



STRESS-FREE BUILDING

WHAT TO AVOID DURING THE BUILDING PROCESS

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In this e-book we hope to enlighten the reader to the many pitfalls that can be avoided during the building process as well as some of the joys that are also inherent in building a new home, renovating second-hand homes and/or buying a land and home package typically sold by project builders.

Building can be a very stressful business if you haven't set up your budget or made extensive plans. You also have to make sure you have obtained the necessary approvals from council and other government instrumentalities to ensure that what you want to build on your plot of land or do a renovation is within the boundaries of all regulations.



Time is also very important. From start to finish, a typical new home build can be up to twelve months. If you heed the old saying that Rome wasn't built in a day, are patient and obtain all the facts and requirements ahead of the build it will be less stressful and you will stay on top of the game and within budget.

You will also need to go through the process of selecting a builder, which in its self can be a daunting task. We will go through the ins and outs of this process at the end of the book.



Renovations and Extensions

Do you like where you live? Have you got good long-time neighbours? Is the town you live in a good place to bring up children or to spend in retirement? These are questions people ask themselves when the home they are currently living in is in urgent need of tender loving care – or something even more drastic.

Most would have heard the term ‘renovate or detonate!’ As always there are many sides to the story. Your home may be fine as far as layout is concerned, but the bathrooms might be tired and old fashioned and the kitchen might be a wreck. If the fabric of the building is sound it may be cheaper to renovate. That is not to say renovation is cheap – it's not. The old parts need to be demolished and then all new materials put to their proper use in the newly configured rooms.

As an aside for a moment it is worth considering the fact that it is estimated to cost about \$50,000 to sell your home and buy another whether you are trading up or downsizing. This could be stated as an asset loss, or in other words the money could have been put into your renovation.

Renovations can be difficult and, if you're living in the house at the time, very dusty and noisy, so it's best to psyche yourself for a long and bumpy ride, particularly if the work has to be staged so you can live in some semblance of normal life! Good furniture needs to be moved out to save any damage and timber floors need to be covered. (Don't leave this for the builder – it's not his job!)



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Your family may be growing and you might need a couple more bedrooms and an ensuite to accommodate either the children or an ageing parent. Your home location may be in the perfect spot – close to the school, shops, doctor, friends and other amenities. If your block is large enough the sky's the limit and you can do anything you want. Talking to a good architect or designer will help you consider the aspect, best use of space and your budget. But have a good idea of what you are wanting in the extension before you get the designer over. He may have very different ideas to yours so don't let him bully you into something that's not of your choosing or that you can't afford.

Other considerations to take into account when renovating are materials. If your home is a few years old, new materials may not match the existing structures, particularly on the outside. There may be some construction made of asbestos, which will need a specialist to remove (quite expensive but very necessary). Patching in bathrooms is not recommended. It's much better to go back to the frame and start again. Taps will usually be well worn and not worth retaining.



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If after these considerations you decide the old place is too far-gone, you may decide to knock down and rebuild that new home. Council approval will be required for the demolition and the new home. At the time of writing you can count on about \$25,000 to demolish the old house and to cart away the debris depending on size and difficulty in accessing the site.

The new home cost will depend on your budget and many other factors, for example, whether your block is flat or on a slope, its location and local council requirements. You will also need to have alternative accommodation for a minimum of six months.

You should be vigilant in picking a builder to carry out the above specialist works. Talk to someone you know who has been through the process: What were his or her problems? How were they overcome? Are they happy with the results?

One thing is for sure. It's no good falling out with your builder over minor differences or the money side of things. Please believe that it's just as hard for him as it is for you. Ensure you have regular discussions with him, sort out any problems before they become too large and remember that if you ask him to do something outside the scope of works, it's going to cost time and money. You can't expect him to do all the little bits and pieces you add on for nothing.



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House and Land Packages

Let's look at the home and land package deals that are very prevalent on the market today and are probably the most purchased building deals out there. There are many and varied project builders looking for your business. They all have their own special packages and are usually large, well-resourced organisations that have the expertise to either develop land or in concert with a developer put together excellent packages for homes usually within communities quite close to transport and other vital necessities required in the modern living environment.



This method of buying a new home is probably the cheapest and is particularly aimed at first-time buyers and young families who have been renting for some time and saving a deposit with a view to buying a home of their own. All the hard work has been done and in some cases basic garden layout is also part of the deal. Banks look favourably on this type of purchase because it's usually quite safe. The price is known from the very beginning and for X amount of dollars you can secure a modern new home in pleasant surroundings.



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These homes come complete with council approvals, usually new roads, all the necessary services, water, telephone, electricity and sometimes mains sewer already connected. This relieves the buyer of these responsibilities, which can be quite daunting for the uninitiated.

The drawback to these homes is that there is very little room for altering the standard design. If you build on your own block the design you have found at a display centre and if the builder is prepared to change things it will be minor and quite costly. Other variations to the build, particularly if it has already started, can be prohibitively costly.

The choices with PCs (or Prime Cost items such as finishings and floor coverings) are also restrictive as they are selected from a low price range. To change them adds a substantial price difference. The trick is to be satisfied with the offer from the show house and stick to it. Often the start price does not include any extras such as footings or foundations. Costs are added for sloping blocks, rock excavation and or other engineer's requirements.





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The Used Home Market

The secondhand market is usually free of Council requirements excepting that it is wise to ensure that your solicitor has fully researched any possible road widening, freeway proposals, airport proposals and any other restrictions that may be on the table for future development.

One must remember that in most cases one is paying a premium for location, for established gardens and for external amenities such as doctors, railway station, hospital and shopping centres. All of these things, as well as supply and demand, play a part in setting the median price of a second-hand home. Consult with a real estate agent or other professionals who know the area well enough to advise you of current pricing and movements.

It should also be noted that second hand homes might have hidden faults such as leaking showers that have been nursed along over a period of time. These may contribute to structural damage, which may need expensive rectification. It is very important to obtain the services of an expert to check for things like rising damp, white ant invasion, rotting timbers due to weather leaking in, roof stability or excessive dampness because of over-watering of gardens.

These are all the traps that one needs to investigate prior to purchasing ready-built homes as renovations, whether they be of kitchens, bathrooms or laundries, can be very expensive. Renovating could include demolition, the rearrangement of services such as plumbing or electrical components and the rebuild, which is just as expensive, if not more than those parts in a new home.



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Newly Built Homes

The third option of course is a new home on your own land and this is where the fun begins. Prior to even buying a block of land, research must be done to ensure that the land, preferably freehold, is not subject to any government provisions in the future. The best person to do this is your solicitor who will conduct searches through the local council but also with other government instrumentalities as well. He will particularly look at new road proposals, railway extensions, gas pipeline routes, permitted building envelopes and things of this nature.



As an example we built a new home on a block of land, which had a problem. Unbeknown to the owner, and indeed us the builder until we did our own searches, there was a telephone cable running right through where the home was to be built. The cost to re-route that telephone line to the extremities of the property was in excess of \$5000. The owner had to find that money on top of the house-building budget.



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Electricity availability is another issue. How much is it going to cost to get electricity to that block? Telegraph poles cost about \$6000 each and can add substantially to the budget.

Is water available? In many cases building in rural areas means that you have to install large roof water collecting tanks and pumps to pressurise the water to maintain showers, toilets and drinking water.

Is the telephone available? If not is the site able to access mobile phone coverage and the Internet?

When you are satisfied that these services are available and within your budget, or that there are allowed alternatives, one should then turn to the suitability of the soil to support the style of house that you wish to build. Many people get into trouble in this area, as there are several types of different soils with their own special requirements. The consistency of the soil will determine the sort of foundation cutting and footings that will be required to support the building.

If your land is flat and the soil is moderate the footings will be reasonably simple, requiring a couple of piers here and there. As a consequence this would be the easiest and cheapest method. If your block is on reactive soil it will require more sophisticated footings and will need the input of a structural engineer.

An engineer must cover all bases and as a consequence quite often the footings will be in excess of what may be required. This will also be reflected in extra costs. If you have a block that is sloping it will mean more piers or a more sophisticated method such as screw piers.



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You may have a sloping block and you've decided to cut and fill. This method is particularly popular with the project builders as it is the simplest and cheapest way to build what is known as a raft slab type footing, sometimes with the use of polystyrene pods (there are several methods to build slabs but generally the raft slab is the most common).

Cut and fill may require retaining walls to retain the cut at the top end. This is an added expense. There are many types of retaining walls systems available and depending on the height of the cut they may require an engineer's design.

Before some of the above can be achieved we need to have drawn up plans. Some people want to design their own home while others choose to use a designer or an architect. In this case, once again budget becomes extremely important. It is very easy to get carried away and give the impression to a designer and/or architect that you have a bottomless money pit. This may be interpreted through your enthusiasm and by not first pinning down the absolute maximum budget that you are prepared to go to.



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The designer should be fully aware of all the aspects of the land such as soil type, slope and any other impediments to building so that he can design a home that incorporate good use of aspect and other environmentally sustainable features of your block.

It should also be noted that many people leave out PC items until they are actually needed or the builder asks for them. PCs include kitchens, the cabinetry, the taps, sinks and other enhancements in kitchens; it could be refrigeration, dishwashing units and electric stove, cook tops. These are items that may have been the owner's responsibility when entering the contract.



In bathrooms it includes tiles, shower screens, toilets, vanities, taps and any other fittings that may be required. These items can be really expensive. As a consequence it's important that these items are considered in the planning stage because once again these items can blow the budget. Early consideration is paramount.



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It is our recommendation where possible to buy Australian PCs. We have attempted to install many European imported fittings that just don't want to be fitted or take excessive time to fit, ensuring a cost penalty. When buying plumbing items go to a plumbing store. The people in there can talk to you about the right fittings whereas the discount store person won't have a clue. Chinese toilets and fittings are cheap. Enough said!

After all these considerations a builder has to be selected. This may prove to be the hardest thing you have to do in the whole process. The builder has to guide, interpret and carry out your dreams and plans for the most expensive purchase you are ever likely to make. It must be someone you can trust in the first instance. They must be passionate about what you are trying to achieve for your new home.

Unfortunately not many architects involve builders at the design stage and only when the plans are fully drawn up and in some cases through to council approval are the plans presented to the builder for quotation. Often the grand plans are beyond the resources of the client and great disappointment ensues.

People are almost always dismayed at the cost of building, which is ever on an upward spiral. It always has been and it always will be. Both materials and labour costs climb almost daily. The trick here is simply talk to a builder and ask him how much he charges per square metre. This simple equation will give you a rough estimate of the total cost for your size of house. Add a contingency for items you may not account for down the track such as paving, garages or sheds, swimming pool, etc.



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Contracts

Let's take a moment to consider contracts and other legal matters. A builder is bound to enter into a contract for any works valued at over \$1000. For works over \$20,000 he must organise Home Warranty Insurance on behalf of his client.

There are several kinds of home building contract, usually called Residential Head Contracts. The most common is BC4, which is a fixed price or lump sum contract for the standard type new home. This contract can also be used for major renovations and additions. Next most popular, and often used in estimated builds where the client is looking for flexibility, is the Residential Cost Plus contract.



Another separate contract is the Residential Renovations and Additions contract. The Residential Minor Works contract deals with work under \$20,000 and not needing Home Warranty Insurance.

The builder should go over every page with you to explain in full all the details. If after this you have queries or you don't understand anything, tell the builder you want to discuss the contract with your solicitor. It's better to be safe than sorry!



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Basix

Basix stands for the “Building Sustainability Index” which is a web-based planning tool designed to assess water, thermal and energy efficiency of both new and to be renovated and extended residential developments, which exceed \$50,000 in value. The standard was introduced in 2004 to decrease green house emissions by 40% through the reduced use of water through the installation of rainwater tanks, insulation, shading and the proposed use of hot water systems.

You can use the web-based tool by visiting www.basix.nsw.gov.au or alternatively your designer will incorporate obtaining a certificate through his design process. ABSA standing for the “Association of Building Sustainability Assessors” may also offer advise to your designer in the area of the thermal comfort section of the Basix certificate.





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Bushfire Protection

The Environmental Planning and Assessment Act 2002 requires the Planning for Bushfire Protection, which is mandatory for most developments. Bushfire Prone Areas have been identified by councils and the Rural Fire Service who use maps detailing all areas affected (which in Australia is widespread).

If your property is within 100 metres of bushland it will be referred to the RFS who may impose development conditions such as tree removal and the removal of ground fuels. The purpose is to create an Asset Protection Zone to the standard AS 3959.1. to protect both property and life. RFS website is www.rfs.nsw.gov.au

Warning

From time to time you will hear of building scams and builders going broke and leaving householders in the lurch with unfinished building work and a mountain of debt to finish or inappropriate work to correct. Often the homeowner hasn't done their research. Go to Fair Trading first, make sure the builder you have selected is licensed, and has no prior convictions. Make sure they are financially sound. Don't expect the best work from the cheapest quote; you get what you pay for. Ask to see the previous work of the builder you choose and get names and addresses of his clients. Ring them up and ask questions; most will be happy to assist.

Finally use common sense – not your heart. If it sounds too good to be true, it is!



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In the meantime happy planning and remember the total process should be enjoyable from start to finish in your quest for that perfect home.

Plan, plan, plan. That's the simple secret!

Should you require to learn more about the contents in these pages please feel free to call the numbers below and we will do our best to answer any queries you may have or put you in touch with others who can help.

Best Regards,

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