

January 10, 2025

This week's update revisits a noteworthy summer case: *My Contracts Ltd v 74 Hamilton Terrace Freehold Ltd* [2024] EWHC 2896 (TCC)

[*My Contracts Ltd v 74 Hamilton Terrace Freehold Ltd* \[2024\] EWHC 2896 \(TCC\)](#)

Date: 28 August 2024

Key Words:

Contract Interpretation, Time Limits/ Deadlines, JCT Design & Build Contract, Corresponding Date Rule, Public Holidays, Business Day, Notification of Façade Costs

Summary

This case concerns interpreting Article 12, para.6, of a JCT Design and Build Contract 2016 regarding the deadline for notifying the contractor of "Façade Costs". The court ruled that a notification received on 3 July 2023 was **out of time**, as the deadline was 2 July 2023, in line with the 'corresponding date rule'. The defendant's attempts to extend the deadline due to public holidays or treat service on the next business day as valid were rejected.

Key Themes:

1. **Contract Interpretation:** *Strict interpretation of contractual deadlines and the 'corresponding date rule.'*
2. **JCT Contracts:** *Emphasises the need for clear drafting in complex JCT Design and Build Contracts.*
3. **Time Limits:** *Highlights the importance of meeting contractual deadlines and the court's limited role in altering agreements*

Background

The claimant (contractor) and defendant (developer) entered a JCT Design and Build Contract 2016 with bespoke amendments for a London project. Article 12 covered the original façade collapse and related costs. Para.6 required the defendant to notify the claimant of "Façade Costs" within four months of the contract date (2 March 2023). The defendant's 3 July 2023 notification led to a dispute over its timeliness [3-7].

Legal Issues and Analysis

The key issue was whether the notification served on 3 July 2023 complied with Article 12, para.6 [7-8].

The 'Corresponding Date Rule': The court confirmed this rule applied, setting the deadline as 2 July 2023. The Judge referenced para.15.10 of *Lewison on The Interpretation of Contracts (8th Ed)*:

"Where a contract provides for the performance of an act within a certain number of months, the period expires on the day of the month bearing the same number as the date on which the period begins or, if there is no such day, on the last day of the month." [10]

The parties agreed that the corresponding date rule was applicable to Article 12 para.6. It followed that the relevant notification had to be served on or before Sunday, 2 July 2023. Thus, a notification served on Monday, 3 July 2023 was *prima facie* out of time. [11]

Public Holidays: The defendant argued for deadline extension due to public holidays under Cl.1.5. The court rejected this, clarifying Cl.1.5 applies to day-based periods, not months, and cannot rewrite the contract [12, 16-19].

Service on Business Day: The defendant claimed service should be valid on the next business day if served on a non-business day. The court dismissed this, reiterating its role is to interpret, not alter, contracts [14, 15, 20-24].

Hypothetical Sunday Service: The court ruled that service by email on Sunday, 2 July 2023, would have been valid, aligning with *Elements (Europe)Limited v FK Building Limited* [2023] EWHC 726 (TCC) at [40-42] [25-28].

Irrelevant Cases: The court found *Rightside Properties Ltd v Gray* [1975] 1 Ch 73 and *Pritam Kaur v S Russell & Sons Ltd* [1973] 1 QB 336 inapplicable, as they concerned statutory limitation periods and notice provisions not relevant here.

Conclusion

The court granted the claimant's declaration, ruling that the 3 July 2023 notification was late under Article 12, para.6.

Key Takeaway:

This case highlights the need for precise drafting and strict compliance with time limits in construction contracts. Parties should clearly define deadlines and address public holidays and non-business days if they wish to alter standard time rules. Ambiguity can lead to disputes and costly litigation.

Parting Thoughts

This case emphasises the importance of clarity in contract drafting. For time-sensitive obligations like notifying "Façade Costs," parties must carefully define deadlines and consider all influencing factors. Explicitly addressing public holidays and non-business days in Article 12, para.6, could have prevented this dispute. It serves as a cautionary reminder that unclear contract language can cause unintended consequences, stressing the need for detailed and foresighted drafting.

**#Adjudication #Part8 #ContractLaw #ContractInterpretation #ConstructionLaw
#UKConstructionIndustry #JCTContract #TimeLimits #Deadlines #ConstructionDisputes
#HousingGrantsConstructionandRegenerationAct1996 #CorrespondingDateRule
#FacadeCosts #TCC #EWHC #MYContracts #74HamiltonTerrace**

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