

Builder's Guide to the Master Build 10-Year Guarantee



masterbuilder.org.nz

What is the Master Build 10-Year Guarantee?

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

Every new build or renovation should be protected by a Guarantee. Most banks will require one, and in many countries it is a legal requirement.

As a Master Builder, you are backed by New Zealand's leading Guarantee. For the last 25 years we have protected more than 140,000 homes.

If your build is a multi-unit development or a labour only build, ask us about the Master Build Multi-Unit and Labour Only 10-Year Guarantees.

Our Guarantee is focused on meeting the needs of your customers.

Why do your clients need a Guarantee?

Guarantees are increasingly being requested by homeowners and are also required by most mortgage lenders. They protect the homeowner through the building process, and for the next 10 years.

While the vast majority of your building projects will run smoothly, sometimes things do go wrong. The Guarantee provides a process to resolve those issues. It may also be that you are no longer working as a builder in 10 years' time. The Guarantee is there to protect your client's investment.

Our Guarantee has been developed in New Zealand for New Zealand homes. Only you, as a Master Builder, can provide it.

Under the Building Act, it is your responsibility to offer your clients the Master Build 10-Year Guarantee.

Regardless of what happens in the future, Registered Master Builders will be there to help the homeowner for the next 10 years – it's peace of mind guaranteed.

"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

What does it cover?

	Master Build 10-Year Guarantee	Cover under New Zealand legislation	
		Building Act	Consumer Guarantees Act
Maximum total cover across all claims over the life of the Guarantee	\$1,000,000 or the value of the building contract – whichever is less		
Before building work starts: Loss of Deposit	\$50,000 or 10% of the value of the building contract – whichever is less	No protection	No protection
While building work is under way: Non-Completion (includes remedial work)	\$500,000 or 20% of the value of the building contract – whichever is less	No protection	No protection
After building work is complete: Materials and Workmanship	For 2 years after building work is complete	1 year implied warranty*	Possible limited cover*
After building work is complete: Structural Defects – includes Rot and Fungal Decay (weathertightness)	For 10 years from Acceptance of the Guarantee	10 years from completion for specific items*	No protection
After building work is complete: Temporary accommodation during remedial work	Up to \$10,000	No protection	No protection
Transferable when the home is sold	Yes, multiple times for a transfer fee of \$350 (inc. GST)		

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

What does it cost?

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

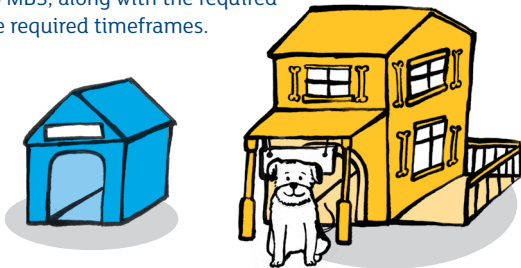
Value of Building Contract (inc. GST)	Full Guarantee (inc. GST)	Opting out of Loss of Deposit and Non-Completion (inc GST)
\$30,000 – \$200,000	\$750	\$600
\$200,000 – \$400,000	\$1,300	\$1,050
\$400,000 – \$600,000	\$1,550	\$1,250
\$600,000 – \$800,000	\$1,750	\$1,400
\$800,000 – \$1,000,000	\$1,950	\$1,550
\$1,000,000 – \$1,500,000	\$2,200	\$1,750
\$1,500,000 – \$2,000,000	\$2,750	\$2,200
\$2,000,000+	Call us	Call us

How much cover does my client need?

Our Master Build 10-Year Guarantee is flexible and can be tailored to your clients' needs.

The tiered pricing structure means your client only pays for the cover they need to protect their build. Plus, they have the option of opting out of cover for Loss of Deposit and Non-Completion.

When your client has decided to purchase a Guarantee, it is your responsibility to ensure the completed documents are sent through to MBS, along with the required fees, in the required timeframes.



What you need to do to make sure your clients are covered



Under the Building Act, it is your responsibility to offer your clients the Master Build 10-Year Guarantee.



If your client wants the Guarantee...

...you are responsible for sending all the documentation to Master Build Services (MBS), and it must be submitted before work starts. The Guarantee is not valid until you and your client have received confirmation from MBS. If you have not received confirmation within 14 days, please contact us immediately.



If your client does not want the Guarantee...

...they must sign a waiver. This protects you in the event of a dispute and confirms that you have met your obligations under the Building Act by offering the customer a Guarantee.

All forms and more details are available
on the Guarantees section of the members'
website. www.masterbuilder.org.nz



Getting in touch

If you have any questions, feel free to contact us:



Call:

0800 269 119 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