



7 COSTLY MISTAKES TO AVOID WHEN BUILDING A HOME



**INTEGRITY
NEW HOMES**

South Coast

Building a new home is a huge investment. It should be one of the most exciting and rewarding things you do.

Unfortunately for some, building a new home can turn into a horror story and an experience that ends in frustration and regret. With over twenty years' experience in the building industry **I have seen how different builders operate and witnessed many highs and lows of people who have built a new home.**

As a result I've discovered what makes a building project successful and the common mistakes that can turn a project nasty. By avoiding the seven most common and often costly mistakes you'll increase your chances of a successful building project.

You'll find the building process fun and exciting. You'll avoid the nightmares of getting it wrong and wake up every morning pinching yourself that your awesome home is real and not a dream. And most of all you'll be so proud of what you have achieved and really enjoy living in the home of your dreams.

Seven costly mistakes to avoid when building your home.

1. Choosing a design that doesn't suit your land
2. Not doing your numbers
3. Not getting to know your builder
4. Unclear quality expectations and standards
5. Not understanding the contract
6. Trying to do it all yourself
7. Unrealistic time frames



CHOOSING A DESIGN THAT DOESN'T SUIT YOUR LAND

The land you choose may have great views, it may have difficult access, it may be exposed to cold southerly winds, it may be rectangular or odd shaped. Your site may be level or it could be on quite a steep slope, it could be sunny or partly sheltered by neighbouring trees.

Clearly every block of land is different, even in an urban subdivision there are subtle differences between blocks.

All too often I see people buy land, then choose a plan from a website or builder's catalogue. This makes choosing a plan easy but there is clearly no consideration of your block with this method of designing your home.

This means your home may not capture all of that view that you expected. Instead of looking across a reserve towards distant ranges you may end up with a view of the neighbour's bathrooms. Extreme example, I know, but I would certainly prefer the views of the ranges.

Choosing a plan out of a catalogue may seem easy but it could be disappointing when you move in and discover that the dream you had of soaking up the sun in your window seat on a lazy

Sunday afternoon is spoilt by the shade from the neighbour's big gum tree.

Remember that you are spending a lot of money on your

home and you probably want to live there for a long time. You owe it to yourself to spend some time on your home design so it considers all aspects of your section and maximises all its features.

The only option to get this truly right is to custom design your home. If you choose your designer and builder carefully, custom designing your home shouldn't cost any more than a standard design yet still achieve all the aspects on your wish list.

Ideally you should choose a designer and builder you relate to well and know they will listen to your ideas. Savings can be made if the designer and builder regularly work together, know each other's approach and have a natural synergy.

Some building companies will offer to customise plans from their catalogue but they often limit the type and number of changes you can make. It is also important to find out who is doing the customising: is it the builder, salesperson or an experienced designer? If it's a designer, what will your relationship be with the designer? Does the designer have extensive experience in designing the type of home you're interested in building?

Tips and advice

- **Start a scrapbook and fill it with pictures from magazines.**
- **Make a list of what your home "Must Have".**
- **Choose a designer who will listen to your ideas.**
- **Choose a builder who has synergy with your designer."**

At Integrity New Homes South Coast, we specialise in custom-designed homes that are designed and built to suit your land, your lifestyle and your budget.

Before we start designing we do a thorough site analysis that includes taking site levels, locating boundary pegs, identifying service locations and digging holes to assess soil type and conditions.

We also spend time on the site with you so we can understand both you and your site.

We take care of the entire process from design through to completion, and all the steps in between, so you can sit back, relax and enjoy the thrill and excitement of designing and building your new home.



NOT DOING YOUR NUMBERS

Almost everyone has a budget for their new home. It typically goes like this: “If I sell my current home for this much and the bank has said I can borrow this much, then my budget is this much.”

When planning a build, it often starts with an exciting wish list, only to realize the budget won't cover everything. The temptation to opt for unconventional, cheaper solutions might arise, but these often backfire, making the project more expensive. The primary source of stress in building isn't the typical issues like weather delays or misread plans; it's the fear of the budget running out.

To mitigate this stress, the key is to establish a realistic budget from the start. This involves understanding what your contract includes, potential extra costs, and additional expenses you might incur during the build. |

If you're borrowing from a bank, they will likely require your builder to use a fixed-price contract, which means the cost shouldn't change unless you make changes, which can be costly.

Disputes often arise with fixed-price contracts due to unclear inclusions and exclusions or unrealistic allowances that get adjusted later. Allowances are common for undecided items, like a kitchen budgeted at \$10,000 but costing \$11,500, leaving you to pay the extra \$1,500.

Ensure all allowances realistically reflect their true costs before signing. Some builders use low allowances to make quotes look more competitive, leading to higher costs later.

Allowances aren't just monetary. For example, a contract might allow for 40m² of driveway concrete, but you might need 80m², doubling your cost. When budgeting, consider additional expenses you wouldn't normally face.

These might include disconnection and reconnection fees for utilities, increased fuel costs for site visits, or extra baking for builders and subcontractors. Planning for a celebratory roof shout or additional accommodation costs if you're renting during the build is also important.

Make sure to account for potential delays in construction, which could extend your rental period. A comprehensive budget helps prevent nasty surprises. Once the finances are sorted, you can enjoy watching your new home take shape without financial stress.

Tips and advice

- **Set a realistic building budget.**
- **Make sure you know what is included in your building contract, and what is not.**
- **Make sure any allowances in your contract are realistic.**
- **Budget for costs you wouldn't have if you weren't building**

At Integrity New Homes South Coast, we prepare a comprehensive written contract so there are no grey areas or potential disputes.

Your contract also includes a copy of your detailed quote, payment schedule and Our very own lifetime Guarantee.

We believe you shouldn't have any surprises while building, particularly financial surprises. We make sure our Fixed Price Contract is a genuine fixed price contract.

Unlike many other contracts, we won't include any allowances that can often be inaccurate or a misrepresentation of the true cost (unless you have requested an allowance be included and agree it is a realistic value).

So, with a HIA fixed price contract, the reality is the cost of your home will not change unless you make changes.



NOT GETTING TO KNOW YOUR BUILDER

People choose their builder in a variety of ways. It may be that you've seen a newspaper ad. You may have visited a display home and liked what you saw or a colleague at work may have recommended their brother-in-law.

Choosing the right builder is crucial for the success of your project. It's not about how you find your builder, but how well you know them. This doesn't mean knowing personal details like their birthday or favorite movie. Instead, focus on their relevant experience. Builders with experience in your specific type of project are likely to be more efficient and organized. However, experience doesn't always guarantee quality workmanship. Therefore, it's essential to see examples of their relevant work to assess the quality yourself.

Workmanship goes beyond appearances. A house that looks pristine initially can develop issues if the foundations aren't solid. Ask to see four examples of their work, and choose two to view in person. Older examples are preferable as they show whether the workmanship has stood the test of time.

To ensure ongoing quality, find out if the builder has a system for quality control. Do they rely solely on council inspections, or do they have a dedicated quality control person and checklist?

Consider the project duration and whether you can maintain a good working relationship with the builder for that time. A strong professional relationship between owner and builder

is key to a successful project. Discuss how the builder plans to work with you during the build and ensure it matches your expectations. Some builders don't allow clients on-site during construction, which might suit you if you plan to be away but can be frustrating if you want to see the progress.

When viewing a builder's previous work, you might meet the owners of those projects. They can provide valuable insights into their building experience and interactions with the builder.

Financial trust is another critical factor. You'll be paying your builder substantial amounts, potentially hundreds of thousands of dollars. It's crucial to trust your builder to manage your money and ensure payments to suppliers and subcontractors. Ensure your progress payments are managed effectively, especially if the builder handles multiple projects.

Knowing your builder's relevant experience, viewing their previous work, understanding their quality control measures, and ensuring financial transparency are all essential steps in choosing the right builder for your project. These factors will help you build a successful, stress-free relationship and a high-quality home.

Tips and advice

- **Ask about relevant examples of the builder's work and view two examples.**
- **Does the builder have a quality control process?**
- **Consider how well the builder will work with you.**
- **Will you be able to work with the builder for the length of the project?**
- **Find out how the builder manages your progress payments.**

Integrity New Homes South Coast's reputation for quality is very important to us but we absolutely understand that our quality matters most when we are building YOUR home.

We achieve that special award-winning quality with our Integrity Edge quality control check list, which our dedicated site supervisor checks over every stage of construction. Also there is a further Integrity Edge check list we do immediately prior to handing over your new home to ensure it is in pristine condition and defect free.



UNCLEAR QUALITY EXPECTATIONS AND STANDARDS

You've been waiting for weeks and your home is finally finished. You've been looking forward to this moment for along time and are so excited about seeing the final result.

You turn up to your home, it is late afternoon and the sun is low. Everything looks great from the outside. You park on your new driveway in front of your flash garage door.

Everything is just as you imagined! You are welcomed inside by your builder and you can see the sun is streaming into your lounge.

You know that living in your new home is going to be just awesome. But! Then you see it. Something is wrong with the lounge wall. It's a disaster. Everything is supposed to be perfect. How did this happen? The builder assures you that this isn't a fault. The builder explains that you are only seeing this because of the angle of the afternoon sun on the wall and it won't show under normal lighting conditions. This is not what you expected...and it is easy to assume this is some form of defect and you expect it to get fixed. It is highly probable that what you are seeing is an acceptable defect. There are several ways to make a painted wall and this creates many variables.

There are different types of wall board that can be used, there are several different standards of plasterboard and there are a number of methods for applying paint. The combination of the

systems used determines the quality of finish

The industry term used is called defect tolerance. This means that depending on what system is used there is an acceptable level of defects. Knowing that level will save you a lot of stress and, potentially, a lot of money too. Matching the level of finish you expect to the system that is used is the way to get the result you want. The NSW Fair Trading, has produced an excellent document called NSW Guide to standards and Tolerances 2017. This will give you a great understanding of the quality standard you can expect.

You don't have to wait until building is done to decide if the quality is what you were expecting. Speak to your designer and builder about your quality expectations. They should be able to tell you what is achievable and also how it affects your budget. As well as a set of plans, your designer will produce a set of specifications. This detailed document describes the selected system for each component of your building. By following the specifications as well as the plans the desired quality standard should be achieved.

Tips and advice

- **Discuss your quality expectations with your designer and builder.**
- **Understand the acceptable tolerance for the systems chosen.**

We kick start your new home dreams with a complimentary, obligation-free Dreams-to-Reality consultation. During this consultation we carefully listen to all your new home ideas and make sure we understand your expectations and what is important to you.

We then work with you to:

1. Become clear about your vision of your new home;
2. Assess your budget and find the best fit for you to achieve your vision;
3. Create a step by step plan on how to achieve your vision.

To ensure every part of your home meets Integrity New Homes South Coast's high quality

standards we use only experienced subcontractors who deal with quality materials, all equal to or greater than building code requirements and well within acceptable industry defect tolerances.



NOT UNDERSTANDING YOUR CONTRACT

Chances are you've been working with your builder for a few months now. Your builder has probably been around to your existing home and shared a cup of coffee with you at your kitchen table. You get on well and trust him. You're looking forward to getting started and your builder has your building contract ready to sign.

Trusting your builder is natural, especially when the relationship is going well. However, disputes can arise unexpectedly, often due to misunderstandings, frequently leading to unforeseen costs. While having a solid building contract is crucial, both parties must read and understand it thoroughly. Many disputes stem from one party's lack of understanding, often because owners rush to sign contracts without consulting a solicitor, caught up in the excitement of starting their build.

A building contract usually comprises several documents, including the quote letter, the building contract, and plans and specifications. These documents often have a hierarchy to resolve discrepancies. For instance, if the plans show a 1200mm wide vanity, but the specifications state 900mm, the specifications may take precedence, avoiding disputes. Ensuring you understand this hierarchy can prevent conflicts.

Changes during the building process, known as variations, are another common dispute source. It's essential to have each variation priced, agreed upon, and signed off before proceeding. For example, a client who managed variations properly knew the final cost and was satisfied, while his friend, who made informal changes, received an unexpected \$40,000 bill for extras. This friend's builder agreed to all requests without mentioning costs, leading to prolonged disputes and delays.

To avoid such issues, treat your building contract as a business transaction, regardless of your relationship with the builder. Read and understand all documents involved, and consult a solicitor if needed. Ensure all variations are documented and agreed upon in writing. This approach will help maintain a good relationship with your builder and ensure a smooth building process.

Tips and advice

- **Building is a business transaction.**
- **Seek the advice of your solicitor before signing a building contract.**
- **Know the hierarchy of the building contract documents.**
- **Have a good contract such as a HIA Contract.**
- **Know your contract to avoid disputes.**
- **Put any changes in writing and get a price before you approve the change.**

When you have made your decision to build with Integrity New Homes South Coast we prepare a comprehensive written contract so there are no grey areas or potential disputes. Your HIA Contract includes a copy of your detailed quote, payment schedule, plans, and specifications.

Our teams work strictly to your plans and specifications. If you decide to make any changes during the build we complete a variation form with a description of the change, the effect it may have on your project timing and how much the change will cost. You must approve and sign this variation before we action any of the changes on site.



TRYING TO DO IT YOURSELF

One of my earliest clients wanted to save some money so decided that he would do all his own painting. Bear in mind that my normal painting crew comes in, completes all the preparation, masks off, paints and cleans up, all in two weeks.

A client decided to take all his annual leave over Christmas to paint his house himself. He worked tirelessly from sunrise to sunset for almost four weeks. When he finished, he was back at work, exhausted, with no more leave for another year.

Although he took pride in doing it himself, it took a long time before he had the energy to enjoy his efforts. Despite getting a good deal on the paint, it didn't match trade discounts, and he calculated a net saving of about \$1,400. This calculation didn't consider the extra two weeks' rent he paid because the job took longer.

You might realize early on that doing the physical work yourself is a false economy. You then might consider saving money by managing the project yourself. After all, how hard can it be? You might think you can avoid the mistakes made by homeowners on shows like Grand Designs. However, I've had to step in multiple times when owners decided to manage their home builds themselves. It often starts with the idea of hiring a cheaper builder who can organize subcontractors, but this approach has its pitfalls.

Let's do a simple calculation: labor typically makes up around 8-10% of the building cost. If you find a builder who is 5% cheaper, you save 5% on 10% of the total cost, which is a 0.5%

overall saving. This small saving is often outweighed by the extra rent paid due to delays caused by subcontractors not showing up on time. Even with the best planning, unexpected issues arise on building sites. Experience is crucial to anticipate and solve these problems efficiently. I've seen sites become hostile when owners blame subcontractors for mistakes and demand compensation.

One of the worst cases I witnessed involved an owner lining up all the subcontractors and demanding to know who scratched the bathtub, threatening to deduct the cost from everyone's bill. It was a disaster. On one of my jobs, an electrician accidentally scratched a bath. It was frustrating and expensive to fix, but my established team of loyal subcontractors and suppliers worked together to solve it. The plumber didn't charge for his time, the tiler redid some work at night, the supplier provided a new bath at cost, and another subcontractor bought the scratched bath for a rental property.

Good builders typically have reliable teams of subcontractors and suppliers who are used to working together. These strong relationships mean issues get resolved quickly and cost-effectively. As someone once told me, "If you want an expensive job, hire an amateur."



Tips and advice

- **Doing it yourself can be a false economy.**
- **An experienced builder is more likely to have a good pool of suppliers and subcontractors to ensure the building project runs smoothly.**



UNREALISTIC TIME FRAMES

I had a stand in a Home Show once. There were several other builders there and one company was promoting an eight week time frame for building your home. Impressive, and of course everyone was asking me how long it takes me to build a home.

I later discovered this building company signed up a number of clients following the home show based on the eight week promise. I also discovered that the company had never actually built any homes before, so they didn't really know if it was possible to build a home in eight weeks or not.

Naturally the first home ran considerably over time, the second home took just as long and the company folded part way through the third. A number of people had also paid large deposits to secure their build and, unfortunately, they ended up out of pocket.

This is a sad example of not just unrealistic time frames but also of people getting sucked in by marketing that uses unsubstantiated and grandiose claims. Most of the time, however, it is not the builder that has unrealistic time frames, it's clients. It's understandable because it's a bit like getting an early birthday present you can't open...it feels like forever until you can open your present.

Some companies promote guaranteed completion dates. On the face of it this seems great, and it is good as long as everything runs to plan or no changes have been made.

However, if something doesn't go to plan you've got the inconvenience of changing all your arrangements. You've also got the risk that everyone will end up rushing at the end of the build, potentially compromising quality.

Most people go through the process of building with the intention of living in their new home for a long time. It is a real shame when I see people rushing to get in a week or two early, which is pretty insignificant when you consider how long you'll be living in the home.

I have noticed that if you have nice accommodation while your home is being built you enjoy the experience more and are not pushing hard to get out of the place you are renting and into your new home. I had a client with a large family who decided to rent a cheap two bedroom flat while they built.

It was fun for the first two weeks, but then the cold and damp winter nights set in. Living in such close quarters, they all got sick and had a miserable experience. For not a lot extra you could probably rent a nice holiday home by the beach. It is worth factoring in a little extra rent into your building budget to have good quality accommodation while you are building.

Tips and advice

- **Beware of unsubstantiated and grandiose claims.**
- **Don't rush finishing your home.**
- **Have good accommodation**
- **Beware of unsubstantiated and grandiose claims.**
- **Don't rush finishing your home.**
- **Have good accommodation**

Before Integrity New Homes South Coast starts construction on your new home we hold a pre-construction meeting so you can meet all the key members of your building team.

We review your plans and specifications together so we are all on the same page and know all your home's important details. You'll receive a copy of the project schedule for your home.

You will be able to see the planned progress for your new home plus you'll be able to see the times we have scheduled for your site meetings, which include meeting to confirm the electrical plan and meeting the Tiler.

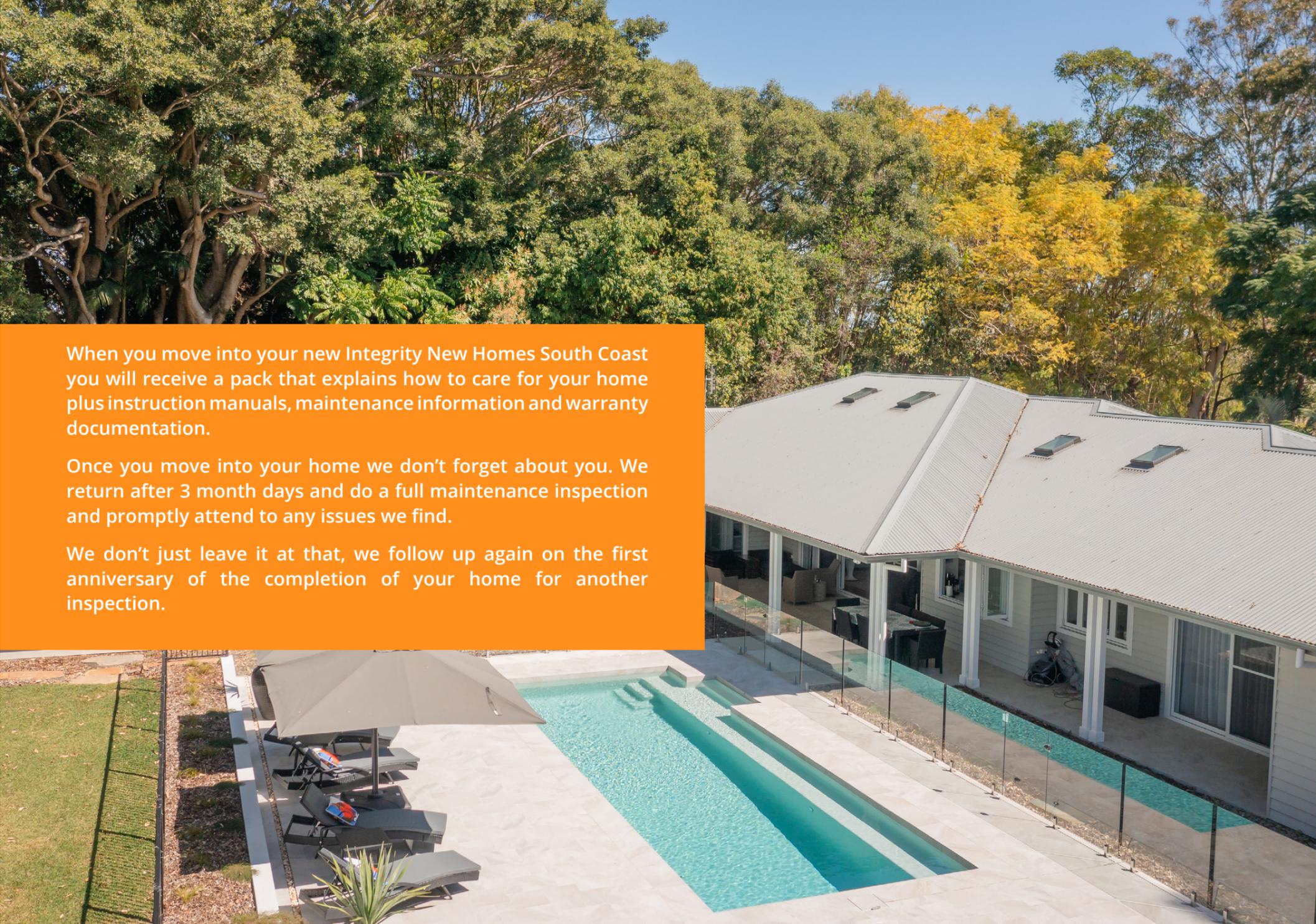
We keep you regularly informed of progress during construction and send you schedule updates if the projected construction timeline changes.



AN EXTRA PIECE OF ADVICE

Sometimes things can go wrong once you move into your new home, even if you've done everything right. Check with your builder to see if they offer a guarantee and what it covers. Ensure that you understand the terms and conditions of the guarantee. You don't want to do anything that risks invalidating your guarantee.

- **Check if the builder offers a guarantee.**
- **Understand the terms and conditions of the guarantee.**

An aerial photograph of a modern, light-colored house with a white corrugated metal roof. The house features a large glass-enclosed patio area. In the foreground, there is a swimming pool with a light-colored stone deck. To the left of the pool, there are several lounge chairs and a large patio umbrella. The house is surrounded by lush green trees and a clear blue sky.

When you move into your new Integrity New Homes South Coast you will receive a pack that explains how to care for your home plus instruction manuals, maintenance information and warranty documentation.

Once you move into your home we don't forget about you. We return after 3 month days and do a full maintenance inspection and promptly attend to any issues we find.

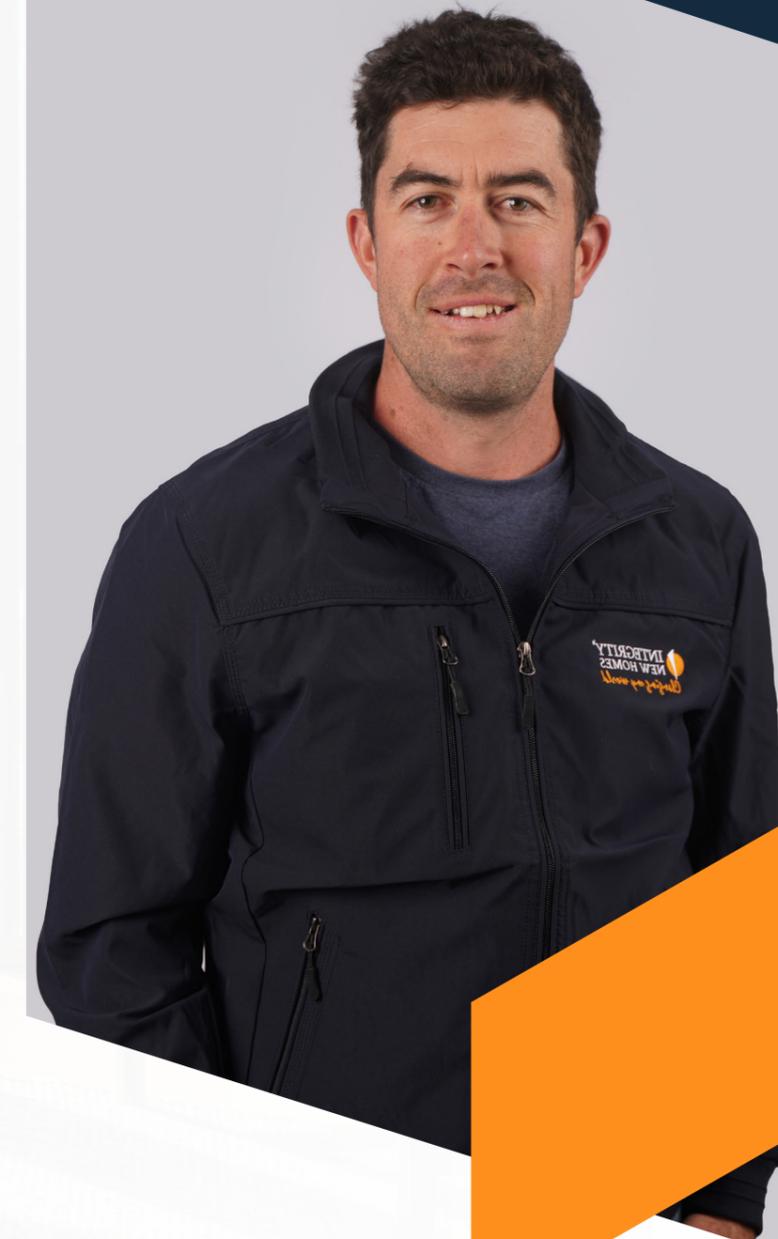
We don't just leave it at that, we follow up again on the first anniversary of the completion of your home for another inspection.

**INTEGRITY NEW HOMES SOUTH COAST
SPECIALISES IN BUILDING QUALITY
HOMES THAT ARE CUSTOM DESIGNED
TO SUIT YOUR SECTION, YOUR
LIFESTYLE AND YOUR BUDGET.**

ABOUT THE AUTHOR

Ash Dell
Builder,
Integrity New Homes South Coast

Ash grew up in a small country town where honesty and reliability common values. He has worked in the building industry for over 20 years. Over the years, he has assembled a team of quality tradespeople to ensure exceptional projects throughout the area. Living here, he is driven by the strong sense of community and the desire to deliver top-notch, sustainable homes. His goal is to provide stress-free design and build solutions, prioritizing eco-friendliness whenever possible.



We take care of the entire process, from design through to completion, and manage all the details in between so you can sit back, relax and enjoy the excitement and thrill of building.

To find out more please visit:
www.inh.com.au/southcoast

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