Protecting settlement from a messy close-out.

Settlement is where a development finally pays. It is also where a soft close-out quietly takes its cut: slipped PC, purchasers walking, retention locked, valuations dented by defect headlines. **This guide is the developer's side of the close-out — what to demand, when, and the questions that surface trouble early.**

01 The three ways close-out costs a developer

KNOW THE EXPOSURE

- [ ] **Time — every week of slip is a finance bill**
  Contract value × your cost of capital ÷ 52. On a $40M project at 7%, that's roughly $54k a week before anyone argues about anything.
- [ ] **Purchasers — confidence is a settlement rate**
  Off-the-plan buyers look for reasons at valuation time. A defect-ridden handover story is the reason they find.
- [ ] **The record — disputes are won on paper**
  If the builder's spreadsheet is the only register, you're negotiating from their version of events.

02 What to demand from month one

NOT AT PC — FROM THE START

- [ ] **One cost-coded defect register, visible to you**
  Not the builder's private list. Location, photo, price, owner, date on every line — and your team can open it any day.
- [ ] **A certification schedule with owners**
  Fire, essential services, penetrations. These stop PC more often than paint does, and they hide in inboxes.
- [ ] **A reporting cadence in writing**
  Weekly at minimum in the last quarter: open items, exposure by trade, readiness trend. No surprises in the last month.

03 Five questions that surface trouble early

ASK THEM THIS WEEK

- ☐ **"How many defects are open right now, and what do they cost?"**
  If the answer takes more than a day, there is no real register.
- ☐ **"What percentage were closed on reinspection, not say-so?"**
  Closed-by-text defects come back — usually after settlement.
- ☐ **"Which certifications are outstanding, and who owns each?"**
  The silent killers. Watch how long this answer takes.
- ☐ **"What slipped last month, and why?"**
  You're listening for evidence, not adjectives.
- ☐ **"Who, outside the builder, has verified any of this?"**
  If the answer is no one, everything above is the builder's homework, marked by the builder.

04 When to bring in independent eyes

EARLIER IS CHEAPER

- ☐ **12–16 weeks out — ideal**
  The regime is set up before the panic; defects get found while trades are still on site and cheap.
- ☐ **6–8 weeks out — recoverable**
  A Health Check quantifies the gap fast, while there's still time to act on it.
- ☐ **At PC — damage control**
  Still worth doing: an independent record protects settlement and the DLP. But you've paid the slip by then.

THE SHORT VERSION

1. **Demand the register** — one source of truth, cost-coded, visible to you.
2. **Chase certifications** before they're the critical path.
3. **Verify independently** — the builder's own scorecard is not assurance.

Want a number instead of a feeling? Group 4's fixed-fee Close-Out Health Check reads your project in two days: group4consultants.com.au/health-check