



MEDIA RELEASE
14 December 2016

NZ Certified Builders already ahead of calls for mandatory building guarantees

NZ Certified Builders (NZCB) welcomes the report on building warranties/guarantees based on a comparison of the situation in New Zealand with the UK, which emphasises the importance of these for anyone wanting to undertake a new home build or significant renovation.

NZCB Chief Executive, Grant Florence said “NZCB believes mandatory building guarantees are in the best interests of both consumers and our members and, for this reason, we introduced an industry-leading mandatory guarantee scheme in January 2016.

“It’s disappointing that this was not covered in the report, as it demonstrates how the industry itself can drive greater accountability for build quality and consumer protection,” says Mr Florence.

Exclusive to NZCB, its mandatory building guarantee, Halo, applies to every new home build or building alteration over \$30,000 that is undertaken by a NZCB member. Providing cover for 10 years, it is the most comprehensive home guarantee insurance currently available in New Zealand. For example, cover extends to not only fixing any defects but also the damage caused by the defect. It is underwritten by Lloyd’s of London and carries an “A+” rating from Standard and Poor’s.

Importantly also for consumers, the scheme is run by an independent insurer, which ensures there is no potential conflict of interest in the management of guarantee claims as could be the case with an in-house scheme.

“As a trade association, we’ve proactively taken this step, rather than being required to do it through regulation or through pressure from mortgage lending restrictions, because we think it’s the right thing to do,” said Mr Florence.

NZCB is committed to fostering best practice within the industry and to helping its members adapt to change through ongoing professional development. One of two building trade associations in New Zealand, it is the only one that requires its members to be trade qualified. Its members tend to be small to medium size building firms that offer a full spectrum of residential and light commercial building services.

“People who choose to use a builder that is a member of NZCB for a new home build or major renovation will be covered by NZCB’s mandatory building guarantee so it is important that they are aware of the full picture,” said Mr Florence.

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