

## HDB DEFECTS

So you have completed all the necessary formalities to collect the keys to your new HDB flat and renovations are underway to create your dream home. Shortly thereafter, your renovation contractor completes his work and you are ready to move in.

Three months down the road, you return home after work one evening and to your horror, you discover a long crack across the face of the wall of your dining wall. What on earth happened? Was there another tremor from Indonesia? Did your contractor blotch up the job? What caused the crack and more importantly, who is responsible for rectifying this awful crack?

Currently, HDB offers a standard one-year Defect Liability Period (DLP) to all purchasers of its new flats. During this period, any building defects are repaired at no cost to the lessees. So in short, notify the HDB about the crack and they will send their contractors to have a look and then have it repaired at no cost to you except for your time and some inconvenience. This applies only if such defects are brought to the HDB's attention during the one year DLP.

On 7 April 2005 HDB launched "ASSURE 3, a new extended warranty scheme covering 3 types of major defects, for all new flats built under its building programme from 2005 onwards.

With advancements in building technology, HDB claims to have developed better building methods which will minimise the occurrence defects such as ceiling leakage, water seepage and spalling concrete in new flats. So as part of HDB's continuous efforts to provide high-quality affordable flats, HDB is therefore now able to offer new flat buyers a longer warranty period against these types of defects.

"ASSURE 3" covers the following defects starting from the date of completion of the apartment blocks:

Defects	Warranty Period
Ceiling leakages at toilet/ kitchens	Five years
Water seepage from external walls	Five years
Spalling concrete	Ten years

The new extended warranty will benefit both HDB flat owners but there is a caveat to this generous programme. For example for ceiling leakage at toilets and the kitchen, during the warranty period, if the owner changes the floor tiles and tamper with the waterproofing system originally installed by HDB at the toilets and/or kitchen, the extended warranty will cease.

During the warranty period, owners are also assured that their flats and the common areas are protected against the 3 types of defects. If defects do occur, the HDB will carry out inspection and arrange for rectification free of charge. After the expiry of the extended warranty, owners will have to continue to maintain their flats and the common properties in good condition and engage their own contractors to rectify any defects if necessary.

For non HDB flat owners, developers also offer a one year DLP for new developments. This is spelled out in the Sale & Purchase Agreement that you would sign with the developer.

The Agreement provides that the developer must make good at their own cost and expense any defect in the new flat which becomes apparent within the period of one year from the date you receive the Notice of Vacant Possession.

The developer must make good the defect within one month of his receiving a notice from you requiring him make good the defect failing which you may notify the developer of your

intention to cause rectification works to be done and the estimated costs of carry out those works and give the developer an opportunity to carry out the proposed rectification works within 14 days after the date of the notice failing which you may proceed to rectify the defect.

If the developer has been notified and fails to carry out the rectification works to make good the defect within the specified time, you have the right to carry out the rectification works and recover the costs from the developer.

The above sounds very pretty and in most developments involving the bigger well known developers, usually, there should not be too much difficulty in getting your remedy. But sometimes, with smaller lesser known (but sometimes the big boys as well) the main contractor may go bust or for reasons we cannot fathom, the developer refuses or neglects to rectify the defects. So in the end, even if the Agreement does provide recourse to you, its not all that simple. What if you rectify the defects and the developer is unable or refuses to reimburse your costs? There is a saving grace in the Agreement which allows you to deduct the costs of the rectification works from any sum held by the Singapore Academy of Law (SAL) as stakeholder for the developer. Under the Agreement, within 14 days after you receive the Certificate of Statutory Completion, 5% of the purchase price is paid to the SAL as stakeholder who shall pay on Final Payment date, to the developer that sum less all authorised deductions for the rectification works.

Of course the above is all just in theory and sounds pretty nice but the reality of it may prove different for each of you as the HDB and every other developer may have their own views of what constitutes a defect. To them, the stains on you marble flooring may just require some polishing. To them, the door that cannot close in your kitchen needs sandpapering. To them, the rattling sound from the new airconditioning system is, wait, what rattling sound? I could go on and on. So what sound advice can I offer you? There is this Latin phrase which I learnt from law school but useful in legal practice: "Caveat Emptor", that is, Buyer Beware!!

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