

Fixing serious defects in residential apartment buildings Fact Sheet

Our government program may be able to help you get serious defects in your building fixed for free.

What is Project Intervene?

Project Intervene restores confidence in residential apartment buildings. We will intervene to help owners corporations and developers come to an agreement to fix serious defects by using powers under the Residential Apartment Building (RAB) Act. Register by 30 November 2023.

Eligibility

- It must be a class 2 residential apartment building or have a class 2 part
- The developer or builder must still be trading (this is important as they pay for all costs)
- The building must be three storeys or more*
- The building must be ten years old or newer**
- There must be a serious defect (as defined in the Residential Apartment Building Act)
- The serious defect must be related to a building element (as defined in the Design and Building Practitioner Act).

Other information

- A strata committee or an authorised strata manager can register for an owners corporation
- Registrations close on 30 November 2023
- iCIRT-rated developers ^ can also nominate a building under Project Intervene .



<https://nsw.gov.au/project-intervene>

What are the benefits?

1. Serious defects are fixed faster which minimises the potential for further damage to the building
2. An independent Undertaking Manager is appointed to ensure the remediation work specified in the undertaking is delivered on budget and on schedule
3. A Superintendent is appointed to oversee remediation work is carried out in a compliant manner. The Superintendent is independent and has experience in the building and construction industry
4. The developer pays for remediation work and associated costs.

The benefits of Project Intervene compared with litigation

Project Intervene	Litigation through court or tribunal
<ul style="list-style-type: none"> • It saves time and money by focusing on having the serious defects fixed • NSW Fair Trading helps create agreement thereby avoiding the legal process in court or before a tribunal • An independent Undertaking Manager can act as an independent ‘honest broker’ and mediate where necessary • An independent Superintendent ensures on-site work is done in a safe and compliant manner by suitably qualified tradespeople • It may help reduce the impact on Strata insurance • The Undertaking Manager can ensure works are done in compliance with Design and Building Practitioner (DBP) Act requirements • Owners do not need to bear the cost of independent engineers, projects managers or other specialists or the remediation work itself. 	<ul style="list-style-type: none"> • Expensive expert witness reports and court orders • Long, costly legal battle with an uncertain outcome • A court or tribunal gives orders. You have no say • You negotiate each step indirectly through lawyers • After the legal process, the serious defects are still not fixed. The delay in work may lead to worse defects • There may be reputational risk to the developer during the legal process and after • There is reputational risk to the owners corporation’s building and to the property’s value while it has unresolved serious defects.

*Project Intervene is focused on buildings with three storeys or more as these pose a higher risk and impact. Buildings with serious defects that are less than three storeys should also register a complaint with NSW (New South Wales) Fair Trading and seek assistance.

**Project Intervene is focussed on buildings that are six years old or newer and still covered by the statutory warranty as this has a better chance of a successful outcome. However, under the legislation buildings up to ten years old may be eligible for a developer to offer an Undertaking. Owners corporations should register a complaint with NSW Fair Trading and seek assistance.

^ The independent construction industry ratings tool (iCIRT), provided by Equifax, provides a star rating outcome on a firm’s capability and willingness to deliver reliable and trustworthy built assets. <https://www.buildrating.com/rating/registry>