

## What is Practical Completion ?

“Ah but sure, it’s practically complete!”

These are the words that an architect doesn’t want to hear from a contractor.

This fact sheet explains what Practical Completion is and it’s significance in a building contract.

Firstly, Practical Completion is really only applicable when you are working within a contract between employer and contractor and it’s the moment when to all intents and purposes:

*“the Works have been carried to such a stage that they can be taken over and used by the Employer for their intended purpose and that any items of work or supply then outstanding or any defects then patent are of a trivial nature only and are such that their completion or rectification does not interfere with or interrupt such use”*

What this means in practice is that:

### **A, For the contractor:**

The Works need effectively to be complete barring a few easy to remedy defects that won’t disrupt the enjoyment of the Employer using the building. and

### **B. For the Employer**

The Works therefore do not have to be perfect with every single defect fixed. This is what the Defects Liability Period is for.

The problem for the architect is that a. The contractor needs payment and b. The Employer wants to move in but it’s critical that the Architect does not certify too soon. As the Practical Completion Certificate has a number of legal consequences:

1. It signals the payment of half of the money retained in the retention fund.
2. It signals the occupation of the Works by the Employer and therefore the switch in building Insurance from Contractor to Employer.
3. It signals the start of the Defects Liability Period

For information on Retention and the Defects Liability Period see *Fact sheet No. 3 CONTRACT WITH BUILDER*

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## *Architects*

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Notes:

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## References

The RIAI Contracts: David Keane

RIBA Good Practice Guide: Inspecting Works

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