

**Sydney's North Shore**  
Residential Building Specialist



## 8 Things You Need to Know

---

before you start building

# Table of Contents

## **01 Starting Your Building Journey**

## **02 Choosing a Builder**

## **03 Preparation**

What you need to do before meeting a builder

## **04 Project Spend**

Why your builder needs to know your budget

## **05 Building Start Date**

When do you want to start building?

Flexibility with building timeline

## **06 Builder's References**

Who are your builder's references?

What to look out for

## **07 Your Vision**

Do your builder's past projects align with your vision

## **08 Quote & Contract**

What does your quote and building contract cover?

What insurances do you need?



# 01

## Starting Your Building Journey

Renovating your home is a big decision as it will affect you and your family for many months.

At Opal Building we want to ensure your build journey is as seamless and stress free as possible.

We take pride in educating and supporting our clients through each step of the building process.

This document has been put together to help you understand how the construction process works. This information will help everything to run as smoothly as possible during the build.

# 02

## Choosing Your Builder

It takes a team to build a house. Your team includes yourself, architect or designer, builder, structural engineer and other professionals.

It is important to have a team who work together for the best outcome possible.

Your team will be a part of your life for month which is why you should start looking for a suitable team even before the plans are drawn up.

Choosing a builder should not be based on price alone.

Make sure you choose a builder who meets your needs for budget, personality, style and location.

We believe in only working on the projects that are a good fit for everyone involved and will give a great result.

We strive to give you the best quality build for the budget that you have.





# 03

## Preparation

### What do I need to do before meeting a builder?

Before your first meeting with your architect, designer or builder, you should do your homework. Make sure you have an idea of budget in mind, as well as the level of finishes you are hoping to achieve. It is always a good idea to bring photos, cut outs, colours and materials to assist with the concept. Whether it is one photo or an entire scrapbook, your builder will be grateful for the guidance!

Make sure you have researched and spoken with your potential team. You do not want to waste your or their precious time. If you are in the preliminary stages and the entire concept is still very much in your head, it can be a good idea to chat to a Design and Construct builder. This is not necessary if you already have plans, however, you must remember to bring these plans, working drawings and any other concept designs along to the meeting. You should also bring along any relevant preliminary documents, certificates or assessment reports obtained (land survey, soil report, energy report, Bushfire Attack Level (BAL), flood assessment, site survey etc).

If you have done any previous renovation or building works, your records may still be relevant and are worth bringing along. Here is a helpful checklist of things you may need to take to that first meeting with your builder:

- Ideas - photos, cut outs, colours, materials etc
- Architectural plans
- . Concept designs
- . Working drawings
- Engineering documents
- Property Information Certificate
- Relevant council or other certificates
- Land survey report
- Soil report
- Energy report
- Bushfire Attack Level (BAL)
- Flood assessment
- Site survey
- Previous renovation plan

# 04

## Project Spend



### Why your builder needs to know your budget

If you have ever collaborated with a builder you may have encountered the awkward "What's your budget?" moment. Many clients find this question confronting or even rude, but the truth is it is necessary for your builder to understand your budget so they can create a home that fits your exact specifications.

People worry that if they reveal their actual budget to a builder, the contract price may be increased to generate greater profit from your project. If you are working with a quality, reputable and trustworthy builder, this will never be an issue.

If you do not trust your builder with your genuine budget from the beginning, you should not be considering building with them. It is essential that you and your builder trust each other and foster a relationship built on honesty and transparency.

It is the builder's job to provide you with the best possible outcome for the money that you are willing to spend. Project spend can go up or down as the plans evolve and clients see different value in different areas of the build. It is our job to understand your wants and needs to be able to show you where to save or spend more money depending on your values.

Here are just a few of the main reasons your builder may need to know your budget:

- To create a personalised quotation
- To find alternative options if your budget does not allow for your desired inclusion
- To let you know as early as possible if your desired outcome is within your budget



# 05

## Building Start Date

### When do you want to start building?

You should always try to be as flexible as possible with your building timeline. Your chosen builder may be at capacity so your earliest start date may not be for six months' time.

You should always try and allow for timeline flexibility where possible. Projects sometimes finish early or later than expected which may affect your start date. In saying that, your builder may also have the space to take on your project immediately.

It is common for the planning stage to take many months. There are preliminary inspections, design meetings, concept drawings, revisions and pricing to be done. This is a time and mentally consuming stage that is often overlooked.

Obviously, this does not mean you should rush into your decision to build or accept unnecessary delays. If your selected builder's timeline does not suit your project and your decision for when to start building (within reason), they may not be the right builder for you.

Of course, the earlier you start discussions, the sooner you can be scheduled into their calendar. As with most things, commencing planning as early as possible, is key in the building industry. Your builder will be able to advise how long a building permit will take to be issued and be able to give you rough timings from an early stage.

# 06

## Builder's References

### Who are the builder's references?

Before you select a builder, you need to do your research.

Visit their website, have a look at their social media, and ring them up to see how they deal with incoming enquiries. This will give you a good overall understanding of the company and what they value.

You should also explore their completed projects to see if they align with your ideas and check in with their references. Chatting to past clients is the best way to discover how your builder will perform when it comes to your project.

Questions you can ask the builders references include:

- Did they start and finish on time?
- Did they communicate regularly and satisfactorily during the planning and build?
- Did the price increase? Was this reasonable and agreed to?
- Did they put any price increases in writing and ask you to sign-off before making the changes?
- Did they request any changes to the amount of progress payments or request these before stages were complete without justification?
- Were you satisfied with the quality of work?

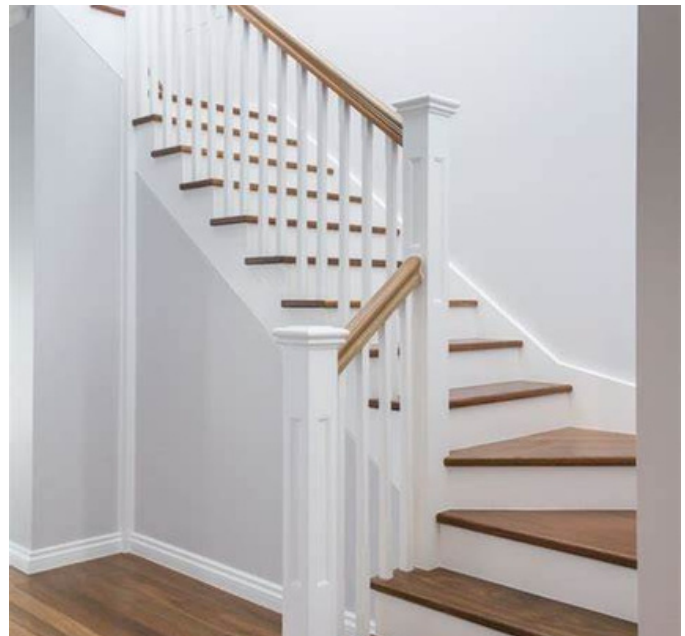
### What to look out for

You are also entitled to ask your builder for a site inspection of one of their current projects.

Whether you see a completed home, or a current construction at frame stage, you will grasp an understanding of the builder's cleanliness, attention to detail, workmanship and quality.

You should also conduct a little research into the business, to ensure everything is legitimate. Ask your builder for their full details including their full name, physical address, landline phone number and ABN/ ACN and license number. A quick Home Building License Check with the Department of Fair trading will show if the license number is current, valid, has had any complaints made against it and date of issue.

This is also the time to confirm with your builder that all their subcontractors are registered and will issue certificates of compliance where required (i.e., for plumbing and electrical work). These will be required for final permits and certificates to be issued by your Building Certifier.





# 07

## Your Vision

### Is their work in line with your vision?

As mentioned above, you should always look at your builder's completed projects to ensure they are in line with your own vision. This includes ensuring not only your aesthetic ambitions align, but your financial goals as well. Ask your builder for the address of one of their recent projects and do a drive by to check out the project type.

This is particularly relevant if your project will be built on a challenging or difficult site — knowing your builder has completed similar work should give you peace of mind before you sign the contract.

If you are open and honest with your builder, you are likely to receive the same treatment in return. This means you can ask them about challenges they have encountered while building or designing similar projects to yours and find out how they managed to overcome these issues.

Think of it like a job interview — find out their strengths and determine their ability to problem solve when things go wrong!



# 08

## What does your quote and building contract cover?

### Before your contract is drawn up

Each builder will provide you with a quote/specification. Each quote will be presented differently but as a basic rule the more information the better. Make sure you understand exactly what this quote covers; is it a base rate or does it or does it not cover all the materials and finishes you want and have discussed with your builder?

Once your quote has been signed off your builder will provide you with a contract to sign. Most builders use a Housing Industry Association or Master Builders contract, which are the industry standard for building contracts. Your contract outlines both your and your builder's responsibilities throughout the building period as well as exactly what has been agreed upon.

Any plans, specifications (down to exactly what is included and what is not), variations and other information relating to terms and conditions should be included in your contract, as should any details of your fittings, fixtures, and finishes (including appliances). Ensure you read over the contract and clarify your understanding of every part of the document before signing. It is a wise idea to get legal advice if you are unsure about your rights, or chat with your builder if there's anything included that you don't understand.

Most contracts will include a clause stating you are not to access the site without permission, due to OHSE (Occupational Health, Safety & Environment) requirements. However, this should not be a big issue with regular correspondence and communication with your builder, as you will be kept up to date and be involved with site updates and meetings.

It is important to note, and understand, a few keywords that will be used in your building contract. The first are Prime Cost and Provisional Sum.

Prime Cost refers to an allowance made in the contract document for the supply and delivery of an item or material, which can include anything from tiles to baths and flooring. If, at the time of the contract being drawn up, you have not selected an item or a fixed price could not be provided, this will be entered as a Prime Cost.

Provisional Sum is an allowance for the total cost of something, including supply and installation. These items are entered as Provisional Sum as, at the time of contract creation, it is unknown until works commence or the item has not yet been selected/priced/finalised, for example, rock removal, landscaping, or joinery.

Both Prime Cost and Provisional Sum items need to be inclusive of GST.

Both costs are adjustments to your overall contract price. If you want to keep things at a Fixed Price, it's best to avoid Prime Cost and Provisional Sum items wherever possible.

Your contract should also include a payment schedule. The payment schedule will outline your financial commitment to make payments as each stage progresses. While every builder differs and may break the stages into smaller categories, the general stages of building fall into seven categories:

- Demolition groundworks
- Roof framing
- Interior linings
- Fit off
- Painting
- Handover

### What insurance do you need?

Accidents are called accidents for a reason, you cannot pre-empt them, however you can be prepared just in case. Making sure that you and your project are covered by insurance always is integral in any building project.

Your builder should be covered by two kinds of insurance listed below and should be able to provide evidence to back them up. Note, if you're engaging in an unconditional loan, your bank may also need copies of these insurance policies to approve your lend.

### Construction Works Insurance

Contract Works Insurance covers licenced builders, trades, and subcontractors against loss or damage to the build project, along with legal and contractual obligations in relation to the construction. This cover protects the insured works in respect to accidental damage including fire, theft, water damage, flood, malicious damage, storm and cyclone, landslide, and earthquake.

Construction Works Insurance is either taken out to cover a specific construction project or annually to cover a number of projects. The second part of Construction Works Insurance is Public Liability Insurance, which covers you for third party property damage or third-party bodily injury arising out of negligence.

You should always ask to see a certificate of currency for public liability insurance to ensure your builder can meet any legal claims for injury or damage that may be caused.



### Homeowners Warranty Insurance

Also known as Home Building Compensation Fund (HBCF) covers you if your project cannot be completed or has defective works that cannot be rectified. This applies when your builder dies, disappears, or becomes insolvent. Your insurance needs will differ depending on the state you live in so please check the requirements with your local council or government authority.

It is important to note that your builder must have HBCF for the project before they can request any money from you. Once they have obtained HBCF, this certificate will be used as part of the Building Permit application.



## Thinking of Building?

If you're considering a building project, why not have a chat to the expert team at Opal Building. Contact us to find out how we can assist in making your project a success.

## Contact

Director & Builder: Owen

P: 0401 451 549

[contact@opalbuildingsydney.com.au](mailto:contact@opalbuildingsydney.com.au)

[www.opalbuildingsydney.com.au](http://www.opalbuildingsydney.com.au)