

Building or renovating?

Building checks for home owners



Supporting local communities



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Are you thinking of building a new home? Do you have plans to extend, renovate or repair your home?

Your home is a key asset and the best way to protect it is by understanding your rights and responsibilities. Use the following checklists, outlining what you need to consider through each stage of your building project.

① Preparing to build or renovate?

- Check with your local council if your building work requires approvals.
- Do you need a Building Sustainability Index Certificate (BASIX)?
- Obtain quotes from different suppliers for the same plans and specifications. Be wary of a much cheaper quote than others – it may indicate job quality is being compromised.
- Before you hire, use Fair Trading's free online licence check to ensure your builder or tradie is licensed (for work over \$5,000 or specialist work such as plumbing or electrical work of any value) for the type of work being carried out.



Contact previous customers to complete reference checks on your builder or tradie and see examples of similar work they have done.

Before work starts, ensure you have a written contract detailing the work to be done. Check what contract you need and what should be included:

- For work between \$5,000 and \$20,000, you will need a basic 'small jobs' contract.
- Work over \$20,000 requires a more comprehensive 'major works' contract.

② Before you sign a contract

Check that the work to be done is clearly covered in the contract, plans and specifications and that you understand it fully.

Ensure that the price is clearly stated in the contract or a warning is given that it is not known. Understand what is and isn't included in the price (e.g. driveways, fences, window locks). If the contract price can be varied, is there a warning and an explanation of how it can be varied?

Is the name and number on the contractor's licence the same as what's in the contract?

Is the deposit within the legal limit of 10%?

For all contracts over \$20,000:

- there must be a progress payment schedule outlining payments for stages of work.
- the builder or tradie must not take any money or start work until they supply you with a copy of their certificate of insurance for your job under the Home Building Compensation Fund. Check a certificate is legitimate on the register: www.hbcf.nsw.gov.au
- there should be a 14 item checklist for consumers included in the contract.

- Understand any cooling-off provisions and in what circumstances the contract can be terminated.
- Check time periods and when the project is scheduled to start and finish. Do you know each party's rights should the project run over time?
- Ask your builder about the different project stages and what is done at each?
- Does the contract include any 'Provisional Sums' (cost estimates where a fixed price can't be given) or 'Prime Cost Sums' (allowance for items unable to be costed before work begins) in the contract? Understand the costs involved.
- Read a copy of Fair Trading's *Consumer Building Guide*.

③ During the build

- Stay in communication with your builder or tradie and discuss issues as they arise. Keep a record of conversations and photographs of the work at each stage and any areas of concern.
- Carry out regular on-site inspections with your builder to ensure it meets the plans and specifications in your contract. Consider employing an independent building consultant or builder to assist you with this.
- Before paying for a stage of work, check it has been completed to the appropriate stage.
- Make sure that any changes you make to the contract (called variations) are in writing and signed by both parties to the contract before work proceeds.
- Understand the dispute resolution process outlined by NSW Fair Trading.



④ When your project is complete

- Do a final inspection with your builder or tradie. Everything should be delivered to the plans and specifications in the contract and be in working order. Consider engaging an independent builder or consultant to assist. Note down and discuss with the builder or tradie any defects.
- Consider what distinguishes a minor from a major defect. Speak to your builder or tradie and notify your insurer about any defects once you notice them. Check the *Guide to Standards and Tolerances* available from our website. It explains acceptable standards of work, eg. how much timber shrinkage is reasonable.
- Be familiar with time-limited warranty periods.
- Your builder must provide all necessary certificates and documentation including the:
 - certificate of compliance for electrical and plumbing work
 - final occupation certificate (practical completion certificate).

Learn more at our website or call 13 32 20.

Visit our website to:

- learn more about your rights and responsibilities
- do a free online licence check
- find out more about dispute resolution
- download free home building contracts and the *Guide to Standards and Tolerances*
- read the *Consumer Building Guide*.



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