

## BUILDING / RENOVATING YOUR HOME

Building and renovating a home can be a rewarding experience. However you need to make sure your project is well-planned and any contracts you sign are in your best interests.

### The first step

The first step in building a house or undertaking renovations is to decide exactly what it is you want done. You may need to do some research yourself and seek professional assistance from designers, architects or trades people who specialise in the kind of work you require. Before you proceed to the next step you should have plans or drawings prepared or at the very least, for renovations, a well-defined idea of the work you want done.

### The second step

The second step is finding the right contractor or tradesperson for the job. The Territory Construction Association maintains a list of its members who have passed workmanship checks, and Contractor Accreditation Limited (CAL) also certifies contractors of various types. CAL also maintains a register of existing accredited businesses that can be accessed by a database search at <http://www.accreditation.com.au>.

You may also refer to advertisements in local newspapers, and the Yellow Pages.

Once you have identified several contractors who may be suitable, you can proceed to obtain quotes and make a final choice of contractor. To assist in this, you should ask the contractor for references for past work and names of recent clients. Ask yourself:

- Did the contractor provide a good service to his previous customers?
- Did the contractor fulfil his obligations as required by his contract?
- Did the contractor provide documentation to those clients clearly detailing and pricing the work to be done?

## Obtain quotes and plans

If possible, obtain at least three written quotes, for the purposes of comparison, based on the completed plans and specifications. Make sure these quotes cover all possible costs including any hidden extras such as permits and insurance.

Note: Plans and specifications provided directly from a building certifier may be subject to copyright and therefore cannot be used by another builder. In this case, for comparison, you should check the contractor's quote against those provided for a similar project by other building contractors.

A written quotation once signed by both parties is a binding contract.

## Estimates

Estimates are usually given when the exact extent of the work is not known.

Estimates should be followed up with a written quote, once costed.

Relying on an estimate means, providing the work is satisfactory; you will have to pay the account even if it is considerably more than the estimate. There is no fixed price agreement between both parties as there is with a quote.

## Tips to consider when negotiating with a contractor

You should insist on:

- a start and finish date for the job;
- a sufficient description of the work to be carried out; and
- a contract price breakdown that is comprehensive and detailed.

You may need to consider your financing requirements at this stage (if not before) so that you can meet your commitments once the contract is signed.

## Once you've selected a contractor

You should ensure that you sign a written contract with the contractor. You may wish to seek legal advice, or you

can obtain, for a small charge, a 'standard contract' form from the Territory Construction Association that will cover most of your contractual requirements.

Ask about, and obtain a copy of any special warranties the contractor may provide.

Ensure all details of your agreement with the contractor are recorded in writing and kept on file, including any changes made after the contract is signed. If changes are required, it should be recorded in writing and signed and dated by both parties.

Monitor the work and advise the contractor verbally and in writing of any problems.

Ensure that a building permit has been granted and inspections carried out as required by a building certifier. When the work has been completed an occupancy permit may be required.

Never pay the full price up front. Don't pay too much deposit, or prepay or overpay the agreed progress payments.

## How to make a variation

Before work commences on the variation, the contractor or tradesperson must give you a written description of the work, the extra cost and any extra time required.

If overheads and profit are not listed specifically, it will be assumed these are included in the cost of the materials and labour.

Both parties should sign this variation if you agree on the work and price. Once this is done, the work may commence.

## Termite protection

Termite protection falls under the Building Code of Australia, which has been adopted in the Northern Territory, and applies to buildings administered under the NT's Building Regulations.

Before you make any decisions about the kind of termite protection you wish to use it is recommended you contact your building certifier to ensure the proposed method will provide an adequate level of protection required by building laws.

## Insurance

It is a requirement under (section 54AC) of the *Building Act* that a person cannot carry out or continue to do any prescribed building work unless the building work is covered by an authorised residential building insurance policy which protects against non-compliance with the Regulations.

An approved insurance policy is the Residential Building Cover, contact Building Advisory Services for information; or the Fidelity Fund Scheme managed by the Master Builders Association.

More information can be found at: <https://nt.gov.au/property/building/build-or-renovate-your-home/residential-building-insurance>

If you require any consumer or rental advice, please call our office on 1800 019 319 or email us at [consumer@nt.gov.au](mailto:consumer@nt.gov.au).