or finishes in remedial Works or between remedial works and existing works when remediation is being, or has been undertaken, including remediation undertaken as a result of a claim under this Guarantee.

Non-Agreed Remedial Work

Any Work to correct a defect which is undertaken without Our consent, other than such Work as is necessary to prevent further damage as set out in Section 5 – Claims Conditions of this Guarantee.

Non-Approved Builders

Any Structural Defect or Workmanship and Materials Defect due to or arising out of Works that are undertaken or completed by a Builder who is not an Approved Builder, unless agreed to in writing by Us.

Non-Defect Disputes

Any dispute between the Builder and the Owner that does not directly relate to either a Workmanship or Materials Defect or a Structural Defect, such as disputes concerning delays or alleged overcharging.

Not the Builder's Responsibility

Anything that is not the Builder's responsibility under the Building Contract that has been arranged or paid for directly by You, including any work, services, materials or chattels.

Owner Delay

Any additional damage caused by a delay on Your part in notifying both Us and the Builder of a fact or circumstance giving rise to a possible claim under this Guarantee.

Personal Injury

Any costs, losses, expenses or damages for death, bodily injury, disease, illness or injury to mental health.

Pre-Practical Completion Cover

Loss of deposit and non completion cover will only be included in this Guarantee if you have elected to include the Pre-Practical Completion extension in Your Guarantee application and paid the extension fee.

Relocated Buildings

Buildings which have been previously permanently located at another site, and then relocated to a new site.

Severe Weathertightness Risk

Where the risk matrix rating scores 13 or more, the weathertightness extension does not apply. See section 3 for further details.

Scheduled Payments

Any advanced payments for a portion of the Works that had not yet been completed by the Builder.

Significant Variations

Variations to the Building Contract totalling more than 10% (ten per cent) of the Contract Price, unless expressly agreed to by Us in writing.

Toxic Mould

The removal or rectification of any pathogenic organisms including bacteria, yeasts, mildew, viruses, fungi, mould or their spores, and any damage resulting from them, unless it is covered by the weathertightness extension of the Structural Defect cover.

Use of Non-Compliant Materials

Where You agreed or directed the Builder to use materials that are or should reasonably have been suspected of being:

Non-compliant with the appropriate New Zealand standards including second-hand or recycled materials and/ or other non-approved materials unsuitable for the particular function for which they have been applied, or contrary to the manufacturers or supplier's recommendations.

Wilful Acts

Any defect or damage whatsoever caused by any act of either Yourself or any other party acting on Your behalf.

Where the Structural Defect is caused by defective workmanship, We will provide cover for a period of up to ten years from Practical Completion.

Section 5

Making a claim

Making a claim for cover, You must:

- Notify us of any potential claim You may have once you become aware of it;
- Make a written claim for cover; and
- Comply with claim conditions (as applicable).

The timeframes for completing these steps depend on whether You are making a claim for Pre-Practical Completion or Post-Practical Completion cover.

Pre Practical Completion Cover Pre-Claim Notification

You must inform Us within **14 calendar days** from the date You become aware or ought to have been aware that there is a possible claim for loss of deposit or non-completion cover.

Making a Claim

Then, within no more than **45 calendar days** from the date you gave the notification referred to above, you must lodge your claim for loss of deposit or non-completion cover.

Post Practical Completion Cover Pre-claim notification

As soon as You become aware of any issue with the Works or the Sub-Works (as applicable) that You consider may be a Structural Defect or Workmanship and/or Materials Defect You must inform the Builder, as well as the manufacturer and supplier of those materials, in writing and then contact Us immediately after that to tell Us that there is a possible claim.

A claim may proceed if the Builder:

- Refuses to fix the Structural Defect or Workmanship and/or Materials Defect: or
- Has not completed or made reasonable progress with the required remedial work within **90 calendar days** of being notified by You of the Structural Defect or Workmanship and/or Materials Defect

Making a Claim

You have **120 calendar days** to lodge a claim after You become aware or ought to become aware of the circumstances that could give rise to a claim. You must include all items that You consider may be a Structural Defect or Workmanship and/or Materials Defect in your claim.

Unless We agree in writing to an extension of time to lodge a claim, We will not be liable to provide any cover or pay any compensation under this Guarantee if You do not lodge a claim within the time specified. Compliance with this time limit is a condition precedent to any entitlement to cover under this Guarantee.

How to Notify Us of a Claim – All Claims

All claims under this Guarantee must be notified to Us in writing at:

- Halo Guarantees Limited, PO Box 13415, Tauranga Central, Tauranga 3141; or
- claims@halo.nz, or
- online - www.halo.nz

Claim Conditions

In the event You lodge a claim under this Guarantee, You must:

- Comply with all of Our reasonable directions, and take reasonable precautions to avoid or minimise the claim
- For Post-Practical Completion Cover claims, not undertake any remedial or rectification Works without Our written consent, unless such Works are necessary to avoid or minimise the claim
- Provide Us, or any Approved Builder nominated by Us, reasonable access to the Building Site to inspect and/or carry out remedial Work.

How We Resolve Claims

If We do not accept Your claim, We will notify You of our reasons for declining Your claim in writing.

If We accept Your claim, We will notify You in writing.

For Pre-Practical Completion Cover claims, We will follow the processes set out in Section 3 for loss of deposit and non-completion cover.

For Post-Practical Completion Cover claims We will tell the Builder to repair, replace or rectify the Structural Defect or the Workmanship and/or Materials Defect (whichever is applicable) within a specified Remedial Period that We consider reasonable in the circumstances. The Remedial Period may be extended by Us if We consider that is reasonable.

The Builder, including but not limited to, their representatives, sub-trades and suppliers, must be allowed reasonable access to carry out any inspections or remedial work.

If the Builder refuses or fails to fully repair, replace or rectify the Structural Defect or the Workmanship and/or Materials Defect (whichever is applicable) within that Remedial Period then You must notify Us no later than 30 days after the date the Remedial Period ended after which We will either:

- Arrange for an Approved Builder to rectify the Structural Defect or the Workmanship and/or Materials Defect (whichever is applicable) OR
- We will pay You the reasonable value of the damage You have incurred (not exceeding the maximum monetary limits set out in section 2 of this Guarantee)

The assessment of what constitutes a Defect covered under your Guarantee will be judged strictly by reference to the Building Code and the Guide to Acceptable Tolerances. Your Guarantee will only respond to Defects deemed to be outside of what is specified in the Building Code and the Guide to Acceptable Tolerances and We will only pay for such rectification work as is necessary to bring the Defect within the Code or Guide to Acceptable Tolerances.

It is at Our discretion whether We decide to arrange an Approved Builder to provide rectification Works or pay You compensation for the loss You have incurred.

Recoveries From Third Parties

Once Your claim is resolved, We may wish to recover from a person or organisation some or all of the amounts We have paid You or an Approved Builder. By making a claim under this Guarantee, You agree that We can, take over Your legal rights and remedies against anyone who is responsible which led to Your claim. If We choose to do this, We will be responsible for all costs incurred in pursuing a recovery of amounts paid by Us. You must fully co-operate with Us and give Us any assistance We need to help Us to recover some or all of the costs We have incurred in resolving Your claim.

Our Rights

In the event of any occurrence which might give rise to a claim under this Guarantee, We and Our agents shall be entitled to enter the Building Site in order to carry out remedial Work. If such permission is unreasonably withheld, We may decline Your claim, even if We previously accepted it.



Image: www.nzcb.nz/revere-gallery/
Project: Great Escape

Section 6

General terms

Access to Information

You must provide Us with any information We require to assess a claim. This includes but is not limited to:

- Any settlement or arrangement You have made with the Builder.
- Payments You have made under the Building Contract.
- Copies of any plans, specifications, contracts, Building Contract Variations and consents.
- Lists of sub-trades and suppliers.
- Any written communications with the Builder or its representatives.
- Any decision, expert opinion or determination made by a referee, arbitrator, adjudicator and/or third-party expert.
- Confirmation from Your insurer that You have made a claim under Your insurance policy, and/or the outcome of the claim.

Failure to provide Us with such information within a reasonable timeframe of it being made available to You and being requested by Us, may result in Us rejecting a claim. This is whether or not such claim was previously accepted.

Change of Ownership

If ownership of the Residential Dwelling covered by the Guarantee changes before the Works reach Practical Completion, You must notify Us immediately and provide evidence of change of ownership (such as a sale and purchase agreement or a record of title). We will at Our sole discretion permit the transfer of the Guarantee, however, consent will not be unreasonably withheld.

Agency

The Builder is not an agent of Halo Guarantees Limited for any matter relating to this Guarantee. Except for the terms and conditions in the Guarantee, We are not liable for the actions or non-actions, promises or other comments made by the Builder.

Claims made to the Builder does not mean that they have been made to Us and therefore always contact Us directly.

Where external assessors or loss adjusters or other specialists have been appointed by Us as part of a claims investigation or other dispute We may not be bound by comments, recommendations made during the investigations. This extends to any statement of claim or notifications made to them by You as these should always be made directly to Us.

Delays

You must provide Us with written notice if You become aware that the Works may be, for whatever reason, delayed for a period of 90 calendar days or longer. All delays of 90 calendar days or longer must be approved by Us. If written notice is not provided, We may cancel the Guarantee at Our sole discretion.

Within 30 calendar days of giving Us written notice of a potential delay, You must provide to Us an explanation for the delay and an action plan to resume Works. If no explanation or action plan is provided within 30 calendar days, or the explanation or action plan provided is not to Our satisfaction, We may cancel the Guarantee at Our sole discretion.

Breach of terms and conditions of Guarantee

If You do not promptly comply with any of the terms and conditions of the Guarantee and such delay or non-compliance prevents Us from efficiently dealing with any matter connected to Your claim, We may decline the claim. This is the case even if We previously accepted that claim.

Cancellation of the Building Contract

If during the course of the Works either You or the Builder decide that it is better to part company before Practical Completion occurs, one or both of You may want to cancel the Building Contract and You will most likely want to engage another contractor to complete the Works.

These are the rules that apply in those circumstances:

- If You want to cancel, assign or novate the Building Contract so that You can engage a Substitute Builder to complete the Works. You must first notify Us and obtain Our prior written consent, otherwise the Guarantee application will be deemed to be cancelled at the same time as the Building Contract.
- It will be at Our sole and absolute discretion whether Your Guarantee will be approved to survive cancellation of your Building Contract. Factors informing Our decision may include without limitation the state of any Work done to date and the qualifications, experience and financial credentials of the proposed replacement builder.

In circumstances where Your Builder has suffered an Insolvency Event and You do not hold a Pre-Practical Completion extension to Your Guarantee, the Guarantee will be cancelled and We will refund the Guarantee Fee to You, unless it can be shown by the Builder, or a receiver, liquidator, administrator or manager of the Builder that the Guarantee was provided to You at the Builder's expense. In that event, We will refund the Guarantee Fee to the Builder, or a receiver, liquidator, administrator or manager of the Builder.

Cancellation of Guarantee

Where this Guarantee states that Your Guarantee will be cancelled on the occurrence of certain actions or events, the Guarantee will automatically be cancelled and will be deemed to be cancelled even if no notice of cancellation has been sent to You in writing. We will not be liable for any claims under the Guarantee (whether existing or otherwise) on cancellation.

If, at the time the Works reach Practical Completion, the Builder has ceased its New Zealand Certified Builders Association Incorporated membership, we may cancel the Guarantee at Our sole discretion.

If the Guarantee has been validly cancelled, We will refund the Guarantee Fee to You, unless it can be shown by the Builder that the Guarantee was provided to You at the Builder's expense. In that event, We will refund the Guarantee Fee to the Builder.

Claim Covered by Insurance or Indemnity

Where there is a valid claim under this Guarantee, as well as provided by any insurance policy or indemnity agreement, then We will only pay in excess of the amounts the Owner is entitled to receive under other arrangements. You must claim on any insurance policies first, prior to making a claim under the Guarantee.

Contract Privity

For the purpose of section 12 of the Contract and Commercial Law Act 2017, the provisions in this Guarantee are intended to create obligations enforceable by any subsequent owner of the property whose name is registered on the certificate of title to the property on which the Works are carried out, even if they are not parties to this Guarantee.

Disputes between You and the Builder

If there is an unresolved dispute between You and the Builder, We can refuse to accept a claim under the Guarantee until the dispute has been resolved. Generally this will require You and the Builder to follow the dispute resolution process set out in the Building Contract, unless We are satisfied and agree in writing that the dispute may be or has been resolved in some other manner.

If there is a dispute over payment of the Final Contract Price, Halo reserves the right to not issue the Guarantee until the dispute has been resolved and any changes to the scope of Works completed, financial implications and any other relevant agreements reached have been provided to Halo. In these circumstances, and where the Guarantee is ultimately issued, the start date shall be back dated to Practical Completion Date.

Disputes between You and Us

If You disagree with decisions We make in relation to this Guarantee, including (but not limited to) a decision to decline a claim or the value of a claim, You must notify Us in writing within 10 days of being told of Our decision, including the basis of your dispute.

On notification of the dispute both parties must attempt to resolve the dispute in good faith through negotiation. After 10 days, if the dispute has not been resolved by negotiation, the parties may agree to attempt to resolve it by mediation. Mediation will not be compulsory unless both parties agree to it, and that agreement may be revoked by either party at any time up until 7 days before the scheduled date for the mediation. The parties will share the mediator's fees and expenses equally and meet their own costs. If the parties cannot agree on a mediator within 7 days of the agreement to mediate, then either party may request the President or relevant nominating officer of the Arbitrators' & Mediators' Institute of New Zealand Inc ("AMINZ") or of LEADR (NZ) Inc. to select a mediator.

If the dispute has not been resolved within a month of the dispute arising, and there is no agreement to mediate currently in force and being actively pursued, then the dispute shall be resolved as follows:

In the event of a dispute only about the value of a claim:

- By a registered quantity surveyor engaged by Us to decide the value of the claim. You agree that the assessment of the registered quantity surveyor is binding and We are entitled to proceed to assess Your claim on the pricing given, in full and final settlement.

All other disputes (including any dispute arising out of the quantity surveyor mechanism above):

- By arbitration under the Arbitration Act 1996. If the parties are unable to agree on an arbitrator within 10 days of notice of arbitration, the arbitrator will be appointed by the President (or nominated officer) of the Arbitrators' and Mediators' Institute of New Zealand (AMINZ)

Fraudulent Claim Clause

If You make any claim knowing the same to be false or fraudulent, as regards the value or otherwise, this Guarantee will be cancelled and any claim under this Guarantee will be forfeited.

Investigations by Us

If You file a claim with Us, We may choose to conduct an investigation to assist us in Our assessment of Your claim. Any investigation conducted by Us for that purpose is conducted for Our benefit solely. The outcome of any investigation shall not alter Our liability to You. Our liability to You will remain as set out in this Guarantee.

Law and Jurisdiction

This Guarantee shall be governed by the laws of New Zealand and subject to the exclusive jurisdiction of the courts of New Zealand.

Limitation on Liability Optional Pre Practical Completion Extension

We are not liable for any claim for loss of deposit cover or non-completion cover if You do not include and pay the requisite fee for a Pre-Practical Completion extension to your Guarantee.

10 year Guarantee

Post Practical Completion Cover under this Guarantee begins on the Practical Completion Date of the Works (which may be deemed as per section 2) and ends 10 years after that date, unless cancelled or exhausted before that.

We will not grant any time extensions. Completion of any remedial Works or the transfer of this Guarantee will not extend this timeframe.

Notices

Any notice may be delivered to:

- Halo Guarantees Limited PO Box 13415, Tauranga Central, Tauranga 3141; or
- hello@halo.nz

Other limitations

We are not liable for any claim under the Guarantee if the Works or the Sub-Works (whichever is applicable), in relation to the claim, do not have any required building, resource or similar consents.

Our liability is limited to the maximum monetary limits of cover under the Guarantee set out in section 2 of this document.

If You are in breach of any of Your obligations under the Building Contract, We will not be liable for any claim made under this Guarantee.

Owner

The postal address provided in the Guarantee Application Form or Guarantee Schedule; or The email address provided in the Guarantee Application Form or Guarantee Schedule; or In the case of any subsequent Owner of the property, the address of the property on which the Works were carried out.

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

A notice given by a party is deemed to be received, -

- if it is personally delivered, when delivered; or
- if it is posted, 3 working days after posting; or
- if it is sent by fax, on production of a transmission report (by the machine from which the fax was sent) that indicates that the fax was sent in its entirety; or
- if it is sent by email, when the email leaves the communications system of the sender, provided that the sender does not receive any error message relating to the sending of email

Privacy

The Owner authorises Halo Guarantees Limited and/or its representatives to obtain from any other third party, personal information they consider relevant for the purpose of the Guarantee.

The Owner authorises Halo Guarantees Limited and/or its representatives to disclose to any other third party, personal information obtained from the Owner or any other third party for any purpose in relation to the Guarantee.

The Owner has rights to access and can request correction of their personal information. To exercise these rights the Owner should contact Halo Guarantees Limited on the contact details given on the first page of this document.

Sanctions

We shall not provide any benefit under this Guarantee to the extent of providing cover, payment of any claim or the provision of any benefit whereby doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

Special Conditions or Exclusions

We, in Our sole discretion, may impose a special condition or exclusion on any Guarantee that We issue. Any such special term or exclusion will be noted on the Guarantee Schedule and takes precedence over the Guarantee terms and conditions.

Transfer of Guarantee

Your Guarantee is transferable to subsequent Owners of the property, subject to the following conditions:

- A completed request for transfer of ownership together with a non-refundable administration fee of \$250 plus GST must be received by us any time prior to settlement of the sale of the property or up until a maximum of 60 calendar days following settlement or the Guarantee will be cancelled, with no refund of the Guarantee Fee. The request for transfer will not be processed without payment of the fee.
- We reserve our right to decline the transfer for any reason which a prudent insurer might decline insurance cover for the proposed transferee, or on any other reasonable basis concerning the nature of the transferee or the property.
- We will not be liable to subsequent purchasers for any Defects that would have been picked up by a prudent inspection of the property by reasonably diligent purchaser or their builder, surveyor or inspecting agent as the case may be. We will only provide cover for Defects present at the time of transfer if a claim is made by You prior to the transfer of ownership of the property.
- The transfer of the Guarantee does not extend its period of cover.

Waiver

A failure or delay to exercise any of Our rights or remedies under this Guarantee cannot be taken as a waiver of that right or remedy.



Section 7

Definitions

Approved Builder

A Builder who is a current Business Member of the New Zealand Certified Builders Association Incorporated.

Builder

The entity named in the Guarantee Application Form or Guarantee Schedule (whichever is applicable) in its capacity as either head contractor or sub-contractor to the head contractor.

Builder Owned Home

See Spec Builds.

Building Code

The New Zealand Building Code as set out in Schedule 1 of the Building Regulations 1992 including subsequent amendments and Regulations made in substitution for them.

Building Consent

The building consent issued by the relevant authority under the Building Act 2004 for the Works.

Building Contract

The contract entered into between You and the Builder for the carrying out of the Works.

Building Site

The land where the Works will be undertaken or the Residential Dwelling will be erected.

Completion Certificate

The certificate sent by Halo Guarantees Limited to the Owner that must be completed and signed by the Owner when the Building Work has achieved Practical Completion.

Code Compliance Certificate

The certificate issued by the local authority on the completion of the Works that certifies compliance with the Building Code.

Consent-Exempt Minor Dwelling

Means a non-consented small stand-alone dwelling that qualifies for the building consent exemption under section 42B and Schedule 1A of the Building Act 2004, being a new, stand-alone, single-storey residential dwelling with an internal floor area not exceeding 70 square metres which has been approved by Halo as eligible for cover under this Guarantee.

For the avoidance of doubt, a Consent-Exempt Minor Dwelling does not include any dwelling, building, structure, building work or development that:

- a. requires a building consent under the Building Act 2004;
- b. does not qualify for, or ceases to qualify for, the exemption under section 42B and Schedule 1A of the Building Act 2004;
- c. is not constructed in accordance with the conditions of that exemption; or
- d. has not been approved by Halo as eligible for cover under this Guarantee.

Contract Price

The amount shown in the Guarantee Application form or Guarantee Schedule (whichever is applicable), as the amount anticipated to be paid for the Works, excluding any fees or other expenses payable to parties other than the Builder.

Decks and Decking

Decking that is part of the primary structure and includes piles, bearers, bracing elements, joists stringers, subfloor framing, decking materials, handrails posts, pergola or other structure carrying a roof.

Defect

A defect which constitutes a breach of the New Zealand Building Code as it was at the date of Practical Completion.

Final Contract Price

The final price for the Works calculated at the conclusion of the build including all variations.

Guarantee

The Halo 10-Year Residential Guarantee provided in the terms and conditions of this document.

Guarantee Application Form

A completed Guarantee Application form completed online and accompanying the terms and conditions of the Guarantee sent to Halo Guarantees Limited.

Guarantee Fee

The cost of the Guarantee in accordance with the cost schedule in section 2 of this document or as otherwise notified by Halo Guarantees Limited.

Guarantee Schedule

The document named as the "Guarantee Schedule" that accompanies the terms and conditions of the Guarantee (if the Builder has made a request for guarantee on Your behalf) and names You and the Builder and specifies the Works covered.

Guide to Acceptable Tolerances

The "Guide to tolerances, materials and workmanship in new residential construction", issued by the Ministry of Business Innovation & Employment (MBIE) or any guide in substitution thereof that maybe issued from time to time, which is used to determine whether a particular issue is deemed to be a Defect and sets out a reasonable position on tolerances that a building professional would consider in determining whether a building element has been installed and/or constructed to an acceptable standard.

Insolvency Event

Means becoming bankrupt or going into liquidation or having a receiver or statutory manager appointed.

Loss of Deposit Cover

Covers instances where You have paid a deposit to the Builder, but prior to substantial Works being commenced, the Builder suffers an Insolvency event and Your deposit is lost.

Multi-Unit Builds

Anything more than two joined units, or where there are more than two units in a Building Contract.

Non-Completion Cover

Covers costs associated with engaging the Substitute Builder that exceed the value of the original Building Contract.

Owner

The person for whom, or entity for which, the Works are being carried out under the Building Contract and named in the Guarantee Application form or Guarantee Schedule (whichever is applicable), and any subsequent owner of the property whose name is registered on the certificate of title to the property on which the Works are carried out

Practical Completion

The point in time, and the stage in the progression of the Works, when the Works are so far advanced that the Residential Dwelling can effectively be used by the Owner for its intended purpose, notwithstanding that certain non-critical or aesthetic features are yet to be completed or minor omissions or defects are yet to be rectified.

Practical Completion Date

The date of Practical Completion as notified by You on the signed Completion Certificate, or, pursuant to the default provisions outlined in Section 2.

Pre-Practical Completion Cover

Means Loss of Deposit and Non-completion cover.

Post-Practical Completion Cover

Means Workmanship and Materials and Structural Defect cover.

Remedial Period

The timeframe set by Us during which the Builder should carry out all remedial work required to fix the defect which is the subject of a claim that has been accepted by Us.

Residential Dwelling

- A building or part of a building that is used or intended to be used mainly for residential purposes, includes detached standalone buildings used in association with residential purposes, but excludes any building or part of a building in excess of (3) three storeys, excluding any Basement, unless agreed otherwise, in writing by Us.
- Private services (water, gas, or electricity) associated with the Building Work, but excludes external drainage and sewage systems, water tanks, septic tanks and systems or septic farms, or solar or wind electrical generating systems.

Spec Builds

When a Builder undertakes building work on a Residential Dwelling for him/herself or a related entity.

Structural Defect

Structural Defect means a defect in or damage to:

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

Structural Defect Guarantee Period

The period commencing from the Practical Completion Date and ending 10 years after that date.

Sub-Work(s)

The workmanship and materials to be provided to Your head contractor by the Builder (and/or the Builder's subcontractors and suppliers) as described in the Building Contract and (if applicable) the relevant Building Consent, in connection with a Residential Dwelling, if the Builder is acting in the capacity of a subcontractor.

Substitute Builder

A builder approved by Us to continue works following removal of the original Builder.

For clarity, it will not be considered Unjust Termination if the Builder has cancelled the Building Contract in accordance with the terms of the Building Contract (for example, for non-payment by You).

We, Us, Our

Halo Guarantees Limited.

Workmanship and Materials Defects

Building work or materials that have either failed and/ or do not comply with the New Zealand Building Code and/or the New Zealand Standards applicable at the time of the Practical Completion Date. It includes that the item is not fit for its intended use and/or does not fall within the tolerances set out in the Guide to Acceptable Tolerances applicable at the Practical Completion Date.

Workmanship and Materials Defect Guarantee Period

The period commencing from the Practical Completion Date and ending 2 years after that date.

Work(s)

The workmanship and materials to be provided by the Builder (and/or the Builder's subcontractors and suppliers) as described in the Building Contract and (if applicable) the relevant Building Consent, in connection with a Residential Dwelling and includes decks only if they are part of the primary structure.

You, Your, Yourself

The Owner.



10 YEAR RESIDENTIAL
GUARANTEE.

Halo Guarantees Limited
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