

NAVIGATING THE NEW CLADDING REGIME

The deadline for meeting the first step in the Queensland cladding checklist regime is fast approaching. Here, partner Kristy Dorney and lawyer Luke Hefferan explain what you need to know and share some tips for buyers under the regime.



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Cladding deadline

By 29 March 2019, buildings caught by the legislation are required to—

- be registered on the Safer Buildings website
- have part 1 of the combustible cladding checklist completed, and
- submit a copy of the checklist to the QBCC using their online system.

Owners who miss the above deadline may face a penalty of \$2,611 along with orders to comply.

Buyers navigating the cladding regime

If you are buying a commercial building in Queensland, there are a few things you need to know.

The intention of the regime is to have qualified experts determine if the cladding installation is safe or whether remedial works are required. If remedial works are required, owners can expect to be directed to incur the cost of completing those works. In the worst cases, this may involve complete removal and replacement of cladding. It is therefore important to identify prior to entering into an unconditional contract whether the building is affected and the likely cost of remedial works.

You should request evidence from the seller about what stages of the checklist have been completed and obtain copies of the relevant reports for review by your technical advisors. The regulations specifically require the seller to provide this information to you before ownership of the building changes.

New owners assume the obligation to complete the checklist by the four staged deadlines so, if the building industry professional report (due 29 May 2019) and fire engineer assessment (due 31 May 2021) have not yet been secured, it will fall to the new owner to obtain these.

If you are buying a lot under a community management scheme, the body corporate is responsible for complying with the checklist, not the lot owner. However, the cost of any required remedial work will naturally fall to the lot owners. Enquiries should be made to obtain the same disclosure as set out above, including an inspection of the body corporate records, particularly in relation to cladding.

You can find more information about the seller's obligations in the October 2018 edition of **Fundamental**.

How can we help?

For assistance in determining whether your building is caught or advice on buying or selling an affected building, please contact one of our Real Estate lawyers. Also, you can visit the News section of our website for an **Alert** published in October 2018 which explains the new regime.

Upcoming deadlines

Here are the next deadlines under the combustible cladding checklist regime:

- 29 May 2019—secure an inspection report from a building industry professional, provide a copy to QBCC and update the cladding checklist with the report.
- 27 August 2019—if required, engage a fire engineer, provide details to QBCC and update the cladding checklist with the engineer's details.
- 31 May 2021—secure a risk assessment report from the fire engineer, provide a copy to QBCC and update the cladding checklist with the report.