



homebuilding  
*made easy*

# HOME BUILDING MADE EASY

FIVE KEY STEPS TO UNLOCKING  
YOUR NEW HOME



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# Part 1

Overview of Home Building Made Easy



# Chapter 1: Introduction

## Is this book for you?

For nearly 20 years, I have renovated and built a number of homes and investment properties. Every time I talk to friends or colleagues about building a home, common responses are: “I don’t know how you do it, I would love to build but it’s all too scary” or: “I wouldn’t even know where to start!” When I investigated what is available to assist people building for the first time, both in book shops and online, I was unable to find anything suitable. Most books or eBooks are focused on the investment property market or property development market aimed at building a number of units for sale or rental, or for the owner builder market.

Making decisions for an investment property is vastly different to making decisions for a home you plan to live in for a long time. This book is for people who have always dreamed of building a new home and whether you are a first time home buyer or have previously owned homes, this book will provide all the information you need. I will guide you on the key considerations when designing your new home, how the building process works, pitfalls to watch out for and how to get the right outcome—a beautiful home in which you will love to live.

I have a wealth of knowledge and tips to share with you from my own home building experiences. This book provides you with information on each stage of the research, design and construction process from choosing land, obtaining finance, through the stages of construction and what happens when you get the keys to your new home. It also provides examples for you to reference and adapt to your own circumstances. It is a self-guided resource for you to use as you move through each step.

Although specifically written for the Australian and New Zealand residential housing markets, the principles are the same regardless of where you are in the world. It is important that you spend some time understanding your own government and council regulations as well as national or federal laws as these can vary country to country and state to state within Australia. Having said that, there is no reason to be overwhelmed. There is a considerable amount of information available on websites including fact sheets from local councils and building associations. At the back of this book is a list of website links that may be useful for you to check out. Just remember, you don’t need to have all the technical knowledge yourself—you just need to engage the right experts at the right stages.

In addition, resources such as articles, interviews with experts, checklists and templates are available to members of the Home Building Made Easy website. These can be downloaded and customised to your own situation and will save you considerable time. Check out samples of the templates at [www.homebuildingmadeeasy.com.au](http://www.homebuildingmadeeasy.com.au).

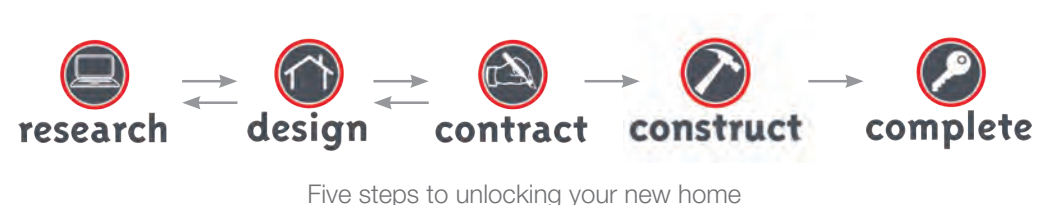
As a final note, while this book is aimed at people who are building a new home, it can be equally applied to the investment market and to a degree, for people who are considering major renovations to their existing home. For those who are considering taking the 'owner-builder' path, I would recommend that you seek more specialised and detailed advice as this book is focused on people who intend to engage qualified experts rather than project manage the build themselves.

Let the journey begin!

## The five key steps to unlocking your new home

This may seem a strange concept but the actual construction of your home is only one of the five key steps. The large majority of the work happens prior to starting construction and, in my experience, the more time you spend on the first two steps, research and design, the smoother the actual construction process will be.

The five steps are:



Let's touch on each of these steps now as an outline for the chapters ahead.

### Step 1: Researching your future home

Covers the need to develop your budget so you are clear on how much you can afford to spend and how much contingency you should have up your sleeve. It discusses the importance of obtaining preliminary financial approval so you know how much money you have to play with. The approaches to designing and building your home, that is, with a builder, through a designer or architect or through a project manager, are covered, as well as what you should look for in selecting a builder. How to find the right block of land for your situation is also included.

## Step 2: Designing your home

Provides some guidance on where to start in what can be a daunting process. A framework for creating a design brief is provided, as is information on the process for developing your house plans and how to interpret plans. The chapter finishes off with the process for choosing materials and colours for your home.

## Step 3: Contracting for construction

Discusses the common types of construction contracts and how the contract is put together. A process is outlined for people who choose to work with an architect or designer and then go out to tender for the building. The chapter also discusses the information required by mortgage lenders to give final financial approval and the role of valuers in this process. Finally, it discusses the process for paying the builder during construction and the process for making changes to the contract once construction has commenced.

## Step 4: Constructing your new home

Outlines what happens when the builder is advised that formal financial approval has been received. This chapter deals with council approval and site preparation, the importance of having pre-start meetings with the builder and your role during construction. It then touches on each of the key stages of construction: base, frame, enclosed, fixing and finishing.

## Step 5: Completion—Getting the keys

Explains the handover process and how to manage outstanding defects once you have moved in. It also discusses warranties and the importance of maintenance.

**A final chapter—What can go wrong?—**is included to discuss how to deal with issues when they arise and how you can minimise the risks. It also explores options available for dispute resolution.

In addition, the Appendices include web references for key organisations that may be able to assist you during the design and build of your home and a glossary of key terms used both within this book and by the construction industry generally.

Use this book as a resource to provide you with the overall picture of what happens when you build a home and as a reference guide as you work your way through the steps.

## The key players involved

Now that you have some idea of the steps involved in home building, it is important to understand who is involved. There are a number of key players and their level of involvement will be dependent on the approach you take. Here's an outline of who they are and what their roles are.

### Architect or Building Designer

This is the person or company who will design your home. There are distinctions between architects and building designers that you need to be aware of although they essentially offer similar services. If you buy a home through a major building company that offers standard house plans, you may not even interact with an architect or a building designer. Please note that throughout this book the term 'building designer' is used generically to mean either an architect or a building designer. However, here is an explanation of the difference between the two.

To be called an architect, an individual must be registered with the appropriate board in their country or state. They are well qualified individuals providing a high standard of design and they will tend to stretch the boundaries of design and challenge normal building conventions. This is important if you want more than just a basic translation of your brief. You can often add value to your home by having it designed by a well regarded architect.

Building designers, also known as draftsmen, may have the same level of qualifications as architects but are not required to be registered with an architectural board. They are however generally required to be registered and hold licenses. For example, in Queensland they must be licensed at the appropriate level by the Queensland Building Services Authority to be able to design houses. Keep in mind that if you use someone who is not licensed then your plans may be rejected when they are submitted to council for approval. Building designers tend to offer less 'flare' in the design process and will more than likely take your brief literally without pushing any boundaries. As a result, they are often more affordable than architects.

### Builder

This is the person or company that is qualified and contracted to construct your future home. The relationship you have with them is critical to the success of the project and you need to maintain regular contact with them to achieve this. The builder will normally be the person who organises all of the council building approvals, co-ordinates the various trades who will work on your home, obtains all of the necessary certifications and then

hands you the keys at the end. Depending on the size of the company they may have a project manager (who does the co-ordination and organisation of various trades behind the scenes) and a site manager (who manages the day-to-day activities on-site) or the same person could fill both roles. I will explain this in more detail in Step 1 in describing the approaches to designing and building your home.

It is important to understand that there are generally two types of builders. The first is known as a 'project builder' as they tend to build a large number of homes, based on standard floor plans. The second is a 'custom builder' who will build a home that is completely customised to your needs. Some builders will offer a mix of these approaches.

### **Quantity Surveyor**

A Quantity Surveyor (referred to as a 'QS') is a qualified person who can provide solid estimates on construction costs. If you go through a tender process you may engage your own QS to validate the quotes provided by builders and use them to negotiate costs down. A builder will use their own QS to validate the quotes they receive from potential suppliers which will form the basis for the financial component of your contract with the builder. You may not need to use a QS at all if you buy 'off the plan' from a project builder for a set price or have an agreed fixed price contract with a custom builder and are happy with the value you are getting for the money expended.

### **Local Authority or Council / Building Certifier**

In many situations councils have approved privately owned companies as builder certifiers who have the ability to approve development and / or building applications or permits on behalf of the council. These certifiers are engaged by the builder as part of your contract to make the necessary technical checks throughout the build process, ensure your builder is complying with the building code and provide you with your final completion certificate. This final completion certificate is often referred to as a code compliance certificate, depending on where you live.

### **Bank / Finance company**

Your bank manager or mortgage broker may become your new best friend as most people will be looking for assistance to finance the purchase of land and construction costs. You may have already owned a home and be familiar with the lending process, however there are some differences between a standard home loan and a construction loan, which I will cover in Step 1. The bank manager or mortgage broker will play a role in ensuring that any home building project you undertake will be financially viable and will use qualified valuation companies to provide them the assurance that it is a low risk to them as a lender.

## Lawyers

You will need to find a conveyancing lawyer to manage the transactions around purchase of land. You may choose to do this yourself, however I would not recommend it. Some banks require you to sign the loan documents in front of a suitably qualified legal person to ensure you have received advice on what you are about to sign. You may also need to find a lawyer to provide you with advice on the construction contract, depending on your level of comfort with the contract provisions. Generally, you should only need the services of a lawyer up front as there are other mechanisms for dealing with any disputes during construction, and then post construction through industry bodies and government organisations.

## Project Manager

Usually your builder will have their own project manager who oversees the project and co-ordinates all of the trades needed to complete your home, for example, plumbers, electricians, concreters, tilers etc. In some circumstances, you may choose to contract a project manager yourself to oversee the whole project— independent of the builder’s project manager— however it would be unlikely that they would manage the individual trades. This person can provide an independent perspective on the process and oversee the project on your behalf, which may be helpful if you are building in a location away from where you live or would like to have some separation between yourself and the builder. Finding a project manager to manage a residential project on your behalf is not that easy as most professional project managers only operate at the commercial construction level. If this is something that appeals to you, ask around as you may be able to find someone who is willing to do it. They will obviously charge a fee for such a service, however these fees may be offset by greater negotiating power up front by going out to tender on the construction.

An alternative to an independent project manager is a building broker who can assist you with the design and also in choosing a builder. Many of these building brokers offer you their services for free however are paid a commission by the builder, which ultimately you will pay for. This will be covered further in the research undertaken in Step 1 about how to choose the right approach to design and construct your home.

Now that you have an idea of the steps involved and who the key players are, let’s move into the detail.