



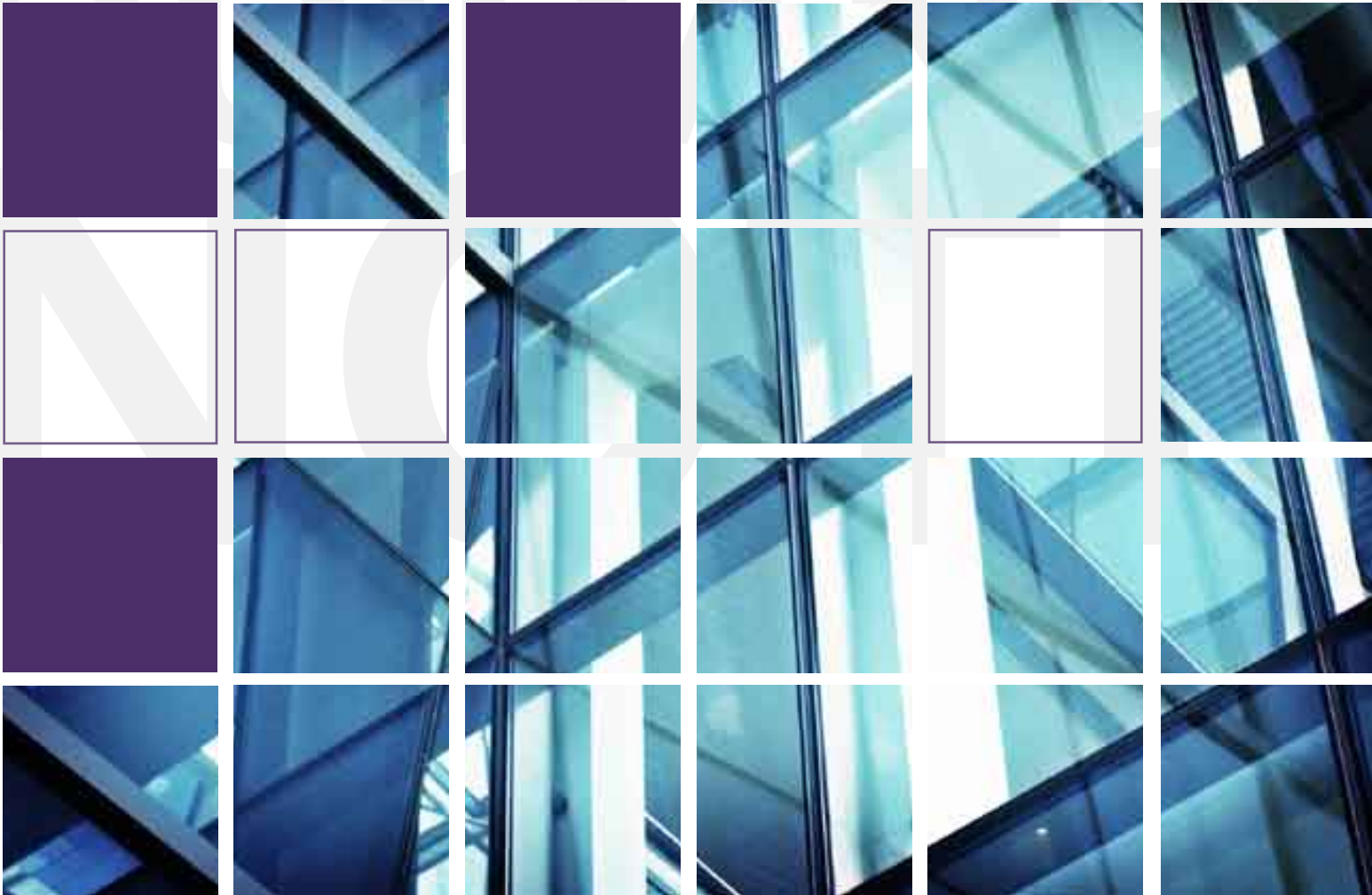
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**RICS Development  
Monitoring  
Guidance Note**



# Foreword

## Acknowledgements

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## Foreword

As a global professional body which seeks to set and promote professional best practice, RICS produces a wide range of guidance and standards for the property and construction industry. These best practice guides are both locally relevant and globally significant.

With the publication of this new guidance RICS aims to define best practice in all aspects of Development Monitoring. This guide has been produced by experienced RICS Chartered building and property professionals and property lawyers and I believe it will become accepted as the best practice standard in the Australian and New Zealand market.

Stephen Ellis FRICS

Chair - RICS Oceania



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For convenience,  
when this guide  
refers to “property”  
it will be referring  
to land and  
all structural  
improvements  
on it.



One

## 1. Purpose

The purpose of this document is to provide practical guidance to property professionals (being the professional providing the Development Monitoring services) and their clients (being the recipient of those services) when providing, or receiving, professional advice in connection with Development Monitoring exercises which relate to the development or substantial refurbishment of commercial property. In the context of this guide, commercial property includes office, industrial, retail, hotel and leisure assets, although the guide may also be applicable to some multi unit residential developments.

For convenience, when this guide refers to “property” it will be referring to land and all structural improvements on it.

This is not intended to be an instruction manual, nor a detailed step by step process which must be followed, but rather a guide to the principles which should be adopted in a typical Development Monitoring process.



This is an RICS guidance note for Australia and New Zealand. It provides advice to RICS members on a specific aspect of our profession, in this case Development Monitoring. Where procedures are recommended for specific professional tasks, these are intended to embody “best practice”, i.e. procedures which in the opinion of the RICS meet a high standard of professional competence. It is, of course, incumbent on every professional to ensure that the highest standards of service are provided at all times, and RICS guidance notes are considered to reflect the standards expected of RICS members.



# TWO

## 2. The Need for Development Monitoring

Commercial property developments are often financed by, sold to, or leased to, parties that have no direct control over how the development is managed. Therefore, there is a need for that party to oversee the development in order to protect their existing, or future interest in the property. In such a scenario a “Development Monitor” may be appointed.

Development Monitoring is the process of identifying, monitoring and advising on the risks associated with acquiring an interest in a development which is not under the client’s direct control. The role may also be termed project monitoring, investor/bank/tenant project manager, or a range of other industry terms, but for consistency RICS has adopted “Development Monitoring”.

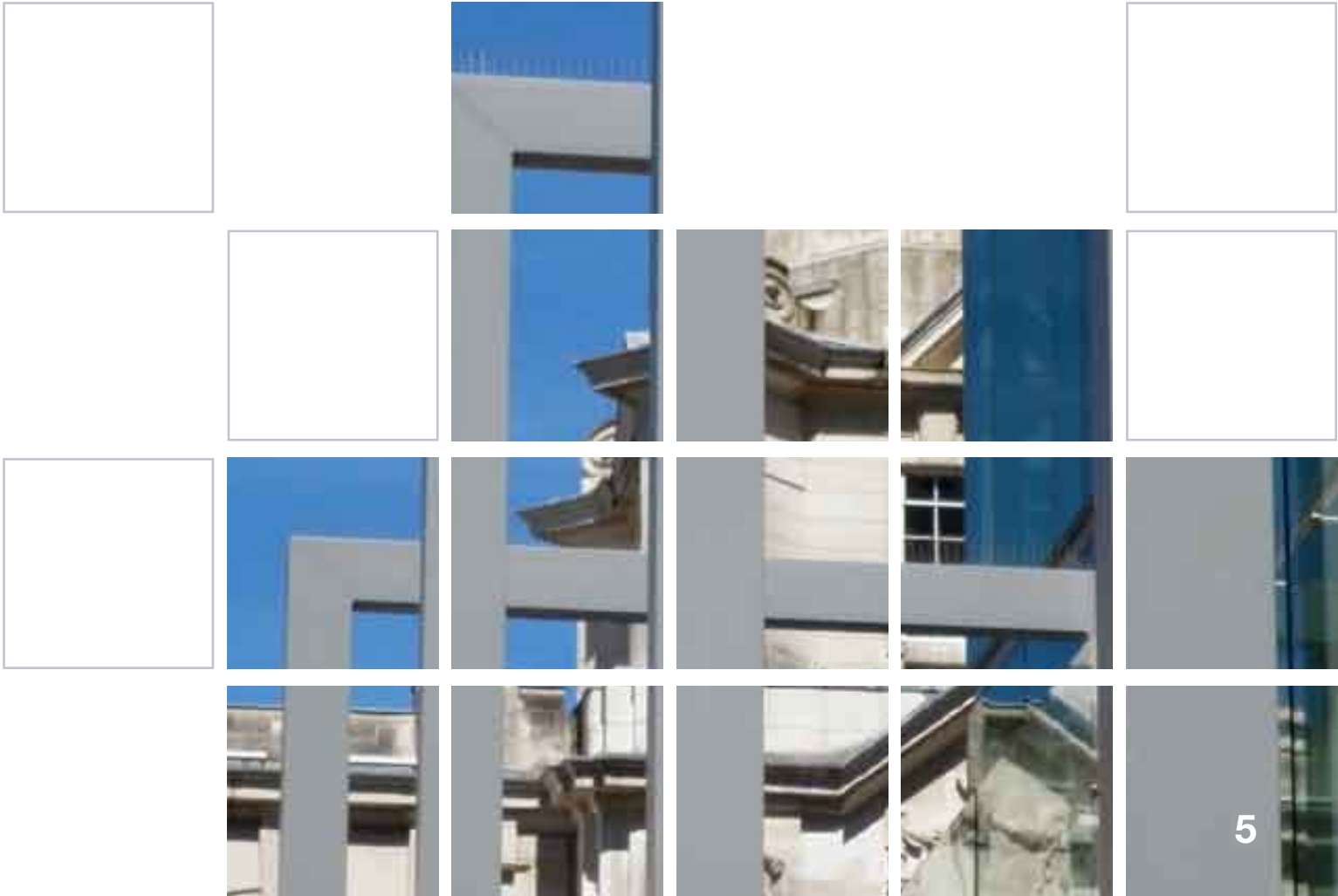
The Development Monitor acts in an independent role and is not associated with the development or the development team. Their role is one of investigator and advisor to the client, and their core function is to protect the client’s interests and mitigate exposure to risk. The Development Monitor should be proactive rather than reactive and add value to the overall development process. The Development Monitor should work cooperatively with the project team and ideally be appointed at the initial stages of the project in order that the clients interest is protected from the outset and avoid potential issues at a later stage.

It is important that the client has a clear understanding of the Development Monitor’s brief and does not misinterpret this service as that offered by a project manager or contract superintendent/contract administrator, as these roles are very different.

“

Their core function is to protect the client's interests and mitigate exposure to risk

”




# 3. Types of Development Monitoring

There are different types of organisations that may have an inherent interest in a development without having direct control over it. This guidance note considers the following:

|                                  |   |
|----------------------------------|---|
| <b>Investor / Owner Occupier</b> | The investor / owner occupier will purchase the development as an investment upon completion, or will acquire the land and fund the development during the construction as an investment. |
| <b>Financier</b>                 | The financier will lend into a project for the land purchase and/or the building construction, and will take security in the form of a mortgage over the land.                            |
| <b>Lessee</b>                    | The lessee will acquire a leasehold interest in the development upon completion.  |

Investors such as fund managers rely on a Development Monitor to act as the eyes and ears of project investors who have a long-term view of the property, rather than the developers short-term and profit driven interest. For example, the Development



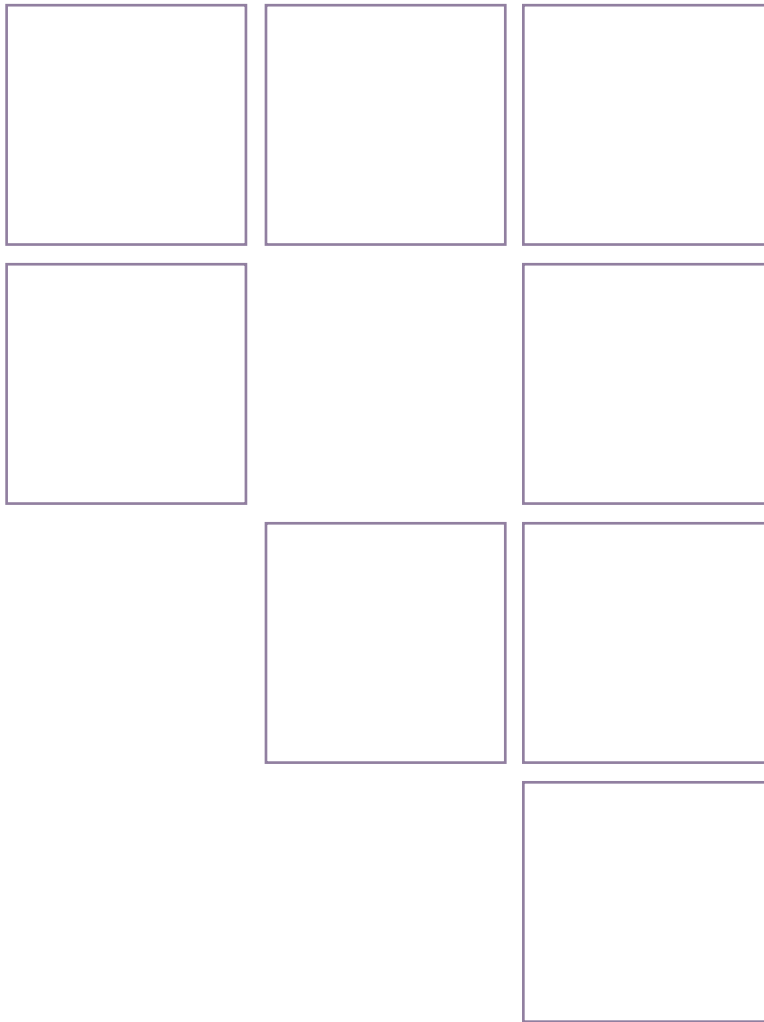


Monitor should try to ensure that specifications are not altered by the developer in a way that could lead to shorter material lifespan and potential long term defects.

Investment banks and insurance companies typically employ an independent third party to monitor developments where they have a financial interest, i.e. are providing finance, which entails an element of risk. It is considered that Development Monitoring is a means of mitigating development risk and providing early warning of potential problems.

Similarly, a prospective owner occupier or lessee taking a permanent interest or lease of a property inherits a long-term liability. This could include repairs to the property either directly or via outgoings. Development Monitoring on behalf of a prospective owner occupier or lessee is therefore also prudent to ensure that the long term maintenance liability associated with the property is not unduly onerous or that the fitout flexibility is not prejudiced by developer driven design changes.

The scope of the Development Monitoring service will depend on the nature of the client's interest and the risks associated with this interest, and may vary significantly from client to client. The key types of Development Monitoring are considered in more detail in sections 4 and 5 of this guidance note.



Investment banks and insurance companies typically employ an independent third party to monitor developments.



# 4. Investor, Owner Occupier or Financier Development Monitoring

## 4.1 Introduction

There are usually two contracts involved in a funded development:

|                              |   |
|------------------------------|---|
| <b>Development Agreement</b> | Made between the investor / owner occupier and the developer which is administered jointly by the developer and the Development Monitor. In this section, this is referred to as the "Agreement". |
| <b>Building Contract</b>     | Made between the developer and the contractor, this being administered on behalf of the developer by his professional team and/or the contract superintendent/contract administrator.             |

The Development Monitor should assist in the preparation and negotiation of the development agreement, along with the client's other consultants such as lawyers and real estate agents. This is the document which contains the rights and obligations of the client, and therefore the key areas of consideration for the Development Monitor.

The Development Monitor has no direct influence over, nor role to play in, the building contract. However they need to have knowledge of the terms of it and to ensure that these are compatible with industry standards and with the terms of the development agreement.

There are two key types of financial commitment to a new development project, which are outlined below.

### 4.1.1 Forward Commitment

In this form the investor commits to purchase the completed development in accordance with the forward purchase agreement. In this case the developer arranges his construction finance either from an external bank or from internal resources.

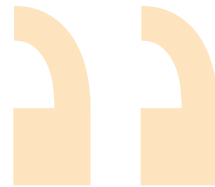
Alternatively the investor may agree to purchase the site before construction which can reduce the overall stamp duty payable (in Australia). The investor may then pay a final "balancing payment" at completion of the construction if the developer has sufficient funds from the land sale to finance construction.

### 4.1.2 Forward commitment together with the provision of interim finance

This is probably the most utilised method of development finance and combines the final purchase or balancing payment/buy-out formula outlined above with the provision of interim finance in respect of the total development costs. Total development costs include the purchase cost of the site, legal fees, professional fees, statutory fees, construction costs and interest, which will roll-up at an agreed rate of interest during the development and letting period. The developer will "draw-down" the interim finance at intervals in accordance with the mechanisms agreed in the Funding/Development Agreement, subject to an agreed "maximum commitment" by the investor.



There are two key types of financial commitment to a new development project.



## 4.2 Development Agreement Clauses

It is necessary to be satisfied that the provisions, procedures and rights of the Development Monitor set out in the development agreement are adequate to permit limited (but sufficient) control over the developer throughout the development. Key provisions to consider may include the following:

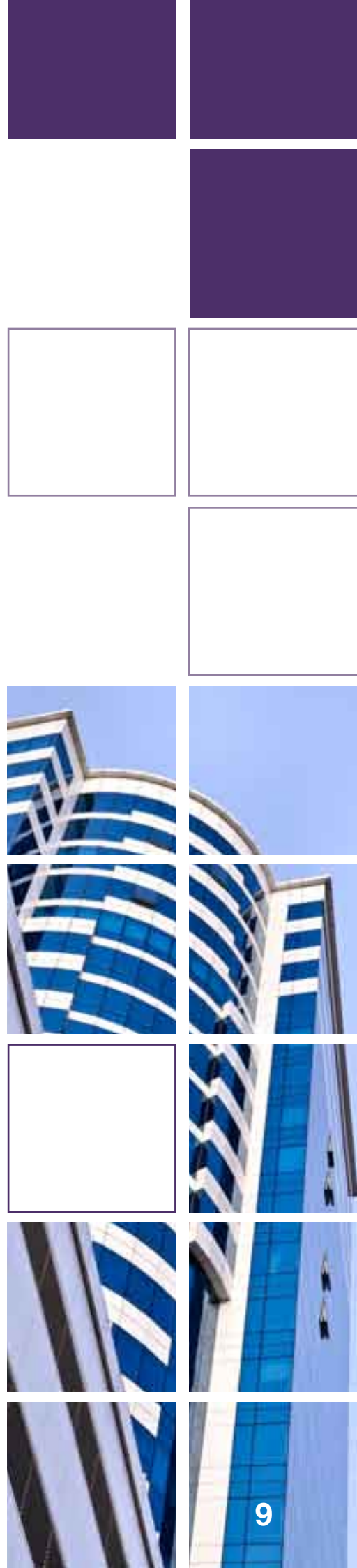
### 4.2.1 General Clauses

#### Outline Information

Provision by the developer of sufficient basic outline information about the proposed development in the form of specifications, drawings and specialist reports, to enable an assessment to be made of the general style and standards being proposed. This information, when agreed by the Development Monitor, should constitute the agreed documents referred to in the development agreement. It is important to ensure that the minimum standards acceptable to the investor are defined specifically in relation to matters which are considered significant.

#### Professional Team Appointments

Provision by the developer of the names and addresses of his professional team (to be agreed by the investor if not already appointed) and details of their terms of engagement, such as scope of service and PII cover required, in order to check that a full service is being provided.





### **Rights of Access**

For the Development Monitor to (a) gain access to the site for the purpose of inspecting the works, attending progress and design meetings; and (b) the professional team for the sole purpose of discussing and clarifying matters relating to the project, acknowledging that the Development Monitor has no right to give instructions on site or to the consultants, and (c) a copy of superintendent/contract administrator's instructions as and when issued, together with a copy of the minutes of the contractor/developer/consultant project meetings.

It is desirable for access to the site to be available at all times and not requiring prior approval from the developer or escorting by the superintendent/contract administrator to allow impromptu inspections, subject of course to all relevant occupational health and safety laws which must be adhered to.

### **Interim Finance**

Clear provisions are required for the advance of interim finance and the submission of documents or other information to support the developer's drawdown applications. In this respect, a realistic timetable should be set out within the development agreement for payment of the developer's application by the investor, such as staged payments against specified milestones. See section 9 for further information in respect of drawdowns.

### **Retention Monies / Performance Bonds**

It is desirable for the retentions or other security within the building contract to parallel those in the development agreement.

### **Design Changes**

Notification is required by the developer and agreement by the investor of any changes to the design or specification of the development, the professional team appointments or the contract. If minor changes in detail are proposed, the Development Monitor can usually assess these and agree/disagree to the change as appropriate. If significant changes are made to the design, particularly those affecting floor areas, performance criteria or finishes, the Development Manager should discuss these with the investor.

The Development Monitor's authority in this regard should be agreed with the client and the investor at the outset.

### **Insurance Provisions**

It is necessary to check details of the developer's insurance of the works and to ensure that the investor's interest is noted on the insurance policy, usually as joint insured where forward finance is being provided. Often the insurance requirements under the development agreement are passed by the developer to the building contractor under the terms of the building contract, and in these instances it is necessary to ensure the building contract requires the contractor to effect insurance in the joint names of the contractor/developer/client investor and provide the necessary evidence that this is in place. The Development Monitor should ask for copies of renewal notes on an annual basis.



#### 4.2.2 Environmental/Contamination

Environmental and ground contamination investigations may be ongoing during sub-structure design. As such the development agreement should require all ongoing test data and waste transfer information, if any contamination is removed, to be issued to the investor. Ideally a Site Audit Statement in accordance with current legislation should be provided at the end of the development agreement to collate all such information and provide the client with a site free of hazardous materials suitable for its intended use to the satisfaction of the relevant authorities.

#### 4.2.3 Progress Claims / Valuations

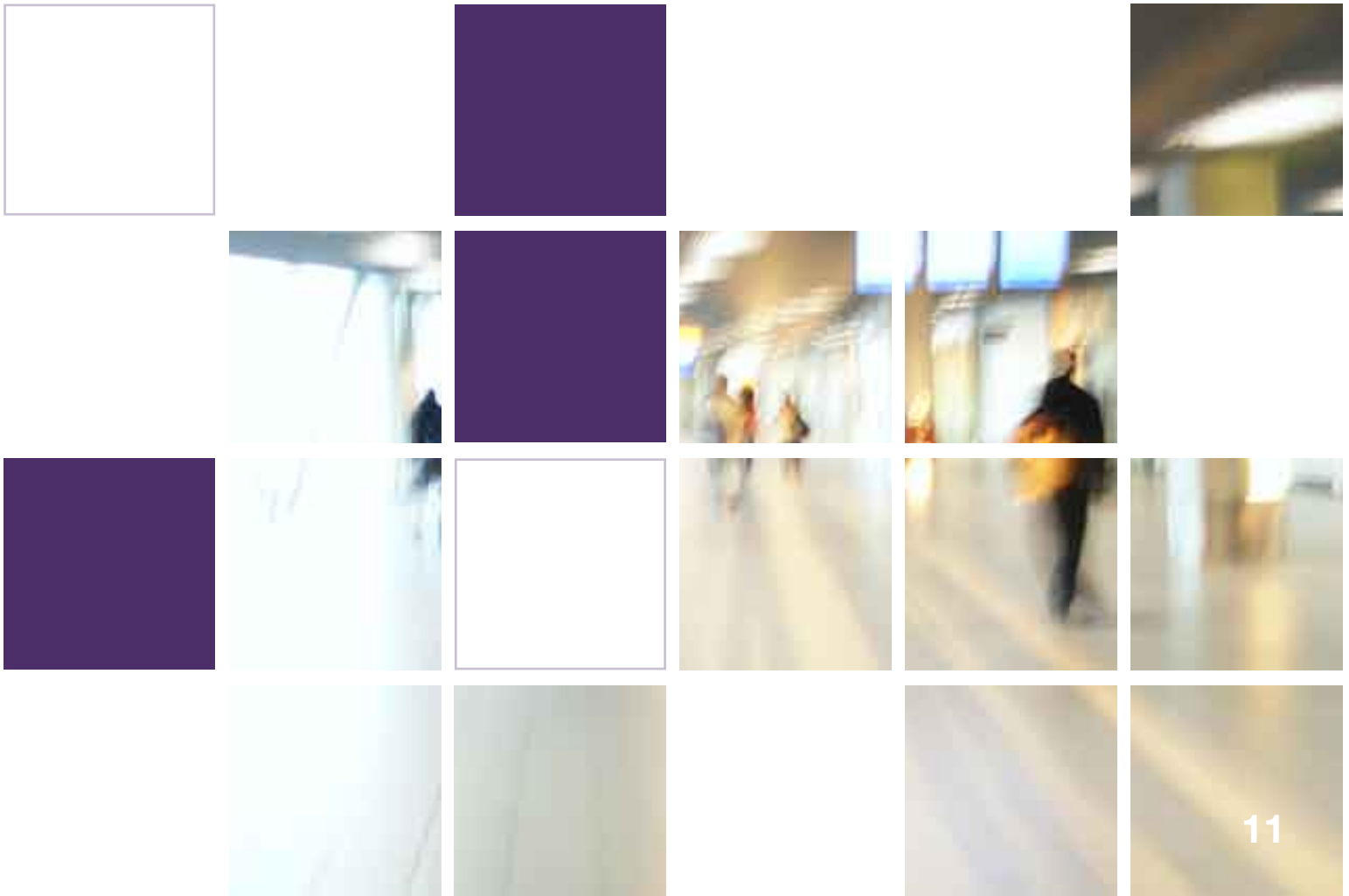
The development agreement should permit the Development Monitor to attend all progress claim meetings in order to monitor that the quantity surveyor or independent certifier is valuing the works appropriately. A review of labour on site, progress compared with programme, and sub-contractor payment applications may also be required to ensure no over certification occurs in the drawdown of funds.

#### 4.2.4 Procedures at Practical Completion ("PC")

This is probably the area where most discussions and problems occur during the negotiation of the development agreement.

It is usually the superintendent/contract administrator who is named in the building contract as the person who will issue the certificate of practical completion, but it should always be the independent Development Monitor's certification which will confirm completion under the development agreement, be it a funding/loan/lease agreement.

The Development Monitor will provide opinions regarding defects and outstanding items prior to practical completion under the development agreement. Having an absolute right to challenge practical completion in the development agreement is usually a sensitive matter, but with clearly stated performance criteria required to be met by the developer in order to confirm that practical completion has been achieved, this should not be insurmountable. In most cases it relies on the building being ready for tenant fitout, and this may also trigger lease commencement (where applicable), excepting minor defects, but this can be interpreted differently by different parties. To avoid dispute, specific requirements should always be explicitly stated.





A final inspection will need to be undertaken before the end of the defects liability period.



As-built drawings, operating and maintenance manuals, and other documentation relevant to the client, at least in draft, should be made available at practical completion. Completed documents should be provided shortly afterwards within an agreed timeframe. Copies of executed warranties from consultants and contractor/sub-contractors, all formal statutory consents and adjoining owner consents should have been provided prior to practical completion, preferably as a condition of practical completion, and all should be appropriately assigned to the investor.

Practical completion is usually the Development Monitor's last chance to caveat the issue of the practical completion certificate, which in most cases is a precondition of any balancing payment. As such it is essential that any representations are issued in accordance with the timescales/milestones in the agreement.

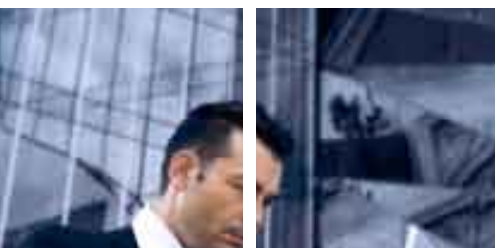
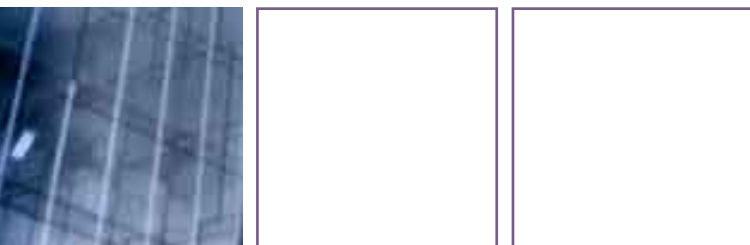
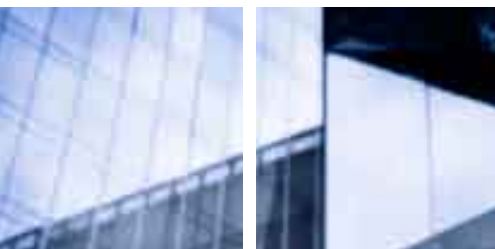
#### **4.2.5 Procedures During and at the end of the Defects Liability Period.**

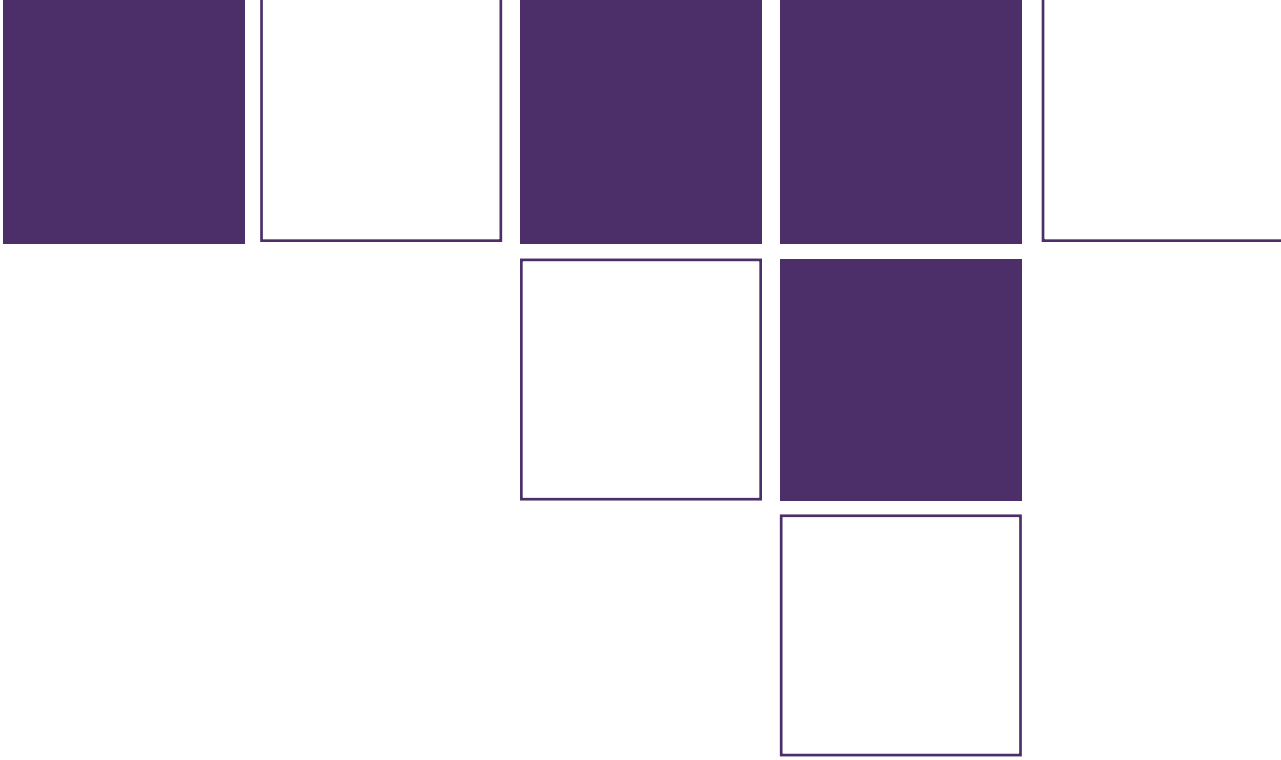
Management of the completed development, together with responsibility for insurance following practical completion must be included within the development agreement.

A final inspection will need to be undertaken before the end of the defects liability period to agree the completion of any defects and the release of any outstanding retention.

#### **4.2.6 Dispute Resolution**

Suitable dispute resolution measures should be included within the development agreement, such as executive negotiation and Arbitration provisions. These will be important to ensure the swift resolution of disputes, and enabling the project to progress unhindered whilst these are resolved.

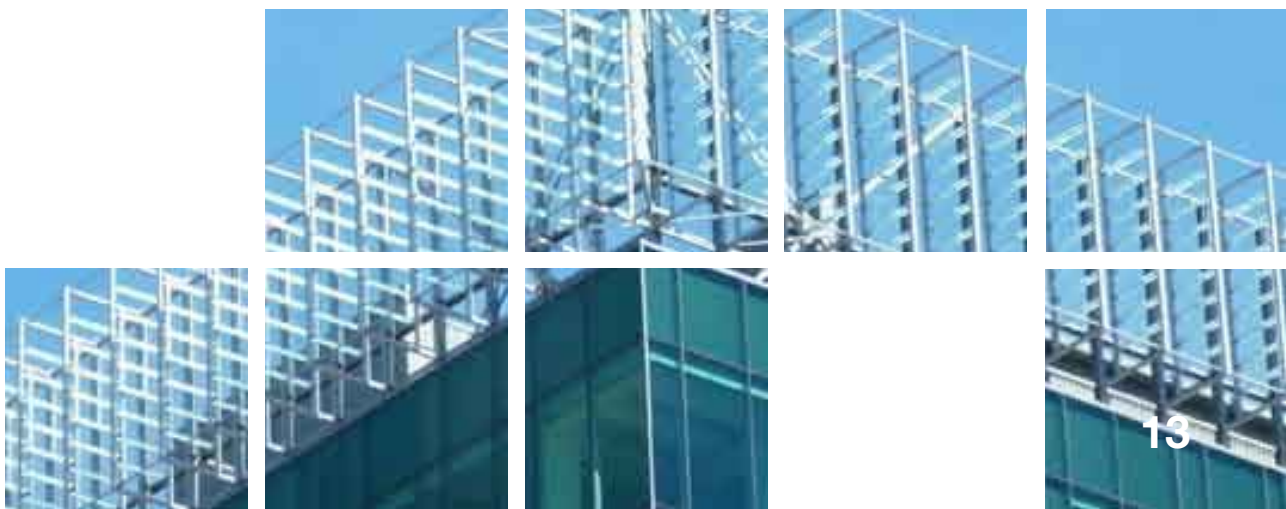




#### 4.2.7 Typical Appendices to a Development Agreement

This can include but are not limited to:

- Development Site Plan
- Outline or performance specification and Schedule of Materials sufficient to indicate the expected standard of workmanship and materials (building quality)
- Schedule of base building plans and construction drawings
- Sustainability rating requirements
- Form of building contract and amendments
- Development/Planning consent and Construction/ Building Certificate
- Form of warranties in favour of investor and tenants
- Form of warranties from sub-contractors, main contractor and design team
- Permitted amendments to warranties
- Programme
- Procurement schedule
- Infrastructure works description
- Draft or executed agreement to lease
- Draft / proposed leases
- Proposed Premises Plans / Measurement Plans
- Early access criteria
- List of excluded materials / prohibited materials
- Any lock out or first option agreements for other elements on the development site
- Environmental and geotechnical assessment, including any Clearance Certificates
- Tender reports
- List of acceptable tenants
- Elements of work for which design sub-contractors have responsibility – dependent on procurement route.



# Five

## 5. Lessee Development Monitoring

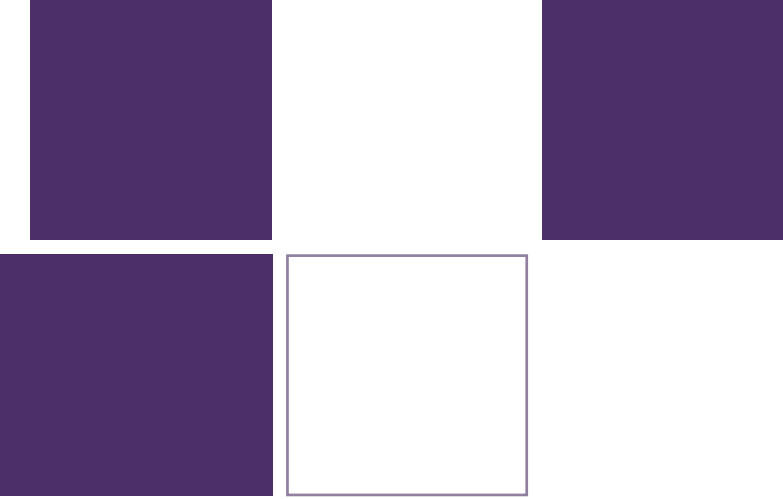
### 5.1 Introduction

The remit for a lessee Development Monitor is usually contained within an agreement for lease or a Heads of Terms document. This is executed prior to the lease being entered into. Indeed, execution of the lease itself may be initiated by the lessee's Development Monitor signing off practical completion.

An agreement for lease in its final form creates significant obligations, and rights, for both the developer (or ultimate investor) and lessee. In some key areas, a failure in the performance of its obligations by the developer is capable of having a material effect on the lessee's long-term lease liabilities and could give rise to termination rights. Conversely, if the Lessee does not comply with the agreement for lease then, in the worst case, they could lose the right to lease the premises.

Given the scale and duration of the lease, and the nature of many lease obligations, it is normally prudent for the agreement for lease to be monitored closely by all parties involved, in order to ensure that the lease will eventually be granted, and also to realise the following benefits;

- lessee enters into a lease of a building that is of a quality reflected in the agreement for lease;
- the prospect of defects and the need to rely on warranty provisions is minimised;
- the long term repairing liability and obligations are made more reasonable by timely input into design development. This can also assist in minimising outgoings for base building maintenance and repairs;
- the developer delivers on its promises, or is brought to account;
- an independent review on the likely access dates to allow the fitout to commence expediently.



The Development Monitor should be involved in the negotiation of technical issues in the agreement for lease, the due diligence process and evaluating the quality of the developer's specification for the new building. This could involve input and an ongoing review of the proposed agreement for lease and the agreement of appended information such as the outline specification, drawings and draft warranties.

## 5.2 Outline Specifications

The outline or performance specification attached to the agreement for lease is intended to be a description of the scope and quality of the base building work to be carried out by the developer. This document is therefore critical in ensuring that the lessee obtains the quality of building which was committed to by the developer at the outset, and the detail contained within the outline specification must be reflective of this. The document may reference a benchmarked building for comparison.

## 5.3 Agreement to Lease Obligations

An agreement for lease will place certain general obligations on the developer and lessee, some of which are outlined below:

### 5.3.1 Design Development

The outline specification appended to an agreement is intended to be a description of the scope and quality of work to be carried out which the developer must comply with.

In detailed design however, the developer may be permitted to change the specification, substitute materials for alternatives if these are unavailable, adopt a different method or sequence of working or change the design (in detail). The Development Monitor must therefore periodically review the developers' design development and programme, so that the lessee can be satisfied that the developer is providing a building of sufficient quality, consistent with its obligations.

The design may also contain a general clause benchmarking the property against a similar property or other agreed performance criteria in the event of any ambiguity in the design documents, and as such a detailed inspection of any such property should be undertaken as part of the due diligence phase.

### 5.3.2 Programmes / Meetings

The agreement for lease should allow for the provision of tracked programmes by the lessor/developer, and also attendance at project team meetings.

### 5.3.3 Quality

The agreement for lease should allow reasonable access to the site to enable the Development Monitor and/or the lessee to carry out periodic, and random, inspections. These are essential to determine the overall quality of the building and also to assess progress against programme. Any concerns should be raised formally with the developer as soon as they are noted.



### 5.3.4 Variations

There are usually specific design variations permitted by an agreement which cannot be challenged. Variations needed to comply with statutory requirements or those which “do not materially adversely affect the tenants’ beneficial use” are common examples. A review of all superintendent/contract administrators’ instructions and change orders should therefore be undertaken in order to protect the client’s interests.

### 5.3.5 Lessee Requested Modifications

There is usually a defined process in the agreement dealing with lessee requested modifications. In some cases the lessee can request or instruct the developer to undertake modifications/variations at the lessee’s cost. The fitout team need to be aware of the wider lease, rent review, reinstatement cost or agreement to lease consequences during the design process as this could impact on the lessee’s decision to proceed with certain tenant variations. The Development Monitor needs to advise on such issues.

### 5.3.6 Early Access Rights

The developer may be required under the agreement to provide early access to the demised premises on specific dates in order that a tenant’s fitout contractor can commence at the earliest opportunity and is not delayed. In such instances, the required state of completeness of the accommodation at each access date must be clearly articulated to ensure that there is limited dispute as to whether the correct stage of works has been reached and that handover is acceptable.

### 5.3.7 Lessee Fitout

There will normally be a number of obligations on the lessee to provide the developer with specifications and plans for approval prior to commencement of any fitout works. The Development Monitor should highlight any such provisions to the client and their fitout team.

### 5.3.8 External Works

Monitoring the landlord’s progress in completing work beyond the perimeter of the building should also be undertaken by the Development Monitor as these can affect the beneficial use of the property and fitout access. As such the agreement should detail access criteria that need to be complied with by the developer.

### 5.3.9 Practical Completion (“PC”)

There are always specific provisions detailed in an agreement relating to practical completion and stated procedures that need to be followed by the lessee and/or the Development Monitor. Beyond the simple issue of whether the building is ready or not, practical completion under the agreement is usually a signal event linked to the granting of the lease.

At practical completion, the lessee (and therefore the Development Monitor) must be satisfied with everything that the developer has committed to provide under the terms of the agreement including the completed building, as built drawings, warranties, operation and maintenance manuals, statutory consents, insurances, etc. This is the last meaningful opportunity to protect the lessees’ interests before



the developer walks away with a limited liability. As such this is an intensive period when representations need to be made to the developer, identifying any outstanding or defective works evident in the property.

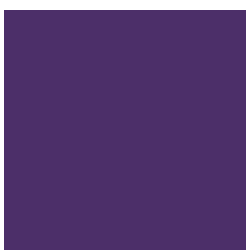
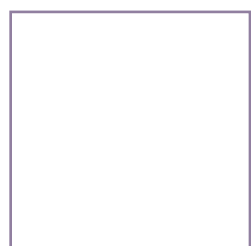
There are usually strict time-scales imposed by the agreement on the lessee for providing representations that must be followed.

### 5.3.10 Lease Commencement and Practical Completion

The agreement should state when the lease term commences. This is usually linked to completion of the base building works and issue of the practical completion certificate. The Development Monitor should be permitted to make representations at practical completion that the developer will take into account when the practical completion certificate is issued. However, it is usual for the Development Monitor not to have a right to dispute practical completion provided the property is in such a “state as to allow the tenant to commence their fitout”. This could allow practical completion to be issued by the superintendent/contract administrator at a relatively early stage if it was in the developers’ interest, and wording to control this should be included within the agreement.

### 5.3.11 Latent Defects

In some (rare) instances the developer may enter into latent defects insurance on behalf of the lessee, where available. Such policies can also be termed “Decennial Insurance”. Latent defects are never clear-cut and are, by their definition, concealed at the time practical completion is granted. The agreement may allow the tenant to notify the developer of latent defects’ in the base-build work during the lease term, and the developer may, subject to a number of conditions, be liable to rectify these at their cost.



## 6. Key Stages in the Development Monitoring Process

Whilst each development project will inevitably be unique, there are certain key stages in any project at which the Development Monitor could become involved. These are summarised below:

- 1. Project Conception** – the developer identifies a site and progresses the design to a stage where a development application can be submitted. At this stage the developer may contact an investment bank or funding institution to agree the heads of terms for the forward funding and purchase of the property, and possibly a tenant to secure a pre-letting.
- 2. Heads of Terms / Outline Agreement** – The heads of terms are incorporated into a draft funding agreement for review by all parties, and the developer may negotiate an agreement for lease with a future tenant. The investor/bank/lessee formally appoints the Development Monitor to undertake an initial audit or “Due Diligence” review of the various legal and building documentation and, if applicable, to monitor progress on site, payment processing and drawdown of funds.
- 3. Due Diligence** – This is the most common stage for the Development Monitor to be engaged by the client. The Development Monitor reviews contract documentation, specifications, procurement, warranties and statutory issues. Due Diligence normally involves a large volume of paperwork, which generally requires an expedient response. Previous environmental reports will also generally be reviewed and the Development Monitor will need to ensure that any recommendations have been or will be implemented. It is also likely that assignment of such reports to the investor would be required, or new reports prepared. A full review of the design is also required to identify areas where it may deviate from institutional standards.

This phase should be carried out in accordance with RICS best practice guidance notes for the Technical Due Diligence of Commercial and Industrial Property.

- 4. Funding/Loan/Lease Agreement** – The terms of the funding/loan/lease agreement are negotiated and agreed between the parties. The Development Monitor will need to provide input and assist the clients other professional advisors (such as the solicitor and real estate agent) in agreeing the technical matters contained within the agreement. This may include terms contained within the consultant, subcontract and contract warranties, minimum levels of professional indemnity insurance cover, arrangements to deal with design variations, defining the criteria to be achieved at practical completion and other related matters. It will also involve the agreement of a number of appendices that would, at the very least, include a specification and drawings for the development that reflects the intentions of both the developer and the client.
- 5. Design Development Stage** – The Development Monitor is expected to review progress with the discharge of planning consents and building codes. It may be the case that a number of the planning conditions require discharge prior to commencement on site. Any delays in this respect are likely to affect overall completion of the development and have financial implications with regard to interest paid on the funding monies. Development of design plans needs to be reviewed by the Development Monitor and representations made to the developer to ensure that the plans are acceptable to institutional standards and do not deviate significantly from those appended to the funding/loan/lease agreement. The Development Monitor should inform the client on a regular basis



with regard to design development progress and the discharge of statutory consents.

**6. Construction** – During construction the Development Monitor will attend site progress meetings, design team meetings and project control group (PCG) meetings. Site inspections may raise a number of quality issues and/or design changes, and representations again should be made to the developer in order to substantiate any design changes or to request him to consider an alternative design. Attending project meetings also allows the Development Monitor to determine progress against programme. In addition, the attendance at certain sub-contractor meetings for critical elements may be beneficial.

During the construction phase there will also be construction progress claims and drawdown payments to be carefully considered and negotiated, with recommendations made to the client regarding appropriate payments to be made within agreed timeframes.

**8. Practical Completion** – It is usual that the Development Monitor would have significant input at practical completion by virtue of the funding/loan/lease agreement. It is important to remember that the building contract and the funding/loan/lease agreement are two separate contracts between different parties and the Development Monitor's rights and obligations are contained within the latter. Ideally, the Development Monitor should be able to challenge the issue of the practical completion certificate if in their view the building has not achieved practical completion status as envisaged by the funding/loan/lease agreement. Normally the Development Monitor will provide representations regarding defects,

compliance with statutory consents, and outstanding information required prior to, or following, practical completion.

**9. Post-Practical Completion** – The Development Monitor arranges a return visit to the property at the end of the defects liability period. Again, representations regarding defects and outstanding information should be permitted. Once all the information required under the funding/loan/lease agreement has been provided and the defects have been satisfactorily completed then the client will release any remaining retention monies to the developer.

The Development Monitor should provide reports on a regular basis, and the format and frequency must be agreed with the client in advance. Reports should generally report on quality, cost, statutory consents and programme as a minimum, and raise any specific items of concern that require immediate review by the developer and client. The report should also document the provision of information as required under the funding/loan/lease agreement, and the developer's general compliance with that agreement. The form of such reports is considered in subsequent section 7.1 and 8.2.

The role to be performed by the Development Monitor from the due diligence stage onwards is considered in more detail in the subsequent sections of this guidance note.

# 7. Due Diligence / Document Audit

## 7.1 Information Required

In order to allow the Development Monitor to assess the development in detail, comment on the developers proposals, and make overall recommendations to the client before they enter into any formal agreement, there is the need to gather all relevant documentation relating to the proposed development. This information will need to be supplied by the client, the relevant agents acting for the client, and from the developer.

Any information sought from the developer should be obtained via the clients solicitors such that it can be relied upon as 'formal representation' from the developer. The key information will also need to be attached to the formal agreement such that it forms part of the contractual arrangement and is binding on the developer.

Typical documentation sought would include, but may not be limited to, the following:

- Preliminary investment appraisal report
- Client quality expectations
- Draft funding / loan / lease agreement
- Preliminary drawings
- Brief specification / performance specification
- Sustainability rating tool points schedule

- Financial due diligence undertaken on developer/ building contractor
- Copies of consultants terms of engagement, fees, professional indemnity insurances and warranty details
- Details of the developer and their proposed contractors and other consultants
- Details of the proposed building contract – a copy should be obtained
- Heads of cost development appraisal
- Bill of quantities / schedule of rates or other detailed price breakdown
- Developers cashflow
- Statutory consents
- Geotechnical reports
- Environmental / contamination reports
- Legal enquiries
- Details of lessee fitout works and any proposed integration of those works with the developers works
- Licence for alterations
- Details of early lessee access rights
- Draft warranties from consultants, contractors, sub-contractors and materials suppliers
- Development application and attached conditions
- Construction certificate



## 7.2 Due Diligence Information Review and Queries

The overall due diligence process should be carried out in accordance with the RICS best practice guidance notes for the Technical Due Diligence of Commercial and Industrial Property.

The first task that the Development Monitor should complete is an initial overview of the documentation that exists in order to ascertain whether it is sufficient for the purposes of the client, and also that the proposed development is in line with normal commercial expectations. An inspection of the site will also be required to identify any site specific constraints that need to be considered.

The Development Monitor should pay particular attention to the legal agreement that exists, or is proposed, for managing the contractual relationship between the client and the developer. This document determines the client's risk profile and to what degree the Development Monitor can monitor the development on behalf of the client.

It is important that adequate provisions are contained within the development agreement to allow the Development Monitor to operate effectively and protect their client's interests.

Where the agreement has not yet been signed, the Development Monitor should also assist in determining what documentation is required to be attached to the legal agreement, in order to adequately define the developer's works for the purposes of the contractual arrangement.

Wherever possible, the Development Monitor should be actively involved in the negotiation of the relevant legal agreements in order to ensure that the client's position is adequately protected.

The Development Monitor should undertake the due diligence exercise in a proactive manner, seeking responses to queries, obtaining further documentation, reviewing any benchmarked building(s), and liaising with all parties as required to ensure that all risks and opportunities are understood at the outset. The findings of the due diligence exercise should be collected in a report and issued to the client, along with clear recommendations on factors which should be pursued with the developer, and control measures which should be negotiated into the agreement.

Due to the commercial pressures associated with most new property developments, there is often limited time available for the due diligence process to occur, and it is therefore important that the Development Monitor is able to apply the necessary resources to undertake a sufficiently detailed audit and flag items of risk with the client as soon as practically possible.

“Wherever possible, the Development Monitor should be actively involved in the negotiation of the relevant legal agreements in order to ensure that the client's position is adequately protected.”

## 8. Construction



All site inspections should be recorded, and findings included in regular reports to the client.



### 8.1 Site Inspections

The Development Monitor should monitor the progress of the works through periodic, as well as ad hoc inspections, and review standards of construction, workmanship, and materials used. Specifically, there is a need to check that the works accord with the relevant agreement and specifications in terms of cost, programme and quality.

The frequency of inspections will vary depending on the nature and complexity of the particular development, although routine inspections at least once per month should be undertaken. It is usual for site inspections to coincide with site meetings and when an approval in respect of a drawdown is required. Additional ad hoc inspections are also encouraged.

The Development Monitor should attend key site meetings in the role of observer only. It is important to note that the Development Monitor is not the project manager, clerk of works nor the superintendent/contract administrator, and should not approve any instructions relating to the project unless formally requested to do so under the terms of the relevant funding/loan/lease agreement.

Nevertheless, the Development Monitor needs to be sufficiently informed about the detail and design/performance criteria to ensure that the developer is meeting its obligations, and does not fall into breach of contract.

All site inspections should be recorded, and findings included in regular reports to the client. Any issues should be raised with the developer, with all necessary actions monitored through to satisfactory conclusion for the client.

## 8.2 Monitoring Reports

The Development Monitor should issue regular reports to the client in line with the terms of engagement. Typically, reports should be issued no less frequently than once per month. In order to ensure that the reports reflect the most up to date position on site, and the most current information reviewed, reports would normally be issued shortly following the site inspection and site progress meetings.

Whilst the format and content of the Development Monitoring report will vary depending on the client's requirements and the nature of the project, the following are typical considerations:

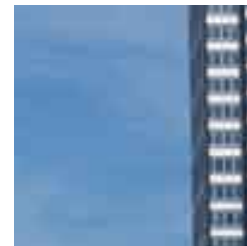
### Report:

- Executive Summary
- Introduction
- Construction Costs / Development Budget
- Drawdown Analysis
- Programme and Progress
- Design and Quality
- Progress towards sustainability ratings
- Status of Statutory Consents
- Variations
- Building Contract / Procurement
- Professional Team

- Technical Documentation Reviewed
- Outstanding Information/Matters
- Status of the Funding/Loan/Lease Agreement
- Letting & Tenancy Issues
- Insurances
- Recommendations

### Appendices:

- Tracked Programme Update
- Cashflow Statement
- Detailed Drawdown Analysis
- 'Rolled Up Interest' Statement
- Progress Photographs
- Technical Query Sheet
- Warranty Schedules



## 9. Drawdowns

### 9.1 Introduction

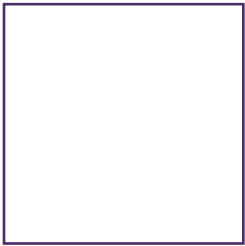
The development agreement will include provisions governing the release of interim finance and these must be checked and adhered to. The investor (being the client in this scenario) is likely to be obliged to make releases of interim finance within a limited number of days and therefore applications received by the Development Monitor may need to be acted upon in a very short timeframe in order to give the client the maximum time to arrange payment.

Furthermore, the nature of development agreements means that they are likely to fall within the controls of Security of Payments or Construction Contract legislation, and the obligations imposed by such Statute must also be considered, specifically as regards the timing of the client's response to a payment application.

It should be noted that the client is not paying the various accounts and certificates which support the drawdown application, but merely advancing monies in respect of the development costs incurred by the developer, as evidenced by the copy invoices submitted with the drawdown application.

Normally, the client is only obliged to provide finance for items which constitute development costs, as defined within the development agreement. Therefore, the developer's applications should be considered having regard to the specific definition.

The developer should support the drawdown application by providing copies of all relevant certificates and invoices relating to the costs incurred, as well as any security required by the agreement, such as Bank guarantees. The Development Monitor must be reasonably satisfied that the developer has incurred the costs on which the application is based. Indeed, some clients will require receipted copies of all invoices prior to release of any funds.



Maintaining the rolled-up interest calculations is the prime responsibility of an investment agent or the client. Information required for this includes the programme, the client's maximum commitment figure, rate of interest, payment amounts and date of payment by the client. The Development Monitor should ensure proper and regular liaison with the client to avoid the situation whereby the money advanced to a developer plus rolled-up interest begins to exceed the maximum commitment.

### 9.2 Approval Certificate

The Development Monitor's recommendation to the client for payment should be accompanied by a certificate, along with all necessary supporting information and the developer's tax invoice.

### 9.3 Development Account

The client (or Development Monitor on their behalf) and the developer should agree the status of the overall development account on a regular basis. This is usually at the same time as a drawdown claim. The account should include the status of interest, to avoid dispute and delay when it comes to finalising the balance or profit payment. The date on which invoices are included on the development account affects the total amount of interest payable. This date should therefore be set out in the development agreement.

### 9.4 Practical Completion and Final Payment

Towards the end of a development it is prudent to ensure that sufficient monies will remain within the maximum commitment figure to cover the cost of the work to achieve completion of the development and making due allowance for the rolled-up interest.

Confirming completion of the works under the development agreement (not the construction works contract) can prove contentious. The developer may apply pressure on the Development Monitor to confirm completion as this can initiate the end of interest payments for the purpose of the developers profit calculation. Such situations must be handled professionally and impartially by the Development Monitor.



## 10. Practical Completion



The Development Monitor should prepare and issue a completion report following practical completion.



It is usual that the Development Monitor would have a significant input at practical completion by virtue of the relevant funding/loan/lease agreement. It is important to remember that the building contract and the funding/loan/lease agreement are two separate contracts between different parties and the Development Monitor's rights, along with the definition of how practical completion is determined, are contained in the latter.

Therefore, it does not necessarily follow that practical completion under the terms of the building contract will mean that practical completion has been achieved under the terms of the funding/loan/lease agreement. The Development Monitor must follow and administer the provisions of the relevant legal agreement precisely.

There may be a great deal of pressure placed upon the Development Monitor at practical completion, typically by a developer who is either seeking to trigger the release of profit, or commencement of a tenants lease obligations (including the payment of rent). The Development Monitor must not be influenced by any representations, and must administer the relevant legal agreement professionally.

The Development Monitor should prepare and issue a completion report following practical completion, which will be similar in form to those provided during the construction phase.

### 10.1 Defects

The existence of defects at completion of the works may not of their own accord preclude the issue of practical completion, and it is typical for there to be a number of minor defects at practical completion which the developer will be obliged to rectify. Any defects will need to be noted and included within the certificate of practical completion issued to the developer, along with a timescale for their rectification.

Where the nature, or overall quantum, of defects is significant, practical completion should not be issued, and the experience of the Development Monitor will be critical at this stage.

## 10.2 Information to be Obtained Upon Practical Completion

The relevant legal agreement will stipulate what documentation the developer must produce prior to, or within a fixed period of time following, practical completion. This documentation would typically include:

- As-built drawings and operation and maintenance manuals in respect of the building and all services installations
- Confirmation that all development approval conditions have been discharged
- Confirmation that all other Statutory Approvals have been granted, and any conditions discharged
- Copies of the relevant construction completion and occupation certificates from the relevant certifying authority
- Express confirmation from each member of the project team that any excluded/prohibited materials have been excluded from the development
- Confirmation that the drainage installations have been cleaned at completion
- Copies of all guarantees and warranties in respect of products and materials where appropriate
- Certificates of compliance from all professional consultants contractors, and sub-contractors as necessary
- Test certificates and commissioning data
- Details of any federal or other government funding contributions to the project
- Confirmation that there are no outstanding claims from adjoining owners
- Defects schedules and lists of outstanding works
- A financial report including an assessment of any balancing sums due from or to the developer
- A statement confirming the discharge of all conditions associated with the agreement between the client and developer.





The Development Monitor should continue to act on behalf of the client in order to ensure that all defects noted at practical completion are rectified satisfactorily.



Elevem

## 11. Post Completion

The Development Monitor should continue to act on behalf of the client in order to ensure that all defects noted at practical completion are rectified satisfactorily.

There will also be some documentation which cannot be provided immediately upon practical completion, but which should be provided during the defects liability period. This may include:

- Updated defects schedules and lists of outstanding works
- Sustainability rating certification
- Depreciation schedule.

Further, the Development Monitor should inspect the property at the end of the defects liability period, and may choose to do so jointly the Superintendent/ contract administrator, client, and other interested parties.

The Development Monitor should issue a final monitoring report following the issue of the certificate of making good defects / final certificate, at which time any retention monies will need to be paid to the developer or any bank guarantees released.



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## 12. Taking Instructions

### 12.1 Client Requirements

A clear understanding of the client's requirements is essential to successful Development Monitoring. A standard, or template, approach cannot be taken. However, as a guide it is recommended that the following items are established before providing an offer of service:

- a) the identity of the client/other party
- b) the identity of the Development Monitor/company
- c) what service(s) is/are to be provided (refer to Appendix I)
- d) the address and extent of the development site / premises under consideration, along with details of the proposed development
- e) the proposed project programme
- f) the intended use of the property and proposed specifications/drawings
- g) whether there is any environmental / sustainability rating to be achieved
- h) the extent of any information being made available for review by the Development Monitor, and how reliable it is
- i) whether sub-consultants are to be engaged direct by the client or through the Development Monitor
- j) any particular Occupational Health and Safety issues which would affect the nature of the Development Monitors role
- k) the format of regular reports
- l) attendance at meetings
- m) the frequency of inspections and reporting, and any limitations on the extent of the inspections and reporting ; and
- n) the commercial terms of the instruction (such as professional fees and other charges).

In determining the scope of the instructions, the Development Monitor should:

- a) not assume that they know what the client wants to achieve from the Development Monitoring role
- b) establish what the client considers to be important before providing an offer of service
- c) establish why the client requires the Development Monitoring service
- d) guide the client if it appears that the client is not fully aware of all of the services available. This may include specialist advice from other disciplines. A checklist of potential services is provided in Appendix I - Schedule of Services Checklist; and
- e) check the implications of the direct engagement of other specialists.

In the written offer, the Development Monitor should:

- a) make it clear whether they are willing to assume liability to a third party either by collateral warranty or if the reports are to be assigned
- b) clarify the extent of their liability for specialist sub-consultant reports. (If sub-consultants are engaged by the Development Monitor the level of detail included in the agreement with the client should be replicated in any agreement with the specialist sub-consultant or contractor)
- c) define the agreed level of delegated responsibility and authority agreed between the client and the Development Monitor
- d) notify the client of any limitations of the reports.

The Development Monitor should ensure that a clear scope of works is established and that a contract exists before starting each Development Monitoring process. Disputes can be minimised by establishing a clear understanding of the terms of engagement at the outset and confirming all of the client's instructions in writing.

## 12.2 Third party Consultants and their Appointment

Providing Development Monitoring services, particularly on large and/or complex commercial developments, can involve a number of individual consultants, each covering their specific area of expertise. It is common practice, therefore, to engage third party specialist consultants from time to time to assist with the Development Monitoring role and the preparation of reports.

These specialist consultants are engaged primarily by one of two methods:

- a) by the Development Monitor; and
- b) directly by the client.

### 12.2.1 Engagement by Development Monitor

Where a specialist consultant is to be engaged by the Development Monitor acting as a lead consultant via a sub-consultancy agreement, the Development Monitor should advise the client which aspects of the report will be undertaken by third party companies or individuals.

The Development Monitor will:

- a) provide the sub-consultant with a comprehensive brief of the services required
- b) check the sub-consultant's professional indemnity insurance cover (mandatory for RICS property professionals)
- c) engage the sub consultant in writing, detailing the terms of engagement and noting the clients interest in the development; and
- d) will meet the cost of the third party involvement.

If the Development Monitor is required to enter into a confidentiality agreement with a client, the sub-consultant must accept the same conditions and enter into a separate confidentiality agreement with the Development Monitor.

Once the client has provided the Development Monitor with written instructions to proceed, it is the responsibility of the Development Monitor to:

- a) assemble the consultant team and brief them on the project
- b) make arrangements for site access for the whole team
- c) obtain all documentation necessary and channel requests for further information via one point of contact

- d) implement Occupational Health and Safety policy for all personnel under its control while on site
- e) liaise with all consultants during and after all site inspections
- f) identify and advise the client of any significant issues from a technical perspective as soon as they are identified by the Development Monitor or a sub-consultant
- g) review the progress of each consultant and provide input during all stages of the appointment; and
- h) review draft and final reports.

If a sub-consultant is engaged, their report should be included as a stand alone report, annexed to the Development Monitor's regular reports. Altering or providing a misleading synopsis of a sub-consultant's report can expose the Development Monitor to direct legal liability. Where any summary of the sub-consultant's report is included in a Development Monitoring report, there should be a note that it refers to the annexed report of the sub-consultant.

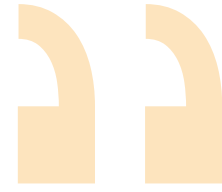
### 12.2.2 Engagement directly by the Client

A client may wish to appoint a specialist consultant directly. There could be a number of reasons for this, for example, a client may have a pre existing relationship with a particular specialist consultant for the delivery of services.

In this instance, the client will issue a brief direct to the third party consultant, and meet the cost of their involvement. In this case the contract is between the client and the specialist consultant. Despite this direct relationship between the client and the specialist consultant, normally the Development Monitor will still treat the specialist consultant, and the reports produced, in the same manner as they would a sub-consultant in order to provide a holistic service. It is therefore beneficial for the client to nominate the Development Monitor as the key point of contact when briefing their specialist consultant(s).



If a sub-consultant is engaged,  
their report should be included as a  
stand alone report



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## 13. Insurance

The property professional must carry professional indemnity insurance commensurate with the tasks being undertaken and services being provided. All RICS Chartered Surveyors are required by RICS Rules to carry professional indemnity insurance. RICS members should also be protected with insurance for personal injury and third party claims. RICS members must ensure they comply with any stipulations of their insurance company.

Where the Development Monitor is not a member of the RICS, it is strongly recommended that the client ensures that the professional in question carries professional indemnity insurance commensurate with the tasks being undertaken and services being provided.



# Appendix I – Schedule of Services Checklist

| Instructions   | Undertaken By            |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
|  | Development Monitor      | Other Consultants        | Client                   |
| Confirm instructions with client                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Appoint specialist consultants on behalf of the client | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Initial Audit / Due Diligence - Undertake a detailed due diligence appraisal of:

|  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| Site Environment and Contamination                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Site investigations carried out                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Structure                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Fabric  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Services Installations                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Procurement methodology                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Forms of building contract to be used                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building cost plans                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Development programme                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Statutory consents                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Developers and contractors team and consultant selection | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sustainability Ratings                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Co-ordinate specialist consultants to undertake a detailed due diligence appraisal of:

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| Site Environment and Contamination      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Structure                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Fabric                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Services Installations         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Procurement methodology                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Forms of building contract to be used   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building cost plans                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Development programme                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sustainability Ratings                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Provide a summary due diligence report  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Provide a detailed due diligence report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Assist in the negotiation of funding/loan/lease agreement, including:

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| Form of legal agreement                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Performance specification                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Warranties  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Draft Lease   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other attachments to the formal agreement(s) (Please Specify) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Ongoing Monitoring - Attend Site:

|         |                          |                          |                          |
|---------|--------------------------|--------------------------|--------------------------|
| Weekly  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Monthly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Attend meetings such as:

|  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| Project Control Group meetings           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Project Design Group meetings            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Developers meetings                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Integration Committee Meetings           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commissioning meetings / witness testing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (Please specify)                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|  | Undertaken By       |                   |        |
|--|---------------------|-------------------|--------|
|  | Development Monitor | Other Consultants | Client |

**Advise on building cost issues as follows:**

|                                    |                          |                          |                          |
|------------------------------------|--------------------------|--------------------------|--------------------------|
| Receive and review drawdown claims | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Recommend and certify payments     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Maintain detailed cost records     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Provide development monitoring reports as follows:**

|                        |                          |                          |                          |
|------------------------|--------------------------|--------------------------|--------------------------|
| Weekly                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Monthly                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (Please specify) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Development Monitoring reports will cover:**

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| Detailed design development                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Insurance arrangements  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Statutory consents  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Consultants and contractors forms of appointment and warranties | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Site Environment and Contamination                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Structure  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Fabric   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Services Installations                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sustainability Ratings  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building Contract   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Variations  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Building cost updates   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Progress claim assessment and verification                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Finance draw down certification                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Finance interest calculation and certification                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Project Programme   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Advise on Practical Completion as follows:**

|  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| Undertake detailed PC inspection   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Certify PC under the terms of the funding/loan/lease agreement for lease   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Prepare defects list   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Measured Survey  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Facilitate receipt of operation and maintenance manuals (and check contents)   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Facilitate receipt of as built drawings (and check contents)   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Facilitate receipt of warranties (and check contents)  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Facilitate receipt of statutory 'sign off' documentation (Building Codes, etc), such as an Occupation Certificate or Certificate of Public Use/ Co-Compliance Certificate (New Zealand) or similar | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Facilitate receipt of sustainability rating certification  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Undertake cost reconciliation  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Progress claim assessment and verification   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Negotiate final account  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Finance draw down certification  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Finance interest calculation and certification   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Recommend and certify PC payment (minus retention if applicable)   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Undertake inspections during the defects liability period:**

|                        |                          |                          |                          |
|------------------------|--------------------------|--------------------------|--------------------------|
| Monthly                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| [x] No. during the DLP | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Advise at the end of the defects liability period as follows:**

|  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| Undertake detailed end of DLP inspection                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Certify Final Completion under the terms of the funding/loan/lease agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Undertake final cost reconciliation  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Recommend and certify final payment / release of retention                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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