



Government of **Western Australia**  
Department of **Commerce**

# Building your new home

## a checklist



This booklet will help you to consider all the steps that need to be completed when building your new home

This publication is available on request in other formats to assist people with special needs. Call the Consumer Protection Advice Line on 1300 30 40 54 to discuss your requirements.

If you require an interpreter, call the Translating and Interpreting Service (TIS) on 131 450 and ask for connection to 1300 30 40 54.

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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 until you have read all the small print. If there is anything that you do not understand, check with an independent building consultant such as another independent registered builder. 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, the Department of Treasury and Finance - Office of State Revenue (First Home Owners Grant) and The Real Estate and Business Agents Supervisory Board (Home Buyers Assistance Scheme).
- 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 prevent the builder lodging plans with the local authority?

- Have you checked with the local authority 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 authority whether there are any special building requirements?
- Have you checked with the local authority how much the rates are?
- Have you checked with the housing sales consultant about the block size, shape and aspect to make sure it will accommodate your planned home? Consider the desired orientation, and that frontages and clearances are sufficient to meet local authority planning requirements. Also, think about the need for 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.

- 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. Ring the Builders' Registration Board on 9476 1200 for a free copy of the Board's leaflet Site investigations 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 Real Estate and Business Agents Supervisory Board's publications (available from the Department of Commerce - Consumer Protection Division):
  - Buying vacant land; and
  - *Sale by offer and acceptance?*
- Have you checked whether the local authority produces a brochure to help new home buyers in the area?
- Have you read the department's free publication *Homebuyers' Survival Guide for WA* which has tips for building a home? Contact us to request a copy.

## 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.
  - Are you certain the design is within your budget?
- 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 robes
    - wall painting
    - floor tiling (including the laundry)
  - 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? If in doubt, check with the Australian Copyright Council on (02) 9318 1788.
  - Is the builder registered with the Builders' Registration Board? Phone the Board on 9476 1200 to check, or visit [www.builders.wa.gov.au](http://www.builders.wa.gov.au)

- Have you checked out other work the builder has done? Ask previous customers if they were happy with both the service received and also the quality of their new home.
- 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.
- Have you considered your options for termite prevention treatment? Read the department's fact sheet *Termites and your home*.
- The builder is required by law to provide 'Builders' All Risk' and 'Public Liability' insurance cover while your home is being built. Have you checked that your builder is providing this cover?
- Has the 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. Ask for a copy of the department's fact sheet *Understanding the 'Preparation of Plans Agreement' and the 'Preliminary Work Contract'*.

## 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 the local authority 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 the 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 a recognised form of building contract, such as those published by the Housing Industry Association and the Master Builders' Association. In addition to the Form of Contract, 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 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 a building consultant, such as another independent registered builder.
- 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 a separate owner builder licence 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 the builder's insurance covers the loss or theft of these materials from the site or damage after installation? Check that the 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 the builders' rights are if the 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 the builder will be calculated? If you are uncertain, ask the builder or an independent building consultant to explain it to you.
  - Has the 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. Ask for a copy of the department's fact sheet *Home building - Home Building Contracts Act 1991*.
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- Have you read the *Notice for the Home Owner* (which is applicable if your home is under \$500,000) that was handed to you by your builder? If you still have any questions about your rights and your obligations under the *Home Building Contracts Act 1991*, obtain independent advice before you sign the building contract or pay any deposit.
  - Has your builder provided you with a Home Indemnity Insurance certificate, in your name, before asking you to pay any deposit? Ask for a free copy of Consumer Protection's fact sheet *Home indemnity insurance*.
  - 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 the 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:
  - *Form of Contract with a Schedule of Particulars or an Appendix;*
  - complete set of plans; and
  - written specification of workmanship and materials.
- Have you provided proof of your ownership of the land to your builder?
- Has local authority and Water Corporation approval been received by your builder?
- Has the developer's approval (if applicable), been received by the builder?
- Has confirmation of finance approval been received? Your builder may request a copy of the finance approval.
- Has the 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 'Builders' All Risk' and 'Public Liability' insurance certificate?

## Once construction starts

- Have you been given the name and phone number of your contact person in the builder's office? If practical you should try to deal only with that person.
- Have you confirmed all important agreements or comments in writing during the home building period?
- 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 the builder is working to the most up to date plans. Check that the colours of materials used are as selected, including bricks and paving. If regular visits are not possible or if you are not certain what you should be checking, it may be worthwhile for you to employ an independent building consultant.
- Have you received a claim from the builder for a progress payment? Carefully check that the work is properly completed up to the appropriate stage.

- Are you aware that, for your protection, you should deal only with the builder and builder's supervisor on-site and not the tradespeople on-site?
- 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 the 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 the builder as this may assist you with clarifying the issue at a later time. If you are unable to resolve the problem, read the department's fact sheet *Home building - complaints, disputes and appeals*.

- Has the 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 provide a list to the builder). 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.

Remember, the builder has a legal responsibility to ensure that the building work is carried out in a proper and workmanlike manner.

The builder is liable to make good, without additional cost, defects in the home building work notified in writing within 120 days from practical completion. The builder is also responsible for structural defects for six years from the time the building is completed.

The Building Disputes Tribunal is able to adjudicate on a workmanship complaint provided the complaint is received prior to the expiration of six years from the date the building work was completed.

## 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 authority;
  - 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;
  - notify your bank or building society, employer, Medicare, insurance companies, solicitor, accountant, professional associations, clubs, schools, library, newsagent; and
  - make a note of any minor defects and arranged to provide a list of these to your builder, before the expiry of 120 days 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, eg 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 joints;
  - 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.

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

Before deciding to undertake building work yourself or taking out an owner builder licence from the local authority instead of employing a registered builder, carefully consider all of the possible implications.

Upon accepting an owner builder licence, the licence holder is made aware, and signs acknowledgement of the fact that the sale of land on which the building is constructed will not be permitted within a three-year period. Owner builders are also restricted from building again as an owner builder for a period of six years.

In certain circumstances owner builders may apply to the Department of Commerce for an exemption from these requirements. For permission to be granted, the licence holder must demonstrate an unforeseeable change in their circumstances has occurred from when the licence was issued and also demonstrate that hardship will occur if an exemption is not granted.

Ring the Builders' Registration Board on 9476 1200 and ask for a free copy of the Board's publication *Thinking of building your own home*.

It is also important to note that the Home Building Contracts Act 1991 requires that owner builders wishing to sell their property must take out a home indemnity insurance policy before entering into a contract to sell or otherwise dispose of a property. This policy must cover the remainder of the seven-year period since the building licence was issued. Ring the Consumer Protection Advice Line on 1300 30 40 54 for a free copy of the fact sheet *Home indemnity insurance*.

Owner builders should be aware that they may be prosecuted by the Builders' Registration Board should they fail to meet any of the above requirements.

## Further assistance

At all times you should try to resolve any problems or disputes with your builder in the first instance.

Staff at Consumer Protection can provide information or refer you to the appropriate authority if you have any queries relating to home building or renovation work. However, in the interests of competitive trading, Consumer Protection cannot recommend a particular trader or advise you whom to avoid.

### Who to contact

#### Department of Commerce Consumer Protection Division

For general advice and assistance about building your home

#### Consumer Protection Advice Line 1300 30 40 54

To check whether a trade or business name is registered

#### Business Name Registration 1300 30 40 14

219 St Georges Terrace  
PERTH WA 6000

Website: [www.commerce.wa.gov.au](http://www.commerce.wa.gov.au)

#### Australian Securities and Investments Commission

To check whether a trader is licensed

Ph: 1300 300 630

Website: [www.asic.gov.au](http://www.asic.gov.au)

#### Housing Industry Association (HIA)

Advice on contract, legal obligations, technical queries and concerns

#### Consumer Line: 1902 973 555

(calls charged at \$2.75 per minute)

22 Parkland Road

Herdsmen Business Park

OSBORNE PARK WA 6017

Website: [hia.com.au/hia/region/WA.aspx](http://hia.com.au/hia/region/WA.aspx)

#### Master Builders' Association

Advice on whether a builder is a member of the association and general advice to member's clients on building a new home

#### Ph: 9476 9800 or 1300 550 262

(country callers)

35 Havelock Street

WEST PERTH WA 6005

Email: [mba@mbawa.com](mailto:mba@mbawa.com)

Website: [www.mbawa.com](http://www.mbawa.com)

#### Builders' Registration Board

To check whether a builder is registered and information on how to lodge a complaint with the Building

Disputes Tribunal **Ph: 9476 1200**

Suite 10, 18 Harvest Terrace PERTH

Website: [www.builders.wa.gov.au](http://www.builders.wa.gov.au)

#### Building Disputes Tribunal

Deals with building disputes

**Ph: 9476 1222**

[www.buildingdisputes.wa.gov.au](http://www.buildingdisputes.wa.gov.au)



**Consumer Protection Advice Line 1300 30 40 54**

(for the cost of a local call statewide)

8.30am - 5.00pm weekdays

Forrest Centre  
219 St Georges Terrace  
Perth Western Australia 6000

Locked Bag 14 Cloisters Square Western Australia 6850  
Administration: (08) 9282 0777 Facsimile: (08) 9282 0850  
National Relay Service: 13 36 77

Website: [www.commerce.wa.gov.au](http://www.commerce.wa.gov.au)  
Email: [consumer@commerce.wa.gov.au](mailto:consumer@commerce.wa.gov.au)

Great Southern	(08) 9842 8366
South-West	(08) 9722 2888
Mid-West	(08) 9964 5644
Goldfields	(08) 9026 3250
North-West	(08) 9185 0900
Kimberley	(08) 9169 2811