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### **Disclaimer**

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**Building your new home is very exciting and there is much to think about. Use this brochure as a checklist and tick each box as you go.**

### Two golden rules

1. Do not sign anything with your builder until you have read all the small print. If there is anything that you do not understand, ask for advice from an independent builder, consultant, or obtain legal advice. Remember once you have signed a building contract you cannot normally back out if you change your mind. There is no 'cooling off' period.
2. Ensure that everything important is confirmed in writing and keep a copy.

### What can you afford to build?

- Have you worked out your total budget including the cost of the land, land valuation, legal fees, duty, settlement agents' fees, rates and taxes (including land tax), site works, building costs, furnishing costs, landscaping and moving expenses?
- Have you checked whether you will qualify for finance? Many banks and building societies have brochures on the different types of home loans available. You may wish to consider seeking the services of a mortgage broker or an independent financial adviser.
- Are you eligible for any financial assistance from the Government to build a new home? Check with the Department of Housing (formerly Homeswest), Keystart Home Loans, the Department of Finance - State Revenue (First Home Owner Grant) and Department of Commerce - Consumer Protection (Home Buyers Assistance Account).
- Is the finance package the most suitable for your needs? Shop around to ensure you get the best package, and seek independent advice if you think you need it.

## Choosing the land

- Does the locality you have chosen meet the needs of your family? Find out about bus and train services, schools, play groups, shops, doctors, hospitals, dentists, places of worship, etc. Make certain that any proposed improvements for the area are likely to eventuate.
- Have you checked with the developer or at Landgate whether the land has any encumbrances, easements, proposed resumptions or restrictive covenants? These appear on the certificate of title. Is there likely to be any delay in subdivision approvals that might delay getting a building approval?
- Have you checked with the local government whether there are any future subdivisions, road changes, or any special building conditions or covenants that apply?
- If the block has a strata title, have you checked with the local government whether there are any special building requirements?
- Have you checked with the local government how much the rates are?
- Have you checked with your builder about the block size, shape and aspect to make sure it will accommodate your planned home? Consider the desired orientation. Does it suit an energy efficient design? Are frontages and clearances sufficient to meet local government planning requirements? Do you need retaining walls?
- Have you checked the availability of gas, water, sewerage and electricity? In new areas, check whether sewerage has been connected to a main or whether it is collected in a tank near the block, and emptied by truck at intervals. Check that gas pressures in the area meet your needs.
- Have you checked whether the orientation and access to services provided will deliver the level of energy and water efficiency that you require
- If there is a dividing fence on the property, check that it is on the boundary.

- Are you fully aware of the extent of site works that will be required for work such as tree removal, levelling, retaining walls, removal of clay or rocks, extra drainage etc? The cost of site works may be affected by the house design or soil type and it might be advisable to obtain a soil report. Download a free copy of the fact sheet 'Site Investigations' from the Department of Mines, Industry Regulation and Safety (DMIRS) website before buying a block of land or building a house.
- Are you sure the land parcel described on the purchase contract is the one you viewed? Check the certificate of title with Landgate.
- Have you obtained free copies of the publications 'Buying vacant land'; 'Buying property off the plan' and 'Sale by offer and acceptance' available on the DMIRS Consumer Protection website?
- Have you checked whether your local government produces a brochure to help new home buyers in the area?
- Have you read the DMIRS, Consumer Protection free publication 'Homebuyers' Survival Guide for WA' which has tips for building a home and a useful 'Homebuyers Glossary'.

### **Getting ready to build**

- Have you developed a simple filing system to keep a proper track of events? There is always a lot of paperwork involved in building a home, particularly with house and land packages.
- Have you visited a few display homes by project builders and also individual homes built by non-project builders so that you really understand the different options? Seek clarification about special offers.
- Are you happy with the type and dimensions of the materials to be used, for example, the thickness of the floor slab, type of bricks to the inside walls, roof framing, roof tiles, wall plaster or plasterboard finish? Ask an independent expert for an opinion.
- If you are buying a display home, have you checked that the model you are buying includes all the features you are expecting? Remember to check the contract and specifications.

- Do you fully understand what is and what is not included in the price? Get everything in writing, including these types of features:
  - paths and driveways
  - crossover
  - carport floor
  - garage doors
  - fencing
  - retaining walls
  - hot water service (including details of type and size)
  - gas supply
  - light fittings
  - quantity and location of power
  - points
  - television antenna and outlet
  - garden taps
  - window locks
  - flyscreens
  - roof insulation
  - vanity cupboards
  - shelving to cupboards and robe
  - wall painting
  - floor tiling (including the laundry)
  - paving
  - landscaping
  
- Are all of your chosen materials readily available? Find out when orders for ceramic tiles are placed and whether the retailer sets them aside for you.
  
- If the plans were prepared to your instructions, are you certain that no copyright laws have been infringed by you having used any part of someone else's design? For further information download a copy of the Australian Copyright Council's 'House plans and copyright' information sheet from [www.copyright.org.au](http://www.copyright.org.au) or call the Australian Copyright Council on (02) 9318 1788.



- Have you checked out other work your builder has done? Ask previous customers if they were happy with both the service received and also the quality of their new home.
- Is the person who is to do the building work registered? To check if your builder is registered go to the DMIRS website and search the register of builders.
- If owner-building have you obtained an owner-builder approval? For further information about becoming an owner-builder download a copy of the free fact sheet 'Becoming an Owner-builder' from the DMIRS website.
- Have you considered your options for termite prevention treatment? Download a copy of the fact sheet 'Termites and Your Home' from the DMIRS website.
- Has your builder asked you to sign a document yet or pay any deposit? First, check the document very carefully. Do not accept any statement by the salesperson that you can change your mind later without penalty, unless this is clearly written on the document and is signed by the salesperson. Under the Australian Consumer Law, misleading or deceptive conduct by a business is unlawful, however if you make sure that any agreement you have with a salesperson is clearly written on the document and signed by the salesperson, you can avoid possible problems later down the track. Download a copy of the fact sheet 'Understanding the 'Preparation of Plans Agreement' and the 'Preliminary Work Contract' from the DMIRS website.



Are you certain the design is within your budget?



## **Checking your plans**

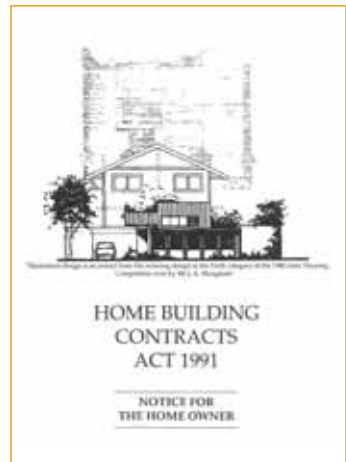
- Have you checked all the plans and specifications thoroughly? Make sure you fully understand the plans and all of the symbols used. If plans are drawn up in advance of a building contract, check with a building surveyor or the local government that they will be approved without major amendments.
- If you selected from a display home, have you taken the plans along and checked the features and the measurements of rooms and fixtures installed?
- Have any changes or any extras that may have been offered or agreed to by your builder's sales consultant been included on the plans or in the specifications?
- Have all of your selected materials and design changes been included in the drawings and/or specifications? Variations made after the contract is signed may incur an extra fee. Are the locations of power points, taps, light fittings, gas and TV fittings exactly as you require?
- Have you checked the total cost of any changes you have made to the original plans?
- Are you still certain that you are able to meet the total financial commitment?

## **Before you sign the building contract**

- Have you read, checked and understood all of the contract documents thoroughly? Insist on the use of one of the recognised form of building contract, such as those published by the Housing Industry Association and the Master Builders' Association. In addition the contract documents usually include a 'Schedule of Particulars' or an Appendix, Plans and a Specification. If you don't understand any part of the documents, ask questions and seek your own expert or legal advice. Make sure that you understand what your contractual obligations are, as well as your builder's. If you want anything changed, this is the time to do it.

- Have you checked to ensure the contract is not 'Cost Plus'? If you are contemplating signing a 'Cost Plus' contract, you should be fully aware of the consequences. Check with an independent consultant or builder to explain it to you or seek your own legal advice regarding a cost plus contract.
- Does the contract require the release of progress payments at various stages of construction and, if so, are the terms satisfactory to you and to your finance provider?
- Do you intend carrying out any particular construction stage yourself? If so, have you checked the contract conditions in respect to:
  - time delays resulting from your involvement in construction;
  - effects on the overall warranty of the building; and
  - whether you need to obtain separate owner-builder approval for any of the work that you perform?
- Do you intend to provide any materials for inclusion in your home, such as spa, kitchen equipment or light fittings? If so, have you checked whether your builder's insurance covers the loss or theft of these materials from the site or damage after installation?
- Check that piping, cabling etc is of sufficient rating/capacity to run the appliances, as part of an integrated system, before the house is built.
- Have you checked the dates or time periods that the fixed contract time is scheduled to start and finish?
- Have you established what your rights and your builders' rights are if your builder should over-run the original contract construction time?
- Are there any allowances for 'Provisional Sums' and 'Prime Cost Sums' and, if so, do you understand the meanings of the terms? Do you know how the amounts that you will actually pay to your builder will be calculated? If you are uncertain, ask your builder or an independent consultant or builder to explain it to you.

- Has your builder included in the contract the price for fixing the items covered by 'Prime Cost Sums', not just for supplying them? For tiles and tiling, check how many square metres are included and ensure this is stated in the contract documents.
- Are you unhappy with anything that is included in the contract documents? If so, ask for changes to be made. Any changes must be in writing and signed by both parties.
- Are the contract documents fully completed? There should be no blank spaces and the contract should include everything that has been discussed. Check the Schedule of Particulars very carefully and make certain that nothing is left blank. Download a free copy of the fact sheet 'Home Building - *Home Building Contracts Act 1991*' from the DMIRS website.
- Have you read the Notice for the Home Owner which is required by law (the *Home Building Contracts Act 1991*) to be handed to you by your builder when the value of the building work is between \$7,500 and \$500,000? If you still have any questions about your rights and your obligations under this Act, seek your own independent legal advice before you sign the building contract or pay any deposit.
- Has your builder provided you with a copy of the Home Indemnity Insurance policy covering the proposed building work before you pay the deposit. For more information about this type of insurance download a free copy of the fact sheet 'Home Indemnity Insurance' from the DMIRS website.
- What deposit have you been asked to pay? The maximum deposit is 6.5 per cent of the contract sum if the value of the home building contract is between \$7,500 and \$500,000.
- Has confirmation of Government or other financial assistance been received (if applicable)?



## **Before construction starts**

- Has the contract been signed by both parties?
- Has your builder supplied you with a complete, signed set of the contract documents? The following should be provided to you as soon as possible after the contract has been signed:
  - The contract together with a Schedule of Particulars or an Appendix;
  - complete set of plans;
  - written specification of workmanship and materials; and
  - certificate of home indemnity insurance.
- Have you provided proof of your ownership of the land to your builder?
- Has local government and Water Corporation approval been received by your builder?
- Has your builder advised if the work requires your neighbour's consent in circumstances where it may encroach or affect adjoining land?
- Has the developer's approval (if applicable), been received by your builder?
- Has confirmation of finance approval been received? Your builder may request a copy of the finance approval.
- Has your builder invited you to attend a 'pre-start' meeting? At that meeting you will be asked to make a number of important decisions about the types of materials and fittings and about colours. If you must make any last minute changes, make them now and not after construction starts unless the contract has been amended appropriately.
- Has your builder provided you with a copy of the 'Home Indemnity Insurance' certificate?
- Have you checked if your builder also has insurance for flood, fire and theft as well as 'Public Liability' insurance for injury to persons.

## Once construction starts

- Have you been given the name and phone number of your contact person in your builder's office? If practical you should try to deal only with that person.
- Have you arranged to check the work on site regularly yourself? Regular visits to the site are essential but make sure you do not inconvenience any of the tradespeople. Take a spirit level and a tape measure with you and make certain your builder is working to the most up-to-date plans. Check that the colours of materials used are as selected, including bricks and paving. Building contractors are obliged to construct your dwelling in accordance with the plans, specifications and the National Construction Code, however you may wish to verify that they done so for yourself. As mandatory inspections of building work are not required in Western Australia, it may be worthwhile for you to engage the services of an independent consultant or registered builder. In addition to any such inspections you may arrange to have done, it's recommended you make regular visits to the building site.
- Have you received a claim from your builder for a progress payment? Carefully check that the work is properly completed up to the appropriate stage.
- Have you arranged to take photographs of the work at regular intervals, particularly any part of the work that may be of concern to you?
- Have you purchased a diary to record all of the day-to-day happenings, including discussions with your builder? You should record the time and date of all telephone conversations as well as the name of the person you spoke to and what was discussed. Discuss with your builder any queries or problems you may have about delays, quality of workmanship, or any other issues as soon as they arise. For anything other than a very minor problem, consider confirming your views in writing to your builder as this may assist you with clarifying the issue at a later time. If you are unable to resolve the problem, download a free copy of the 'Building Complaint Resolution' guide from the DMIRS website.

- Has your builder advised you that the home has reached “practical completion”? Check every aspect to ensure you are satisfied and the home is habitable. You can then hand over the final payment (even if there are a few minor outstanding items, but make certain you itemise them in writing to your builder).
- Are you aware that, for your protection, you should deal only with your builder and builder’s supervisor on-site and not the tradespeople on-site?

Remember that you have made a financial commitment to your builder to pay in accordance with the conditions of the contract prior to obtaining your house keys. Note that your builder has a legal responsibility to ensure that the building work is carried out in a proper and proficient manner.

The builder is liable to make good, without additional cost, defects in the building work notified in writing within four months from practical completion.

The DMIRS, Building and Energy Division is able to assist with disputes regarding building services and home building work contracts. Building services complaints need to be made within six years from practical completion. In most cases home building work contract complaints can be lodged up to three years from when the complaint arose.

## Moving in

- Have you remembered to:
  - arrange connection of your telephone (you can organise for cabling to be carried out during construction), gas and electricity;
  - advise the Water Corporation;
  - advise your local government;
  - notify the post office and have your mail redirected;
  - get the address on your vehicle and drivers licences changed;
  - arrange for house and contents insurance;
  - notify the electoral office; and
  - notify your bank or building society, employer, Medicare, insurance companies, solicitor, accountant, professional associations, clubs, schools, library.



Document any minor defects and arrange to provide a list of these to your builder, before the expiry of 4 months from practical completion.

## **Furnishing your new home**

- Have you checked that all furniture and appliances you intend to buy will fit properly into your new home and will pass through doorways and passages?
- Have you checked that the size and colour of everything is right, using a tape measure and colour swatches of fabric?
- Have you checked the workmanship on all furniture, for example strong joints, smooth opening drawers and doors, etc?
- Have you checked the availability of spare parts for appliances and considered ease of cleaning and maintenance?
- Have you considered the following when buying carpets or vinyl:
  - shop around to compare prices and quality;
  - obtain at least two itemised and signed quotes;
  - check that the price includes laying, doorstrips, etc;
  - check the deposit required;
  - determine the type of underlay (if any);
  - determine the position of joins;
  - obtain the name of the salesperson with whom you are dealing;
  - re-check all measurements (your own and the store's); and
  - check that concrete floors are dry enough to lay the coverings.
- If you intend to hire trades people to do 'associated' home building work such as laying wooden flooring or installing a swimming pool, have you read the free information booklet 'Having building work done' available from the DMIRS website.



## **Important information you need to know about being an owner-builder**

Before deciding to undertake building work yourself (instead of employing a registered builder), carefully consider all of the possible implications in becoming an owner-builder.

Owner-builder approval from the DMIRS is required before applying to the local government for a building permit.

Owner-builder requirements are extensive and include displaying a sign during construction and ensuring all building work complies with building standards as well as safety laws and regulations.

Owner-builders are restricted from building again as an owner-builder for a period of six years. In certain circumstances an exemption may be granted where the owner-builder can demonstrate how an unforeseeable change in their circumstances has occurred and demonstrate hardship will occur if an exemption is not granted.

For further information on becoming an owner-builder download a free copy of the publication 'Becoming an owner-builder' from the DMIRS website.



Owner-builders require approval from DMIRS before applying to the local government for a building permit.

Owner-builders have obligations under the *Home Building Contracts Act 1991* to take out a home indemnity insurance policy before entering into a contract to sell their property to cover the prospective purchaser for any completion or rectification of building work where the builder dies, disappears or becomes insolvent.

The home indemnity insurance policy **must** cover a seven-year period from the date of issue of the building permit. For more information download a copy of the information guide 'Home Indemnity Insurance' from the DMIRS website.

Owner-builders should be aware that they may be prosecuted under the Act should they fail to meet any of the above requirements.

### **Further assistance**

Despite the best intentions, there are times when disputes or complaints may arise over building standards, workmanship, building contracts, dividing fences and building work that may affect other land such as a neighbour's property.

At all times you should try to resolve any problems or disputes with your builder in the first instance. Document what you have done to try to resolve matters and keep copies of all correspondence. Staff at the DMIRS can provide information or refer you to the appropriate authority if you have disputes related to building or renovation work.

Please note that in the interests of competitive trading, staff cannot recommend the services of a particular builder or contractor.

## Useful contacts

1300 300 630

### **Australian Securities and Investments Commission**

To check whether a company is registered visit [www.asic.gov.au](http://www.asic.gov.au)

1300 489 099

### **Department of Mines, Industry Regulation and Safety – Building and Energy**

Advice and assistance about building your home, dispute resolution and to find a registered builder, building surveyor, plumber or painter visit [www.dmirs.wa.gov.au](http://www.dmirs.wa.gov.au)

1300 30 40 54

### **Department of Mines, Industry Regulation and Safety – Consumer Protection**

To check a trade or business name is registered visit [www.dmirs.wa.gov.au](http://www.dmirs.wa.gov.au)

1902 973 555

### **Housing Industry Association (HIA) Consumer Hotline**

For advice on contract, legal obligations, technical queries and concerns (Note: calls charged at \$2.75 per minute) or visit [www.hiawa.com.au](http://www.hiawa.com.au)

9476 9800

### **Master Builders' Association**

1300 550 262  
(Country)

For advice on whether a builder is a member of the association and general advice to member's clients on building a new home visit [www.mbawa.com.au](http://www.mbawa.com.au)



**Building and Energy**

303 Sevenoaks Street

CANNINGTON WA 6107

Locked Bag 14

Cloisters Square WA 6850

Telephone: 1300 489 099

Facsimile: (08) 6251 1501

Email: [bcinfo@dmirs.wa.gov.au](mailto:bcinfo@dmirs.wa.gov.au)

Website: [www.dmirs.wa.gov.au/building-commission](http://www.dmirs.wa.gov.au/building-commission)