

Building contract: how to avoid problems

What are your fears?

Here are some common fears:

Defects, delay, end product is not as what is expected, builder went bankrupt

Common disputes

What you expect and the end product is not the same

This is due to differences in expectation of design, model, quantities and qualities (also cost blowout)

Major problem: All the contracts we have seen are **VAGUE**. That is there are no clear details: There is no brand or models specified

Example: The builder will write in the contract saying "I will give you standard bricks and tiles, standard windows, standard toilet, standard everything"

The problem, there are thousands of different type of bricks, windows, toilets and even paints!

What is the meaning of standard?

This could mean anything!

Now, what is a standard car? What is a standard wife or husband? That is where the argument will begin

The contract ideally should have:

- brand and model names for things like toilets, taps, power points, door handles, locks, range hoods, light bulbs and so forth.
- specific detail on the number of coats of paint to be used, texturing / application preferences and so forth
- specific colours, shades and products to be used

It's also worth ensuring that your contract is very clear about any work that's going to be done by other contractors, and about the need to consult the head builder, or your building designer or architect (if they're acting as contract administrator) on any product choices or deviations from what's been specified.

If you have engaged a building designer or architect and they're not going to work with you on the project, it's probably a good idea to get them to look over your contract and make sure everything's properly detailed and provisioned.

The problem: No contracts that we have seen in 20 plus years are specific.

Why? Many builders admit that when the time comes to build, those products might not be available and we will substitute it for something else.

How to protect yourself if you are going to engage a builder?

The best rule is, go with someone you **can trust**. That is check their past history and get recommendations from their past clients

- ✓ Contact the Department of Fair Trading for advice
- ✓ Contact the Master Builder Association for advice
- ✓ Consult another builder. If they are in the same business, they will know it better than any lawyers

Note: if there is any dispute, it will be your money coming out of your pocket

Best advice is to be well prepared, be thorough and be careful.

The above is only a general advice. Our firm DO NOT READ Building Contracts as it is fraud with problems.

No matter how careful you are, there bound to be problems. Can you accept some of the risks?

We only do conveyancing: that is the transfer of title deed from person A to Person B and (collect stamp duty for the Government)

Advising a building agreement contract is not our speciality and we believe that no matter how good the contract is, there bound to be problems. More importantly, you need to find a builder with moral and ethical values.



"I've never seen a management contract proposal so full of vague language. Well done, Higgins!"