

A HOMEOWNER'S GUIDE TO THE BUILDING PROCESS

If you're about to build or renovate a new home, or undertake any other kind of domestic building work, it makes sense to research and understand the process before you begin.

A quick checklist:

- use QBCC-licensed contractors
- ask to see their licence card, and check the details with QBCC v get three written quotes
- ask about your contractor's previous work and get the details of their past clients so you can call them to find out more
- record all details of your agreement in writing and keep a copy
- don't pay too much up front, and never pay for uncompleted work
- check the work fully before making final payment.

Don't rush into a decision. Take time and seek legal and building advice where necessary.

Six steps to get you started

If you're building a new house, renovating, or undertaking repairs or maintenance work, we recommend that you take the following steps:

1. Make a list of local contractors willing and able to do the job

Refer to local papers, Yellow Pages, trade directories, industry associations (like the Housing Industry Association or Master Builders Association), friends who have built or renovated recently, hardware stores, the internet etc

2. Ask to see their licence card

A QBCC licence card indicates that a contractor has met certain minimum requirements. For most

domestic building work, where a QBCC-licensed contractor is used, QBCC's Statutory Insurance Scheme provides protection against non-completion, defective work and subsidence.

Some work may not require a QBCC licence. Check with QBCC. Electricians, for example, have their own licensing system.

3. Check the contractor's licence details with QBCC

Write down the name and number from the contractor's licence card, then contact QBCC to perform a licence search and confirm that the contractor has a current licence suitable for your job.

This free licence search is available on the QBCC website, calling us on 139 333, or dropping into your local QBCC office <http://www.qbcc.qld.gov.au/>. In addition to licensing information, this search will also give you details about the contractor's past performance, including the value of domestic work performed and any directions (orders) QBCC has issued against the contractor to rectify defects in past work.

4. Get at least three quotes

Ask for your quotes in writing, so you can refer to it later. Remember that the cheapest may not always be the best. Pay attention to the materials specified and any exclusions.

5. Ask the contractor for details of past work and clients

Before you make a final decision or pay any money, ask your preferred contractor for details of past work and previous clients in your area. Contact two or three of their previous clients and ask them about the customer service, documentation, workmanship and value for money that the contractor provided.

6. Once you've selected a contractor

- Ensure all details of your agreement with the contractor are written down in a contract (or, if the contract price is less than \$3,300, in a detailed written quote). All domestic building work costing more than \$3,300 must be covered by a written contract. Remember to keep a copy of the contract.
- **Note:** QBCC publishes a comprehensive, plain-English 'New Home Construction Contract' for construction of an entire home and a 'Renovation, Extension and Repair Contract' for domestic building work on an existing home including renovations, extensions and routine repairs. These contracts can be downloaded for free from our website or purchased in hard copy from any QBCC office.
- Ensure the contractor provides you with copies of all supporting documentation (where required this should include plans and specifications, soil tests and contour surveys).
- Monitor the work and advise the contractor, verbally and in writing, of any problems as they come up.
- Be careful when making payments. Never pay the full price up front. Don't pay too much deposit and never prepay or overpay the agreed progress payments set out in the contract.

Under the *Queensland Building and Construction Commission Act* (the QBCC Act), the maximum deposits permitted are:

- 5% of the total contract price for domestic building work costing \$20,000 or more, or
- 10% for work costing more than \$3,300 but less than \$20,000.

Although the QBCC Act doesn't state a maximum deposit for projects priced at less than \$3,300, all progress payments must be related to the amount of work done on site. For example, the contractor can't claim more than 50% of the contract price, including the deposit, until at least 50% of the work is completed on site.

Preventing and resolving disputes

The most common causes of disputes are inaccurate or incomplete documentation and poor communication between the homeowner and contractor. To help avoid disputes, mention any problems to the contractor immediately (both verbally and in writing). Give them a reasonable time to respond before contacting us (we recommend 14 days, but it depends on your contract).

QBCC provides advice, information and practical assistance to help resolve building disputes. Dispute resolution procedures may include facilitating an agreement, onsite inspections, directions to the contractor to rectify defective work, or action in the Queensland Civil and Administrative Tribunal (QCAT).

Don't delay seeking advice as there are time limits within which you must act. Where legal issues and a lot of money are involved and other dispute resolution avenues have failed, you may need to contact a solicitor.

In particular, it is very important that you obtain legal advice if you intend to terminate your contract, as there are serious consequences for not terminating correctly, including loss of some QBCC insurance protection.

Need more information?

Visit www.qbcc.qld.gov.au or call QBCC on 139 333.