

Architect's Fees: Michael Phillips Architects Limited v Riklin and Another (2011)

In this case the court considered the correct approach when assessing an architect's percentage fee (as the parties disputed what professional services were properly performed under the architect's professional appointment) and also considered the law on vicarious liability for the tort of harassment. The court held that where a consultant's fee is to be calculated as a percentage of the final construction cost, the fee should exclude all works other than those in respect of which the architect actually provided services. So it is important to make sure that you define exactly what is meant by "construction cost". It was also evident that many of the problems faced in this case were compounded by the absence of a signed appointment and an executed building contract. If the agreed terms had been recorded in writing, some of the items in dispute could have been avoided. This case is a timely warning to parties involved in construction projects to ensure that they record their appointments and building contracts in writing and have the same executed before commencement of works.