



**ESSENTIAL THINGS YOU NEED TO KNOW
BEFORE BUILDING A CUSTOM HOME**

One

CHECK THE REPUTATION OF YOUR BUILDER

It's really important to research your builder - there are basic steps in checking your builder's qualifications. You can run a license check at www.fairtrading.nsw.gov.au. and check their ABN on abr.business.gov.au. You need to find the right building company to work with your needs in the construction. You may have some challenges with the fall of your block or issues with specialised building products. Meeting the builder and talking them through your concerns, ask them how they would tackle these problems and build an open line of communication from the get-go.

Most importantly make sure your builder has all the necessary licenses, insurances and Work Health & Safety systems in place. Request their Certificates of Currency for insurances and confirm they are eligible to carry out the value of works. From the 1st February 2012, insurance under the Home Building Compensation Fund is required to be obtained where the contract price is over \$20,000 or, if the contract price is not known,

the reasonable market cost of the labour and materials involved is over \$20,000. This is not a thing that can just be bought, builders have to be eligible for this insurance and undergo assessment from the Building Compensation fund. If they are not qualified or experienced enough then they will not obtain this insurance. If you are needing council approval then a copy of this will need to be provided to your certifier, if approval is not needed please be aware that a "home warranty certificate" is still required when works are over the value of \$20,000. For more information go to: <http://www.fairtrading.nsw.gov.au/ftw/tradespeople>

DON'T BE AFRAID TO ASK QUESTIONS

You often hear those stories about nightmare builders hitting clients with outrageous extras, delay on jobs and or builders not answering their phones. A lot of these issues can be avoided with open clear communication. When building a custom home there must be a true partnership between you and your builder. Establishing trust before you commit to the project is critical.

Make sure your builder completely understands and shares your vision and in turn helps you to understand exactly what will be involved in the building process.

One of the biggest mistakes made by home owners is that they assume so much, due to limited experience with building and or misleading renovation shows on the TV. Many builders use this to their advantage, charging variations at inflated rates for things their clients assumed to be included. Owners can feel somewhat misled and trapped in this situation, causing a relationship break- down between the builder and the client. If you are uncertain about anything at all, please do ask your builder.

Two

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DESIGN

Design and planning is a critical part of any home building project. This is where the dream starts - the exciting part, but it can also be a little daunting. Spending time and effort at the planning and design stage **WILL SAVE YOU MONEY**. At this stage, you need to consider your storage, finishes, style brief and functionality. This will also ensure you achieve the 'look' and 'feel' that you are after, allow the design to reach its full potential for the block it is on. It's important to get a really clear idea of design styles and features you like, so you can communicate this to your builder and design consultant. Having these in place during tender stage allows you to get a clear fixed price for your build minimizing extras and structural changes which can blow any budget out. Wouldn't it be great if you could tell your friends that not only did your builder deliver on time they were also within budget. We cannot stress enough how important foresight is on a build, the less open to interpretation at this stage the better. Don't get caught up in just getting the job started and worry about the rest later. This is where you can become vulnerable under contract. Everyone has a roll in a successful project. Your job is to know your budget and being able to express clearly what you want in your finishes and overall concepts.

The style and aesthetics of a house are very personal, and sometimes it can be hard to describe what you like. Visuals are one of the best methods to provide a clear vision to your builder and architect. If you are at design stage you may find that your interior design magazines are piling up, why not tear out the one or two photos you like and send the rest to the recycling. Create a scrapbook with torn out sheets from magazines. Magazines can become quite costly, for a cost free paperless option make a Pinterest board, this is a great way to gather all that online content. From here your builder will be able to advise you on the feasibility of your ideas and make better suggestions through having a good understanding of your aspirations. You and your builder will need to identify any unique challenges a site may present, such as difficult access, a requirement for retaining walls or underlying services such as stormwater or sewer easements.

QUALITY OVER PRICE

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Building a home is a big investment, financially and at times emotionally. Establishing a budget for your project in advance is essential, and it's definitely in your best interest to give your builder an indication of the budget you are hoping to work within. Be wary when shopping for a price, which can prove to be a false economy. Most home owners chasing the lowest price find they end up spending more than they would have spent elsewhere because due diligence has not been followed by the builder at tender stage. It does often come down to you get what you pay for. We always advise our customers that you never notice a good paint job but always notice a bad one. A good builder should look after all those unseen items and structural needs so the finishes you have chosen shine to their full potential.

If you have received a couple of quotes it is important when comparing prices between builders that you are comparing apples with apples. If a builder gives you a quote in 2 A4 pages this might be the first indication that it may not include all your expecting to be included. It's all about reading the fine print, know your BASIX requirements, make sure the basics such as smoke alarms are hard wired, good quality multi-zoned air conditioners are included. We often find that people are happy to spend the right money as long as they get the value for it. You need a builder that respects that your money is hard earned and invests it in quality trades and finishings.

ENGINEERING & SOIL TESTING

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The architect or designer provides plans that illustrate the 'look and feel' of the home design, but the engineer provides the elements required to build it. Using an expert engineer for your project is not only essential to guarantee long-term performance and quality, it is a requirement for all councils and Private Certifiers, who will require engineering reports to be completed for every development in NSW.

By this stage, your builders must have complete understanding of the design of your home so that they can communicate this freely to the engineer in their terms. Soil testing and reports are generally undertaken by local Geotechnical Engineers, familiar with the area's geological features. Most engineers will require a soil test of the site to enable them to determine their structural design and to investigate if there are any geotechnical abnormalities with the site such as large 'floating' rocks or unusual soils. Engineers can also help with water issues in the future with drainage in retaining walls. A stitch in time saves nine, doing things right the first time around will save you both time and money.

CONTRACTS

It's one thing understanding what your builder is including in their quote, but you must also check what is not included. Knowing what you are responsible for and exactly what the impacts will be is critical before you sign your contract, as any unaccounted for items can quickly add up to be quite costly and quickly eat away at your budget contingency funds. Some things you should look out for are:

- Asbestos removal can be extremely costly. As a rule of thumb, every house built prior to 1986 may contain asbestos. The only real way of determining this is by investing in an asbestos hygienist's report.

- Underlying services such as sewer mains, stormwater easements, fibre-optic cables, under-ground power cables, covenants and the like need to be identified during the pre-construction stage, as it can be a time consuming, costly and sometimes dangerous exercise to locate these during any excavation.

- Retaining walls are often left out of the scope of works, leaving you stranded, under-funded and with inadequate access to build the retaining wall. Retaining walls are quite often located on property boundaries and can create unnecessary disputes with neighbours.

Be sure to ask your builder if your design will require the construction of retaining walls and request that this is included in his quotation. Items like floor coverings, light fittings, bathroom accessories, paths, driveways etc. which you might consider would be included are often not specified. Make sure you understand what is included to what specification.

Fencing and gates are generally a necessity for a new home, especially if you have young children and pets, but again, these are often not considered in your quotation. Site cleaning is a must for most diligent builders, but please check this is included in your quote. You'll be surprised at the hefty cost of clearing fees, tipping fees and truck hire costs.

Landscaping is often overlooked but in terms of appearances really completes the overall fabulous look of your custom home.

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KNOW WHAT YOUR BUILDER IS NOT INCLUDING

Once you have finalised your plans, are happy with your budget and have decided on a builder, you will need to sign a residential building contract. There are however, some common traps and tricks to be aware of;

A builder who recommends that you obtain an 'owner-builder' permit may be trying to avoid their legal responsibility and will most likely not have the required licence or the required level of home building insurance - Home Building Fund Certificate. A low quote compared to others may indicate the builder has missed some important components of the build or not fully understood the project requirements and level of detail. It is illegal for a builder to request a deposit until a home warranty certificate has been issued for your project. Housing industry bodies such as the MBA and HIA offer standard contracts for their members to use that protect both the builder and the home owner as required by law for any project exceeding \$5,000. The contracts have been drafted by lawyers and updated as legislation changes.

The two most common contract types are a Fixed Price Contract and a Cost Plus Contract. A Fixed Price Contract means your builder agrees upfront to a Fixed-Price for the whole job.

A Cost Plus Contract means there is no final cost for the job. This is usually adopted when a builder does not have the time to prepare a detailed tender or there are too many unknowns to calculate a final cost, though it is a good practice for the builder to provide a non-binding estimate before starting. You will likely receive an invoice from the builder fortnightly, or other agreed regular intervals, for all expenses plus the builders' margin, (which should be a set margin).



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PLAN WELL AND CONSIDER EVERYTHING YOU WILL NEED FOR NOW AND FOR THE FUTURE

Sometimes your budget doesn't afford you the luxury of including all your requirements, so your builder should encourage you to think of everything you may want or plan to have in the future, so when you are ready to include the next part of your dream home it blends seamlessly as if it were always a part of your home and not a poorly planned add-on.

It's much better and more cost-effective to run services and allowances for your future additions, so you don't end up with ugly pipes or conduits over walls, or ugly patches in concrete or plaster. Just a little forward thinking will save you time and money in the future. Also give a thought for how your family life might change in the coming years and how you might want your space to adapt to your growing family and work to build some flexibility into your design. A good builder and designer will have plenty of experience with this and will be able to help.

A few things to plan for that you may not have considered:

- Home Automation
- TV points, data points, speaker wires, power supply renewable energy, such as solar panels or Geothermal Heating Air-conditioning - power, bulkheads, ducting, drainage
- Under-floor heating - power and/or water
- Swimming Pools - sewer, stormwater, water, electricity, gas sheds - sewer, stormwater, water, electricity
- Water Features - electricity, water
- Irrigation System - water

WE HOPE YOU WILL FIND THIS TIP-SHEET USEFUL IN PREPARING FOR YOUR PROJECT

To summarise, we hope to convey that the custom design home building process should never be rushed or minimalised. There are so many things you need to consider, and we want you to be able to experience the process and enjoy the home you dream of, free from stress and without regret.

To explore how Merino Homes can help you create your dream home, contact one of our team members today for an informal, no-obligation chat.

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