

# Building? Know the drill



In the first  
of a regular  
column, Kim  
Lovegrove

tries to take the risk out of  
building and safe contracting

**B**UILDING a house can involve risks. Budget and schedule blow-outs are not uncommon.

But there are ways to eliminate risk. The first is to use a reputable builder — shop around and do your homework. Make sure the builder is a member of a peak body such as the Master Builders Association, Housing Industry Association or the Australian Institute of Building.

Don't necessarily go for the lowest quote. Get a few quotes. Choose the builder with the best track record, even if you have to pay more, because superior quality costs.

Make sure you use a contract that complies with the Domestic Building Contracts Act. Read it carefully and understand it.

If you want certainty, don't enter into a cost-plus contract — ensure it is a fixed-price contract.

Another way to avoid uncertainty is to ensure that the contract has no, or very few, prime costs or provisional sums.

These are allowances that are generated when the cost of the item cannot be established with any surety.

It must be signed by both parties, and a copy has to be given to you. If you don't understand it, get a construction lawyer to explain it. The initial outlay may save you a fortune in the long run.

Be sure the plans and the specifications marry with the contract. A common cause of dispute is when the plans say one thing and the specifica-



**Play it safe:** don't simply go for the cheapest quote — choose a builder with the best track record.

tions say another. Make sure the drawings are accurate and detailed; such rigour should also apply to the way the contract specifications are completed.

Don't be vague about variations. If you vary the context, it will cost you.

By law, variations have to be in writing, signed by the builder and the owner. The variation also has to state

the effects of the variation on cost and time, and describe the varied works.

Follow the contract and apply it to the letter. Have a good rapport with the builder and don't be interventionist — let the builder do his job.

When the house is being built for a couple, nominate one partner as the client "representative". There is nothing worse than one partner tell-

ing the builder one thing, and the other saying something else — it's a recipe for disaster.

Pay on time and in accordance with the contract. If you follow these tenets, you should be ahead.

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