

# Frequently Asked Questions

28 April 2023 - Update #4

## # Question & Answer

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### 1 **What is the Liquidator's role?**

The Liquidator's role, broadly speaking, includes:

- Realising assets of the Companies for the benefits of creditors;
- Providing information to creditors on the status of the liquidation and what happened to the business of the Companies prior to our appointment;
- Investigating the affairs of the Companies and reporting to ASIC and creditors on same; and

Complying with various statutory requirements.

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### 2 **What happens to the Companies now?**

The Liquidators have taken control of the Companies. The director and the officer(s) of the Companies are no longer managing the Companies' affairs. It is the Liquidators role to thoroughly investigate the affairs of the Companies and report back to creditors on the Companies' business, property, affairs and financial circumstances, and the likelihood and timing of a distribution to creditors (if any).

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### 3 **Does this mean Porter Davis is in financial trouble?**

Yes, Porter Davis is now in liquidation and has ceased trading. The Companies will go through the liquidation process which encompasses a winding up of their business and affairs.

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### 4 **What does this mean for the timetable to complete my home?**

As stated above, depending on stage of completion of your home, and whether your home is able to be completed under the existing contract or through home warranty insurance, the delay to your completion date may be as short as a few weeks or may stretch into many months.

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### 5 **Should I cancel my contract / build with Porter Davis Homes?**

The Liquidators, as of 14 April 2023, have caused the relevant PDH companies to issue Notices to the majority of Porter Davis customers that will have the effect of repudiating their contract with Porter Davis effective 14 April 2023 (Repudiation Notices).

Customers should take their own legal advice in respect of the effect of a Repudiation Notice, and the related impact on their homebuilding contract, their property and any related insurance, and any steps they may choose to take in response to the Repudiation Notice.

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6 **I want to terminate my contract now. What do I do?**

You may wish to seek your own legal advice prior to considering this step to ensure you understand how this may impact your home warranty cover or ability to access the domestic building insurance. If you choose to terminate your contract you may send this in writing to pdhgroupcustomers@au.gt.com. Please include one of the "Termination" in the subject line of your email so we can easily identify and address your query.

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7 **My build is in its final stages and nearing practical completion. What's my next course of action? When will the handover date be?**

Customers who have homes that are close to obtaining a Certificate of Occupation were issued a letter on 13 April 2023 advising that the liquidators, or the PDH team, would be in contact with them regarding the steps involved in obtaining (COO) and final settlement to access their homes.

Unfortunately, if you have not received this letter but instead were issued a Repudiation Notice dated 13 April 2023, your build does not fall within the category of Close to Completion and the liquidators are not able to assist you with completion. We refer you to #14 for further information that may assist you.

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8 **How do I get my deposit back? Can I get a refund if the works on my project aren't completed?**

We understand that the majority of deposits paid by customers were paid to the Porter Davis and were used as working capital or applied towards general business expenses and therefore those funds are no longer available to customers. If your query relates to funds in the Fischer McCrae trust account, please see question #9.

If you are in Queensland and are eligible for the Queensland Home Warranty Scheme, and no works have commenced, the Queensland Building and Construction Commission (QBCC) may refund to you the deposit you paid the licensed contractor. Please liaise with the QBCC in this regard.

If you have been advised that you are not covered under Domestic Builders Insurance (DBI) in Victoria, we understand that the Victorian government has announced (as of 20 April 2023) a compensation payment scheme for customers who signed their contracts and paid their deposits but did not have DBI taken out on their behalf. Refunds will be paid up to the legal maximum deposit payment under the Domestic Building Contracts Act of 5 per cent. This process looks to be administered by the Department of Government Services and the VMIA to verify and approve claims and deliver compensation for deposits.

Alternatively, you can submit a claim in the liquidations of the applicable PDH company that you signed a contract with. By doing this, you will become a creditor of that company and will participate in a distribution process (if any) and will be kept up to date with any updates in the liquidations of the Companies. Please note the liquidators are not in a position to confirm if there will be any dividend to unsecured creditors in the liquidations.

**We understand that some PDH customers may have paid their deposit, or a progress invoice, using a personal credit card. Customers should note that if they have had their deposit monies refunded from the trust account solicitors, Fischer McCrae, or if customers have lodged claims with the VMIA or QBCC in relation to amounts previously paid by credit card, they should not also seek to claim a chargeback in respect to those payments.**

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9 **How do I get my deposit back that is in the Fischer McCrae trust account?**

Immediately following our appointment, we were made aware that approximately \$13m in deposit funds had been paid by 209 customers into a solicitors trust account held with Fischer McCrae lawyers. This applied only to 'cash' customers, being those customers who made payments directly from their own bank account rather than borrowing the funds. To comply with requirements, customers could either pay the final 10% completion payment upfront, or provide the title deed to their home.

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In order to fulfil our obligations to the Companies and their creditors, this process has involved the liquidators' actively reviewing each customer file, including the building contract and other relevant information, assessing the status of each trust account customers' build under the contract, and seeking advice in relation to the appropriate treatment of all funds held by Fischer McCrae.

This review process has now concluded.

For the vast majority of customers, we have confirmed instructions to Fischer McCrae to release the monies held on trust back to customers. In a small number of cases, we are continuing to investigate the status of certain customer contracts prior to providing instructions to release monies from trust to the customer. This includes, for example, circumstances where a customer has received the benefit of substantial works undertaken on their home, and has been invoiced for those works, but has not paid for those works. The amounts owing by some of these customers is up to \$200,000. The liquidators will engage directly with those customers regarding next steps.

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10 **If we wanted to go down the pathway of completing our home as an Owner Builder how would this be handled?**

Customers are requested to seek their own legal advice as we cannot advise you on how to proceed or what liabilities/risks you face if terminating a contract and electing to proceed as an owner builder.

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11 **What happens to my warranty insurance?**

In Victoria, builders are required to purchase domestic building insurance on behalf of the homeowner for all domestic building projects over \$16,000. The Victorian Managed Insurance Authority (VMIA) covers structural building defects up to 6 years after the completion of work or termination of the building contract.

In Queensland, similarly principal contractors have an obligation to take out home warranty insurance cover on behalf of their clients to ensure the home owner's new home or renovation is protected for defective or incomplete building work and subsidence. The work is covered for 6 years from the date commencing 6 months from the date you pay the premium, or you agree to a contract, or work starts (whichever is earlier).

We recommend you visit the relevant state home warranty websites provided in #15 for further information in this regard.

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12 **Insurance Generally. What is the difference? Where do I lodge a claim?**

Customers should be aware that there are two categories of insurance that have been referenced in our previous correspondence. The pre-appointment Contract Works policy will respond to Material Loss or Damage to the works undertaken to date, including Legal Liability.

Separately, the VMIA or QBCC policy will respond to defects, incomplete works and lost deposits due to the Builder going into Liquidation. The two policies operate separately.

In respect to the pre-appointment Contract Works policy, the pre-appointment insurer has advised that construction insurance remains in place, unless one of the following events occurs:

1. The customer terminates the building contract with Porter Davis; or
2. The customer enacts insurance cover with another insurance provider; or
3. The expiry of 60 days from the cessation of works; or
4. The customer takes possession of the property, meaning:
  - The contract reached practical completion
  - The Homeowner has moved into the dwelling
  - The Homeowner has placed their own home insurance

- The Homeowner has commenced works themselves or with a builder

For customers who have already terminated their contract with Porter Davis, including where customers have taken possession of their properties, please note you are responsible for insurance in relation to your property.

For customers who have not already terminated their building contract, as noted above we have been advised that insurance remains in place unless one of the above four (4) events occurs. Please note, we have been advised of the following in relation to the pre-appointment cover in place:

- There is an excess / deductible of \$50,000 for each and every claim from 4.00pm on 12 April 2023, and notably the policy does not provide cover for any loose items or materials at the Contract Site where loose items or materials have not been secured and placed out of sight, when no construction works are taking place;
- For any claims relating to incidents prior to 4pm on 12 April 2023, an excess / deductible of \$20,000 for each and every claim will be applicable; and
- If you have questions regarding Material Loss or Damage claims to the works undertaken prior to the appointment of Liquidators, that is not related to loose items or materials, defects or lost deposits, you may direct these queries to our insurance broker, Adele May – [adele.may@ajg.com.au](mailto:adele.may@ajg.com.au)

If you have queries in relation to your home warranty insurance, please contact the VMIA or QBCC. Details are provided in #15.

If you query relates to deposits and insurance coverage, please see #8.

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13 **What does “...in respect of the payment of any amounts that the Company might have been entitled to prior to the date of this notice. The Company reserves its rights in this regard.” in the repudiation notice mean?**

A smaller sub-set of customers have unpaid invoice(s) against owing in relation to their contract. These invoice(s) relate to works that have been completed by the Companies (in some instances hundreds of thousands of dollars in value of work), and where the customer has had the benefit of those works but has not paid for those works. The Company reserves its rights in respect of the payment of these amounts on behalf of creditors. We note that the majority of customers do not fall within this category.

Further, we are aware that some customers may also have claims against the Companies. We are yet to formally adjudicate on the quantum of any claims from customers but request that if you do have a claim against the Companies that you send this along with any supporting information to [pdhgroupcustomers@au.gt.com](mailto:pdhgroupcustomers@au.gt.com). Please include in your e-mail subject: “Claim against PDH.”

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14 **What happens next?**

At this point in time, there are three (3) categories which customers may fall into:

- 1) Close to completion
- 2) Nostra Property Group (“Nostra”)
- 3) Partially completed (including where contracts have been signed but no works have commenced)

If you fall into category 1) you should have received correspondence from our office dated 13 April 2023 which provides information and our proposed process for facilitating completion and handover. If not already done, a first step will involve a Building Surveyor making contact with you to arrange a final inspection on site to ascertain and identify any compliance items requiring rectification. Please note that at settlement an allowance may be provided to you in respect of non-delivery of general household appliances or cooling and heating units. This allowance will only be provided and assessed on a case-by-case basis. If you have any queries in relation to the provision of allowances, please speak directly to the PD Construction Manager who is working to assist you to achieve occupancy and handover of your property.

All customers who have builds that have been identified as part of the Nostra transaction have received correspondence from our office dated 14 April 2023. Nostra have expressed a willingness and capacity to assist in completing your home build. We kindly ask for your patience whilst the Nostra team take the preparatory steps to assist you.

The balance of customers that fall into category 3) have been introduced to a short list of selected builders, by region, identified through the process to assist them in finding another builder who can help complete their build. Please refer to **Appendix A**. We reiterate that customers are not obliged to engage one of these builders to complete their home build, however, you may consider contacting one of these builders directly to discuss how they can assist you in completing your build on terms to be agreed between you and your new builder. It is likely you will need to sign a new contract with your new nominated builder. You should seek your own advice in this regard.

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15 **How do I get access to documentation relating to my build?**

The Liquidators are making a suite of documents relating to your build available to download via the MyHome Portal. The documents which will be made available include (as available for your build) any building plans, engineering drawings and surveys undertaken for your build; various permits obtained in the course of your build; the particulars of your building contract including any extensions or variations agreed; certificates of inspection / compliance etc. in relation to stages of work already completed and paid for by you.

Each customer will receive access by Friday 5 May 2023 and will have until 31 May 2023 to access the MyHome portal and download all the document made available. Any requests for customer documents after this time will not be able to be met.

The Liquidators note to all customers, and any builders that you may engage, that you are being granted a one-off licence for the use of the PDH designs and plans for the specific purpose of completing your home build only. The Liquidators are negotiating a sale of the PDH business' intellectual property (PDH IP) to a third-party, who will grant back a one-time licence to allow for the completion of all PDH contracted and novated building works (including display homes) with pre-existing customers of PDH. Customers and their nominated builders are advised that the non-exclusive, irrevocable licence granted limits your use of PDH's IP only to the specific location of your home build as specified under your contract.

If you have trouble accessing your MyHome Portal account, please send an email to [pdhgroupcustomers@au.gt.com](mailto:pdhgroupcustomers@au.gt.com) and include in your e-mail subject: "MyHome Portal."

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16 **What should I do right now?**

We recommend you seek independent legal advice and consider visiting the websites of the QLD and VIC home warranty providers regarding your options. We will contact all customers within the coming week with a further update:

1. Queensland Building and Construction Commission – 13 93 33 - [Website](#).
2. Victorian Managed Insurance Authority – 03 9270 6900 - [Information Sheet](#).
3. Premier of Victoria: Compensation Payments to Help Porter Davis Customer - [Webpage](#)

Send any questions you have which have not been answered in this document to Grant Thornton at [pdhgroupcustomers@au.gt.com](mailto:pdhgroupcustomers@au.gt.com). Please include one of the following categories in the subject line of your email so we can easily identify and address your query:

- Deposits
- Insurance
- Payment from customers
- Contracts (including termination)

- Completing your build
  - MyHome Portal
  - General or other
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## Appendix A - Builder List

### Queensland

Geography	Recommended Builder	General Email Address	General Telephone Number	Website
<b>VIC - Geelong</b>	Bold Living	pdh@boldliving.com.au	(07) 3886 2288	www.boldliving.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	McCarthy Homes	david.farrer@mccarthyhomes.com.au	(07) 3326 6600	www.mccarthyhomes.com.au
	Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au
<b>SEQ - GC</b>	Bold Living	pdh@boldliving.com.au	(07) 3886 2288	www.boldliving.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	McCarthy Homes	david.farrer@mccarthyhomes.com.au	(07) 3326 6600	www.mccarthyhomes.com.au
	Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au
<b>SEQ - Brisbane - North</b>	Bold Living	pdh@boldliving.com.au	(07) 3886 2288	www.boldliving.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	McCarthy Homes	david.farrer@mccarthyhomes.com.au	(07) 3326 6600	www.mccarthyhomes.com.au
	Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au
<b>SEQ - Brisbane - South</b>	Bold Living	pdh@boldliving.com.au	(07) 3886 2288	www.boldliving.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	McCarthy Homes	david.farrer@mccarthyhomes.com.au	(07) 3326 6600	www.mccarthyhomes.com.au
	Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au

## Victoria

Geography	Recommended Builder	General Email Address	General Telephone Number	Website
VIC - Melb - North	Aliya Homes	arun@aliyahomes.com.au	0431 059 703	www.aliyahomes.com.au
	Carlton Homes t/as Watermark Homes	brian@carltonhomes.com.au	0423 398 599	www.carltonhomes.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	Goldstate Homes	info@goldstate.com.au	(03) 9566 7243	www.goldstate.com.au
	Granvue Homes	pdassist@granvuehomes.com.au	1300 135 440 / 9336 1339	www.granvuehomes.com.au
	Langdon Building	Support@LangdonBuilding.com.au	1300 660 764	www.langdonbuilding.com.au
	Long Island Homes	cd@longislandhomes.com.au	(03) 9812 6400	www.longislandhomes.com.au
	Oreana Homes	customercare@oreana.com.au	(03) 8840 7965	www.oreanahomes.com.au
	Symmetric Homes	nawfis@symmetrichomes.com.au	0481 187 646	www.symmetrichomes.com.au
	Verv Group	info@vervgroup.com.au	(03) 9374 2281	www.vervgroup.com.au
Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au	
VIC - Melb - East	Aliya Homes	arun@aliyahomes.com.au	0431 059 703	www.aliyahomes.com.au
	Beachwood Homes	customerservice@beachwood-homes.com.au	(03) 9770 8806	www.beachwood-homes.com.au
	Carlton Homes t/as Watermark Homes	brian@carltonhomes.com.au	0423 398 599	www.carltonhomes.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	Goldstate Homes	info@goldstate.com.au	(03) 9566 7243	www.goldstate.com.au
	Oreana Homes	customercare@oreana.com.au	(03) 8840 7965	www.oreanahomes.com.au
	Symmetric Homes	nawfis@symmetrichomes.com.au	0481 187 646	www.symmetrichomes.com.au
	Verv Group	info@vervgroup.com.au	(03) 9374 2281	www.vervgroup.com.au
	Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au
	VIC - Melb - West	Aliya Homes	arun@aliyahomes.com.au	0431 059 703
Carlton Homes t/as Watermark Homes		brian@carltonhomes.com.au	0423 398 599	www.carltonhomes.com.au
Glenvill		newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
Goldstate Homes		info@goldstate.com.au	(03) 9566 7243	www.goldstate.com.au
Granvue Homes		pdassist@granvuehomes.com.au	1300 135 440 / (03) 9336 1339	www.granvuehomes.com.au
Langdon Building		Support@LangdonBuilding.com.au	1300 660 764	www.langdonbuilding.com.au
Long Island Homes		cd@longislandhomes.com.au	(03) 9812 6400	www.longislandhomes.com.au
Oreana Homes		customercare@oreana.com.au	(03) 8840 7965	www.oreanahomes.com.au
Symmetric Homes		nawfis@symmetrichomes.com.au	0481 187 646	www.symmetrichomes.com.au
Verv Group		info@vervgroup.com.au	(03) 9374 2281	www.vervgroup.com.au
Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au	

<b>VIC - Mornington Peninsula</b>	Aliya Homes	arun@alياهوmes.com.au	0431 059 703	www.alياهوmes.com.au
	Beachwood Homes	customerservice@beachwood-homes.com.au	(03) 9770 8806	www.beachwood-homes.com.au
	Carlton Homes t/as Watermark Homes	brian@carltonhomes.com.au	0423 398 599	www.carltonhomes.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	Goldstate Homes	info@goldstate.com.au	(03) 9566 7243	www.goldstate.com.au
	Symmetric Homes	nawfis@symmetrichomes.com.au	0481 187 646	www.symmetrichomes.com.au
	Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au
<b>VIC - Geelong</b>	Carlton Homes t/as Watermark Homes	brian@carltonhomes.com.au	0423 398 599	www.carltonhomes.com.au
	Glenvill	newstart@glenvill.com.au	(03) 9573 8393	www.glenvillhomes.com.au
	Goldstate Homes	info@goldstate.com.au	(03) 9566 7243	www.goldstate.com.au
	Granvue Homes	pdassist@granvuehomes.com.au	1300 135 440 / (03) 9336 1339	www.granvuehomes.com.au
	Langdon Building	Support@LangdonBuilding.com.au	1300 660 764	www.langdonbuilding.com.au
	Levonix Homes	keegan@levonixhomes.com.au	1300 804 410 / 0499 199 542	www.levonixhomes.com.au
	Long Island Homes	cd@longislandhomes.com.au	(03) 9812 6400	www.longislandhomes.com.au
	Oreana Homes	customercare@oreana.com.au	(03) 8840 7965	www.oreanahomes.com.au
	Verv Group	info@vervgroup.com.au	(03) 9374 2281	www.vervgroup.com.au
Z&Me Group (Kollins Corporation)	info@zandmegroup.com.au	(03) 9088 7227	www.zandmegroup.com.au	