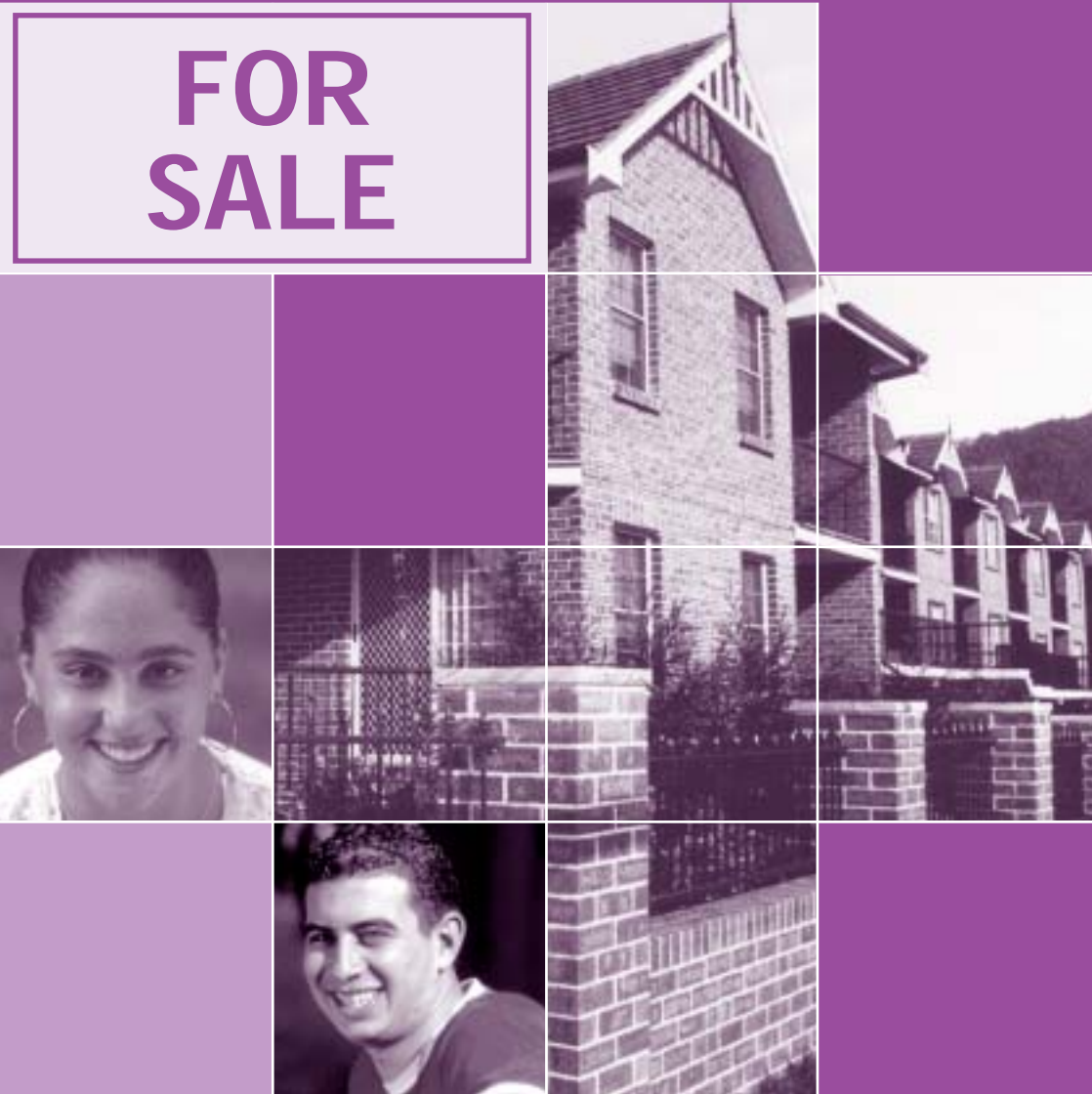


Buying Land & Building a Home

FOR SALE



Other publications available from the
Home Purchase Advisory Service:

- A-Z of Home Purchase
- Financing your Home Purchase
- A Guide to the Costs of Home Purchase
- Mortgage Assistance Scheme
- Home Buyer's Checklist
- Home Buyer's Budget Planner

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Disclaimer

This booklet is for information purposes only, and must not be relied on as a substitute for legal advice. For more information about this topic, please refer to the appropriate legislation and authorities, or consult a solicitor or chamber magistrate.

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INTRODUCTION

For many people, buying land and building a home can be an attractive alternative to buying an existing house or unit. The land may be bought and the house contracted and built on it, or a house and land package may be bought from a developer or Landcom. A project home builder or a custom builder may carry out the actual building of the house. Some people opt to build a kit home while others decide to owner build.

The first decision to be made is whether to buy the land, then find a house design to fit the land, or to do the reverse. It is probably more logical to buy the land first, as land sites can be very limited but house designs are many and varied.

Location

Deciding on the location of land being purchased is no different to buying an existing house. The location must have the amenities you consider necessary for a pleasant lifestyle. It is no use buying where you will not be happy to live, although economic realities may force some compromises. Consider the availability of schools, childcare, shopping centres, parks, medical services, clubs, community swimming pools and so on. If any of these are missing, decide whether you need them, find out if they are planned and if so, when they are likely to be available.

Other considerations are whether a car is required to access the district amenities; the availability and the reliability of public transport; and how long it will take you to travel to and from work.

Try to picture what the suburb will look like in 10 years time and consider if this is still the place you want to live.

Services

When buying land, consider the availability, adequacy and cost of connecting and maintaining services such as:

- water
- electricity
- gas
- telephone
- sewerage
- fire control

Features

The land site should be evaluated critically. Consider any trees, and whether they can remain or will have to be removed prior to building. The cost of removing trees is likely to be expensive and Council permission is usually required.

The existence and quantity of any rock should be ascertained to determine whether it would be a feature or a hindrance which may require costly removal.

An assessment should be made of the slope of the land because steep sites tend to increase building costs.

An assessment of the soil stability may also be needed to be undertaken. The Local Council may require geo-technical reports and extensive engineering drawings prior to granting building permission.

Any creeks, dams or watercourses on or near the site should be noted. Any obligations of the landowner for these should be established before any building takes place.

Orientation

The aspect of the site and the quality of any views should be appraised. A judgment should be made as to the likelihood of whether any available view will be built out or blocked out by vegetation growth in the future.

The site's natural features need to be evaluated and utilised so that any building achieves maximum energy efficiency (eg if possible, attempt to have the main living areas facing north because this will ensure you get maximum exposure to the sun).

Access

Adequate access to the site will be required for concrete trucks and construction equipment. Where excavation is necessary, check that bulldozers and bobcats can enter the site.

When buying in a new or outlying area, a road may need to be constructed. In this situation, you should ascertain who is responsible for its cost and maintenance.

Other considerations

Check if the site is subject to flood restrictions. If the site is prone to flooding, there may be problems obtaining finance and insurance.

The actual boundaries of your land need to be determined. A registered surveyor should be employed to check and peg these.

Any limitations concerning the building's positioning on the land need to be determined. A check with the Local Council will identify the building boundaries and the zoning for the property.

Check if there are any easements for services, eg for sewerage, drainage or electricity which affect or benefit your land. Any covenants that will limit your choice of building material or size of house should also be identified.

If you wish to add a granny flat, or subdivide the property for dual occupancy, check whether this is permitted by the Local Council. A check of any building covenants or restrictions on the Title should also be undertaken.

You have several choices as to how you build your home. Each has their advantages and disadvantages.

Common choices are:

- House and Land Package
- Project Home
- Custom-Built Home
- Kit Home
- Owner-Building

House and land package

House and Land packages can be purchased through Landcom or from a private owner/developer.

When you purchase through Landcom you require a \$100 deposit to reserve a block of land. You then approach a builder for a price to build the house design of your choice. Within seven days a tender letter should be received from the builder. You then take the tender letter with plans and specifications to your lender.

If your lender does not approve the loan, Landcom will not refund the \$100 deposit. If your lender approves the loan, you will need to pay a deposit to the builder for the preparation of working drawings and specifications. This deposit can range from \$800 to \$2000. This amount is usually not refundable and includes payment of Council charges and fees to other relevant Authorities.

After 30 days, customers with loan approval are expected to exchange contracts on the land amounting to the balance of 5% of its value. The land is usually settled 30 days after exchange with the funds coming from your lending body. At this stage you will usually start to pay interest on the land loan to the lending body.

Whether purchasing through Landcom, a private owner or a developer, a land loan is normally used to finance the purchase. Normally there are two separate contracts involved, one for the land and one for the builder to construct the house. However when purchasing from a developer, there is usually only one contract.

A deposit (usually 10% of the purchase price) is paid on the house and land package; contracts are signed and exchanged, with the balance of the purchase price being paid at settlement.

Project Home

Project home companies are volume home builders, building many new homes every year. They usually have a variety of standard designs and plans, ranging from basic budget designs to highly innovative upmarket designs.

Being volume builders means that project home companies can offer houses at very reasonable prices compared with custom builders. Project home companies are generally members of the Housing Industry Association or the Master Builders Association.

Buying a project home is similar to buying anything else; you find out what choices are available and narrow them down to the few which best suit your budget and needs.

The first step is to wander around the home display villages. The house layouts should be compared to what will fit on your land. Bear in mind that most project homes are designed for flat or gently sloping blocks of land. If you are on an awkward block, the wrong house could add tens of thousands of dollars to the price, just to build up to floor level.

BUILDING OPTIONS

You should be able to narrow the choice down to three or four homes fairly quickly, but don't rush in to selecting one before you're sure.

When looking at display homes, try to ignore colour schemes, furniture, furnishings, and other embellishments. Obtain the floor plans, and measure the room size for yourself. Get a feel for each house. Make sure that your furniture will fit into it and that the design suits your lifestyle.

Find out exactly what is included in the home and what is not. Most project home companies will allow some changes to be made, and a choice of materials may also be available.

Remember that once you have selected a house, any changes required by you after construction has begun may be expensive and cause delays. If you do need to make a change to the plan after construction has commenced, obtain a written quotation from the builder and approval from your lending authority. In some cases permission may not be given.

The three or four builders you have chosen should now be asked to quote on building the house on your block of land. This is important, because as the price tag of display homes does not include any site costs.

When the builder quotes on your house, ensure that the quote is fully itemised and as comprehensive as possible. The builder should visit your site to ensure that all extras are included. Such extras may include:

- surcharge for building out of the builder's normal area
- site access problems for delivery of materials
- the need for pier and beam footings
- extra lengths of connection to drainage, water service, electricity
- engineering fees
- rock excavation
- drilling under roads for service connections

There is generally no excuse for a builder not being able to give a firm quote for these items.

Where circumstances prevent this, a realistic provisional allowance should be included in the final quote.

Be aware that very low quotes may not have a high quality finish and that very high quotes could be excessive.

While the builders are quoting on your house, you should be thoroughly checking their reputation and licence. See the checklist on pages 11-13 for points to consider.

Custom-built home

Custom builders differ from project home builders in that they tend to build only a handful of houses each year and most of these will be one-off's. Because they are individual houses, they tend to be more expensive to build than project homes where economies of scale can save you money.

The first step is to find a suitable design. There are several options. An architect or draftsman may draw plans, or you can draw them yourself. Sometimes the builder will be able to provide a plan for you.

Drawing the plans yourself is not recommended unless you know what you are doing. Remember that the plans and specifications will be used by the Council to approve the project and by the builder to quote and build.

A competent architect should be able to design a house that can be built within your budget. They are trained in design and must be registered.

Architects may be employed initially to develop the concept or design, then to prepare the working drawings and all the documentation. Getting to this stage will normally cost about 6% – 8% of the house value.

An architect can also be employed to organise quotations and supervise the entire project. The cost for this complete service is likely to be about 10% – 12% of the value of the house. Architects can be found by contacting the Royal Australian Institute of Architects (RAIA).

Draftspersons do much the same job as architects but are not trained in design. They do not need to be registered. If you know exactly what you want, a drafts person can draw it up for you.

Building plans must include a site plan, floor plans, sections and elevations, construction and any other necessary details. If the plans are poor or incorrect, it is likely that you will be dissatisfied with the completed dwelling.

Many builders offer a planning service, under which they design the house, prepare the plans and build. If you choose this option, it is important to obtain competitive quotes from other builders. If you don't make comparisons, you will have no idea whether the building component of the quote is reasonable or not. If you choose one builder but use the plans of another, you will need permission in writing from the designer/builder, because a royalty may be payable.

The final plans are likely to represent a compromise between your budget, your needs, and your wants. Important design features you should consider include:

- the number of rooms required
- what style of house will fit on your land
- how it can be best oriented to use the sun
- the roof style
- the types of windows and doors
- access to the house
- whether the overall effect is 'you'.

Kit home

Kit homes are essentially the plans and components of a house (with some exceptions) delivered to your site, ready for you or a builder to construct. It is a home building option more often seen in country than city areas. Their particular advantage for outlying areas is that everything can be delivered at once on one or two trucks.

The quality of the kits varies considerably. It is important to deal with reputable, well known companies and check them out as carefully as you would a builder. Kit home suppliers are required to be licensed with the Office of Fair Trading. For kit homes over \$12,000, a certificate of home building warranty insurance must be given to the homeowner before taking any money on the contract and before supply.

Talk to previous clients to see how the kit home actually went together, how complete it was, what the quality was like, what they had to provide, how easy it was to build, what was not included, the quality of the instruction manual, and so on.

BUILDING OPTIONS

Before you commit to a kit, obtain a copy of the inventory and building manual. Often you will have to read them in the company's office, but some will allow you to take them home to read at your leisure. Familiarise yourself as much as possible, so you know what to expect. Not all kit homes have the same inclusions in the basic price. Check whether items such as footings, slab/floor, wiring/switches/electrical accessories, plumbing/taps/fittings, built-ins, kitchens, sanitary ware, tiles, paint, etc are included.

You are responsible for general insurance (fire, theft, etc) of the kit once it leaves the factory. Ensure your kit supplier has attached a certificate of home-building warranty insurance (for projects over \$12,000). This will cover you for any problems with components of the kit.

Building the new kit home may be done by you as an owner-builder, by a subcontractor organised by you (only when you have obtained an Owner-Builder Permit from the Office of Fair Trading), or by a licensed builder contracted by you. If you use a builder, you can typically double the price of the kit to have it built. Some kit home companies will offer a build option where their builder puts the house together, which may be reasonable in cost. If the kit supplier is also the builder, the total cost should be shown on the contract. Home warranty insurance should also be provided for the building work.

Whichever option you choose, make sure you obtain an independent assessment of the total cost of construction and follow the same guidelines as you would in building any type of home.

Owner-building

An owner-builder is anyone who takes on the job of managing their own residential building project and performs the co-ordinating and contracting roles usually undertaken by a builder. With the exception of electrical, plumbing and gas fitting, you may perform all the work yourself, or engage subcontractors who you will supervise to do all or part of the work. Under NSW law you must obtain an Owner-Builder Permit if:

- You intend to undertake or supervise and co-ordinate your own residential building work;
- The market value of the labour and materials is greater than \$5000; and
- The work requires development approval or is a complying development.

You do not need to hold formal trade qualifications, except for specialist work. However you must:

- Be 18 years or older; and
- Own, have a share of ownership, or have a leasehold interest (exceeding three years) in the land on which you intend to build or renovate; and
- Intend to live in the completed home or in one dwelling of a duplex or other dual occupancy dwelling; and
- Have completed an approved owner-builder course if the market value of your proposed building project is over \$12,000.

Owner-building is an option chosen by thousands of people annually. Their projects range from carports to extensions to new homes. Owner-builders are often inexperienced, or lack time and knowledge but usually have strong ideas on the finished product. A good option is to use a licensed builder to build the house to lock-up stage. This means the floor, walls, the roof, eaves, doors and windows, and some drainage and plumbing are in place. The owner can then finish the house. If the remaining work does not need council approval or is not valued over \$5000, it does not need a permit.

You can apply for an Owner-Builder Permit from any Office of Fair Trading Centre either in person or by mail. You will need:

- Proof of ownership or long-term leasehold interest in the land (rates notice or Title Deed);
- Your Development Application Number issued by your Local Council or complying development certificate number;
- A copy of your building plans (including site plans) as submitted to Council;
- A certificate of completion of approved course; and
- Your Owner-Builder Permit application fee (\$100).

You may obtain more than one Owner-Builder Permit for the same property if the works are connected to the original project. However, you can only obtain an Owner-Builder Permit for another property five years after you obtained your previous permit.

An owner-builder has the following responsibilities, the same as any builder:

- Organise plans, specifications, and engineering drawings (if applicable)
- Lodge plans and other relevant documentation with Local Council
- Call for tenders and quotes
- Obtain finance
- Obtain water and sewerage diagrams and all other approvals from the appropriate authorities eg Local Council, Water Authority.
- Obtain an Owner-Builder Permit from the Office of Fair Trading
- Decide on a quote, and obtain a written contract. Since 1 May 1997, the law states that all contracts for residential building work with labour and materials content valued over \$1000 must be in writing and contain certain warranty provisions
- Organise Workers Compensation, Public Liability and Builder's All-Risk Insurance for the owner-builder project
- Ensure Occupational Health and Safety awareness for all workers
- Check with the Office of Fair Trading that tradespeople you contract are licensed and that the licence is both current and authorises its holder to do the work contracted
- Pay to the Australian Taxation Office PAYG taxes from all tradespeople engaged as wage employees (not contractors)
- Oversee and schedule all aspects of the building process, such as the arrival and departure of tradespeople, ordering and delivering of materials and management of the site
- Hire a foreman or supervisor if necessary (noting that you as the owner-builder remain responsible for the building work throughout the project)
- Organise power and water to site
- Organise toilets, sheds and other facilities
- Set out the site
- Organise scaffolding where necessary
- Purchase all materials and take delivery of them
- Clean up after tradespeople
- Answer all enquiries about the project
- Keep records of the project

- Pay tradespeople (normally on a weekly basis, but make sure contracts provide for payment for work done, not just time passed)
- Control costs
- Deal with all problems and disputes
- Sight and inspect all tradespeople's insurance policies, ie: Home Warranty, Public Liability, Workers Compensation and Builder's All-Risk (these policies relate to individual tradespeople). You, as the owner-builder, will also need insurance cover as you build. The owner-builder will need to arrange home warranty insurance if and when they sell the owner-built property within six years after completion of work
- Build

There are financial savings for owner-builders if no mistakes are made. Mistakes quickly erode these savings. Savings may increase as the work done by the owner-builder increases, but the cost is in the extra time taken. Keep in mind that the greater the volume of work carried out by the owner-builder, the greater the risk of mistakes being made.

Any licensed contractor who works for an owner-builder and does work over \$12,000 in value is required by law to take out home building warranty insurance through an approved insurer.

One of the drawbacks of owner-building is the stress involved, partly due to the time that has to be devoted to the project. Patience is necessary and frustrations inevitable. Owner-building can put stress on relationships with family and friends.

You should aim to be on site every morning to answer questions and organise the day's work, and if you have a regular job then ensure your employer understands that at times you will need to visit the site during working hours.

The most difficult problem for owner-builders is the availability of finance. Many lending authorities will not lend to owner-builders and others are very reluctant.

To improve your prospects of obtaining finance, ensure that you have all quotes in writing and give a careful calculation of costs and estimated completion time. Resist the temptation to change the design as you build.

Some lenders may offer bridging finance at premium interest rates, others offer overdrafts. Both are expensive ways to borrow money but they can usually be refinanced on completion of the house.

Those that will lend may require you to own the land, and have between 15% – 50% of the cost of the house in hand before lending you more money. For this reason, owner-building is usually for those with equity in property, those in the mid to upper income groups or with substantial savings.

It is also usual for lending authorities to impose time restrictions on owner-builders, with six months being common. However, this is often unrealistic for the average owner-builder, who tends to take 10 to 15 months to complete the project.

In the event of an owner-builder selling the property within six years after completing the building project, the owner-builder must take out home building warranty insurance. This insurance will cover the subsequent purchaser of the property for defective or incomplete work if they cannot obtain compensation from the owner-builder. A certificate of this insurance must be attached to the contract for sale.

When you are ready to select the builder, seek recommendations from friends, neighbours or relatives who have recently had building work done. If you notice some good building work being done around your area, ask who the builder is. The builder may be available. If you have no contacts, call the Master Builders Association or the Housing Industry Association for a short list of builders in your area doing the type of work you require.

Look for advertisements on television, radio, in home buyer magazines or the local newspaper. Look in the Yellow Pages under 'Building Contractors' and under the various types of trade categories.

The Office of Fair Trading can provide you with free information regarding the selection of a builder or tradesperson. By contacting your nearest Fair Trading Centre you can check that the builder/tradesperson is currently and appropriately licensed and obtain brochures to understand your rights and responsibilities when planning to build, extend, or renovate.

Invite the builders to quote. For the builder to be able to quote effectively, he must have as much information as possible. The plans and specifications must be fully detailed. If possible give an accurate indication of what you want to spend on prime cost items such as sanitary ware, tiles, kitchen, and so on. If any engineering is required, make sure the builder has these details as well.

Ask the builder to provide you with an itemised quote so that you can compare prices. You will need to know exactly what is included in the quote.

It is important that you can communicate effectively with the builder. You will have many questions while the house is being constructed and the builder may need clarification as to personal choice items. If you cannot talk easily, you are likely to end up with disputes.

Builder checklist

The following checklist may assist you when selecting a builder.

1. Is the builder properly licensed with the Office of Fair Trading? This licence gives the name of the builder and lists any conditions that apply to his or her licence, as well as stating that the holder is entitled to contract. Any contract entered into should be in, and include, the builder's name and licence number.

Check with the Office of Fair Trading that the licence of the builder is current and that it authorises the type of work that is to be done for you (eg carpentry, tiling, building, etc).
2. Ask the builder for the addresses of some previous work carried out. If possible, talk with the owners to make sure they were happy with the builder.
3. Ask these people whether the builder started and finished on time, whether the builder held to the quoted price, were there hidden extras, was the work properly supervised and by whom, did the tradesmen continually need to be called back to rectify defective work and would they use that builder again.
4. Deposits to be paid for building work are set by legislation. Most homes cost more than \$20,000, and a maximum deposit of 5% applies. Where smaller works (up to \$20,000 in value) are being done, the builder is entitled to ask for a deposit of 10%. Asking for money up front before providing Building Warranty Insurance or in excess of the prescribed deposit amounts would be a breach of the legislative provisions.
5. Ask the builder how many jobs are on the go. The builder may be doing too much at once to manage your job well.

SELECTING A BUILDER

6. Ask the builder whether your house will be co-ordinated by a supervisor allocated to your project. Ask how many houses are allocated to each supervisor. Ideally, a supervisor should not have more than three to five houses to oversee.
7. Check (and where possible sight) the builder's Workers Compensation, Public Liability, Builder's All-Risk and Home Warranty Insurance documents. Note: Home Warranty Insurance covers consumers for loss from defective or incomplete building work if they cannot obtain compensation because of the builder's insolvency, death or disappearance.
8. Take time to check the contract you will sign. There is a range of plain English home building contracts produced by the Office of Fair Trading. It is advisable to consult your own solicitor to ensure that all of your needs have been adequately protected by the contract you propose to sign.
9. The contract documents and any alterations must be signed by the builder and yourself before work commences or any money is paid. Do not pay any money if there is no Home Warranty Insurance.
10. The plans and specifications must be approved by the Local Council before building can commence. Generally, approval will be granted subject to the house being inspected by the Council or Principal Certifying Authority at certain stages and sewerage and drainage complying with the relevant Authority's approval.
11. The progress payments are stipulated in the contract. It is important that the house is inspected not only by the lending authority each time payment is due, but by your own representative (architect or building consultant) to check that the works are being built to the required standard. The lending authority's valuer will only check that the work has been done, not its standard.
12. Your building consultant should check for defective work while the house is being built and when completed. A list of any defects should be presented in writing to the builder and you should specify the date by which the problem should be rectified. Major faults should be repaired prior to occupation, while minor defects can be addressed after you are residing in the dwelling. You should not take possession of the house until the builder formally notifies you of completion and you have permission to move in. Moving in early will require the permission of the builder and lending body.
13. If the builder refuses to resolve a notified defect, you may have recourse to an insurance claim provided the building work is covered by private Home Warranty Insurance. This may be determined by checking whether a certificate of insurance is attached to the building contract or your home purchase contract. If the Home Warranty Insurance was issued after 1 July 2002, it will not apply unless you show you cannot obtain compensation because of the builder's insolvency, death or disappearance.

Where the building work is subject to private insurance and your complaint has not been resolved by your builder, you need to determine which of the following situations applies to you before deciding on a further course of action.

- (a) Where the work is in progress, and the builder refuses to comply with your request, you may need to seek independent legal advice as to whether or not the contract is at an end. If not, and you are clear about the resolution you are seeking, you may apply to the Consumer, Trader & Tenancy Tribunal for an order against the builder.
- (b) If the work has been completed, or the building contract has ended or been terminated, you may be in a position to make an insurance claim to the insurer named on the certificate of insurance attached to the building contract. If the Home Warranty Insurance was issued after 1 July 2002, it will not apply unless you show you cannot obtain compensation because of

the builder's insolvency, death or disappearance. If there is no insurance you may contact the Office of Fair Trading, which may be able to assist with your complaint.

14. You should arrange general insurance cover for both the house and its contents as soon as you take possession (ie fire, theft, storm, etc).

The building contract

A building contract includes not only the 'actual contract document' or 'building agreement', but also the architectural plans of the house, the specifications which describe the quality of the building, and possible tender quotations.

Any job (including labour and materials) over \$1000 must have a written contract which includes:

- The name of the builder and the consumer as well as the signature of both parties
- The builder's licence details (name on licence and licence number)
- Description of work, plans and specifications
- Statutory warranties. These warranties last for seven years from completion of work, but there are limitations on liability, ie fair wear and tear and manufacturers' warranties
- The contract price, prominently displayed on the front page, with a warning if it is subject to change
- Evidence of Title to land
- Evidence of owner's capacity to pay for works
- Progress payments including legal deposits (see point 4 of Builder Checklist on page 11) are limited under the Home Building Act 1989 but they are not required to be included in a building contract.

It is also a good idea to include:

- Dates of commencement and completion
- Penalties for late completion (care needed here)
- Authorisation of payments by the lending authority
- Lending authority inspections
- Variations and how they should be treated
- Sub-letting of work
- Extensions of time
- Hours to be worked
- Determination (cancellation of contract) by the proprietor
- Prime cost items and provisional sums (best kept to an absolute minimum)
- Foundations and unexpected sums
- Practical completion and payment
- Defects liability period
- Retention sums (if required)
- Authority to exclude unauthorised persons – make sure that your representative can inspect the works when required
- A clause dealing with disputes
- Notices
- Standard of construction

SELECTING A BUILDER

- Damage to persons or property
- Schedule of rates – details of rates where accurate quotes cannot be given

The builder must give the consumer a copy of the contract within five clear business days of entering into the contract.

There can be no compulsory arbitration clauses in any home building contract.

For contracts over \$12,000 in total, the builder must give you a certificate of Home Warranty Insurance before starting the work and before taking any money from you.

Other insurances required are Workers Compensation, Builder's All-Risk and Public Liability insurance (to cover liabilities to third parties for an amount of no less than \$5 million). This is not a requirement under the Home Building Act, 1989.

Most of these items are listed in printed contracts. You can add or delete clauses to best suit your needs, but this should be done with your consultant's advice, and remember, the builder has to agree as well.

Warranties

Building contracts have to contain relevant statutory warranties. These warranties are to be given by the builder and are implied in every contract to do residential work. The warranties relate to the performance of the work, the materials to be used, compliance with the law, completion time and fitness for occupation. The warranties will also apply for subsequent owners of the property. These statutory warranties cannot be excluded by any provision of the contract and will last for six years from completion of the work for structural defects and two years from completion of work for other defects. There are limitations on a builder/tradesperson's liability, such as fair wear and tear and manufacturers' warranties.

Do not sign anything until it has been checked by a solicitor, building consultant or architect who is familiar with domestic building contracts. Do not let anyone pressure you into signing a contract using ploys such as "the price goes up on Friday" (this should immediately put you on guard regarding that particular builder).

There are a number of other standard building contracts produced by building associations and some private companies, which are now published in simple and easy-to-understand language.

Buying land and building

If you purchase land then later build a home, Stamp Duty is usually only payable on the purchase price of the land. Normally, a builder won't commence construction until the land is in the name of the purchaser. The best arrangement is for the land to be settled at the same time as the building plans are due to come out of Council.

If this happens you will pay interest to the lending body for the shortest possible period.

The builder will call for progress payments on the building at specific stages of construction as nominated in the Schedule of Progress Payments included in the building contract.

During construction you may be renting, so during this period you will have to find the amount payable to the lending body as well as your rent.

Buying on completion

You may not wish to make any repayments until the house is built and so ask for a price 'on completion'. Should this happen, the builder will buy the land of your choice on say 5% deposit of house and land package, and construct the house with the balance of purchase monies being paid on completion.

The loading in this case will include Stamp Duty and solicitor's fees on the land purchased; interest to the builder's bankers for the cost of the land purchase; and the cost of home components while it is being built. These costs will be added to a house and land package with one contract only for you to sign.

In this case, Stamp Duty is payable on the full purchase price for the land and house.

USEFUL TELEPHONE NUMBERS

ARCHICENTRE	1300 134 513
ASSOCIATION OF CONSULTING ENGINEERS	02 9922 3491
	1800 800 528
ASSOCIATION OF CONSULTING SURVEYORS	02 9267 9728
OFFICE OF FAIR TRADING BUILDING INQUIRIES	13 32 20
HOUSING INDUSTRY ASSOCIATION	02 8878 0400
LAND AND PROPERTY INFORMATION NSW	02 9228 6666
LANDCOM – SALES OFFICE	02 9629 2999
MASTER BUILDERS ASSOCIATION	02 8586 3555
OFFICE OF STATE REVENUE FIRST HOME PLUS	02 9685 2122
	1800 629 550
FIRST HOME OWNER GRANT SCHEME	02 9685 2187
	1300 130 624
SYDNEY BUILDING INFORMATION CENTRE	02 8303 0525
WORKCOVER NSW	13 10 50



Home Purchase Advisory Service

Freecall 1800 806 653

Website: www.housing.nsw.gov.au