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**8 WAYS TO AVOID
MAKING COSTLY
MISTAKES
WHEN BUILDING
YOUR DREAM HOME**

- MMO -

SO, YOU'RE THINKING ABOUT BUILDING A HOUSE?



Building the house of your dreams is a very exciting time, but it can also be extremely stressful. There are so many details to get your head around and about 1,000 ways you can get yourself into financial trouble (or end up with a home you don't want).

Since 2000, we've helped countless clients finance the home of their dreams.

(And we can help you with that too, in due course!)

8 WAYS TO AVOID MAKING COSTLY MISTAKES WHEN BUILDING YOUR DREAM HOME



PLAN AS MUCH AS YOU CAN, AS EARLY AS YOU CAN

Pre-planning is everything and it's something we cannot emphasize enough. The more decisions you make before you start building, the better off you'll be in more ways than one.

Decide early what your main priorities are. Knowing the overall look and feel of your house from the outset, will provide an anchor point as you work through the 100's of decisions you face when designing and building a home.

Planning early also helps you to work through any flow-on effects of decisions you make. For example, your choice of roof (& pitch) will affect the overall look and street appeal of your house. But the roof also affects the type of heating/ cooling systems you can choose. What's more important? What are you happy to compromise on?

The more time you have to resolve any design conflicts, the happier you'll be with the end result.

Pre-planning need not stop with the bigger items either. If you can decide on flooring, tiles and windows - and start comparing quotes - by the time you need to lock in decisions, you'll be well informed to make the right one.

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ENGAGE EXPERTS EARLY

If you're choosing to build a custom house, with it comes to getting builder's quotes, you can't get an accurate comparison unless they're quoting on the same plans.

Accordingly, it can be a good idea to get a Building Designer or Architect to create a Draft Plan of the house design. That way, builders can quote on the same Draft Plan – making the comparison process much easier.

You will of course will need detailed plans (i.e. plans that include ceiling heights, roof rake, degree of pitch, window specs, internal door sizes, gutter details, truss specs noted) before building commences, but without a Draft Plan, it can make comparison of builder's quotes difficult.

Try not to get discouraged if the first quote you get is higher than you expect. There can be significant variances between builders, which is not necessarily always due to the quality of workmanship you can expect. Sometimes quotes can be affected by a builder's existing work schedule, whether they have other projects in the same area (potentially making it more cost effective for them to take on), and the builder's appetite for the type of build you're after.

This is why we suggest you talk to multiple builders, which brings us to our next point.

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GET MULTIPLE QUOTES FOR EVERYTHING

This may be more relevant if you're building a custom house (as opposed to picking an existing design offered by a builder), because you have much more scope to pick individual suppliers for the different items.

Whilst getting multiple quotes is not a new concept, once you start comparing them, you'll realise how much you can save by taking time to research things. One client we know estimates they've saved tens of thousands of dollars off their build cost, simply by getting multiple quotes for EVERYTHING.

The best way to compare multiple quotes is to ask for itemized quotes, so you know exactly what you're getting for what price. It also allows you to compare the cost of actual materials, because you can then seek quotes on carpet of the same wool quality for example, rather than quotes coming back for differing levels of quality (which aren't really comparable).

In addition to seeking multiple quotes, if you find a better price from supplier A, but would prefer to deal with your local supplier B, don't be afraid to approach supplier B for a discount. From the stories we hear from our clients, suppliers generally have room to move downwards from their advertised retail price.

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GET ORGANISED

If you want to stay on top of your build, it helps to have a system to organize everything.

You might use a note book, save all emails/ quotes in one location, use Pinterest to store inspiration photos or use a shared photo drive to keep track of the build progress.

Regardless of which method you choose (maybe you'll use a combination of all of them), we can guarantee that without some method of organisation, things will be a whole lot more stressful and you're likely to miss things. Like when the wrong tiles turn up to the building site, or you're charged overs for the flooring.

5

KNOW YOUR INCLUSIONS

Don't sign off on anything before you have a detailed list of inclusions - and you have done your research on them. By this we mean investigating the quality/ value of each item, so you know exactly what you're getting. With baseline house packages, often the list of inclusions has items that may or may not need changing to reflect the level of quality you want in your new house.

This is by no means an exhaustive list, but as a starting point here are some items we suggest you check:

- Window and door schedule - what type of infill is used around the doors and windows (is it brick infill, or fiber cement sheet)? What type of garage doors are included? There can be significant difference in the cost between garage doors, even though they look the same (to the uneducated eye) from the street. Regardless of what options you go for, it's important you know what you're paying for. Knowing what you're paying for gives you the opportunity to change things if you want to.
- Insulation - what is the rating? Is the insulation sufficient for your house size? Also check whether there's insulation between the garage and house. Often this is not included and can have an impact on the energy efficiency/ comfort levels of certain parts of your house.
- Heating/ cooling systems/ water tanks - check to ensure these are sufficient for your house size, as the base models included can be inadequate.
- Appliances - research the model of every appliance so you have an idea of the quality you're getting.

Also keep in mind that the display house can include upgraded inclusions/ features that are not part of the base package. Knowing what is and isn't included will help you picture what your built house will actually look like.



WILL THE END VALUE BE WORTH THE COST?

We suggest conducting a feasibility assessment to give you some comfort that the cost of the build will be worth it all in the end.

For example, what is estimated value of the property once complete, given the value of your land and the construction price?

Are there homes of similar quality to yours, on the market in your area now?

What price are these houses selling for?

Is this in line with expectations for your own house, once it's built?

Would it make financial sense to buy an existing property instead?

These are questions many clients like to know the answer to. Because once the build starts and you're feeling the effects of renting a smaller place and dealing with unexpected things that pop up with the build (as they always do), you want to be completely confident of your decision.

Also something to note that an "As-If-Complete Valuation" can be conservative. This is because the assessment of the end value is based on the construction plans and inclusions list.

For example, you might have chosen the most expensive tiles in the world for your bathroom, but this may not be clear to the valuer.

Plus, if these 'best-in-the-world' tiles are laid crooked, the cost won't necessarily equate to end value. Just something to keep in mind, that's all.



BE PREPARED FOR UNEXPECTED COSTS

Often there are costs not included in your initial quote that you'll need to consider. For example:

a) Soil Test and Land Survey

These costs should be included in your base house price – but you need to check.

b) Site Costs

Site costs will vary based on the results of your Soil and Survey results. If your site is difficult to access or the soil is 'reactive' i.e. it's highly likely to move in response to increased moisture content, this can significantly increase the site costs. If you have a sloped block, you're also likely to incur additional costs to prepare the site before construction.

c) Government (or Council) Fees/ OH&S

You may need to budget for a range of fees charged by your local planning authority (i.e. planning approval, building certification and plan registrations) as well as other fees related to certification processes. These may or may not be included in your contract.

d) Variation Fees/ Admin Charges

You pay extra costs each time you request a variation to the build. These generally involve an agreed builder's margin – i.e. a margin is added on top of the cost for all variations to the contract

Sometimes the builder will also charge admin fees, or charge you a fee each time you want to have a meeting to discuss the contract/ colours etc. Know what's covered so you're not having to pay avoidable fees.

e) Electrical Plans

If you want extra power points, you'll need to budget for the additional cost (dimmers are normally extra too). Are TV points and telecommunications conduit provided sufficient? What about external lighting?

f) Joinery/ Flooring/ Window Treatments

Are these items included in the contract? Or will you need to upgrade what's included?

g) Landscaping Fees

Landscaping may or may not be covered in the contract. If you have specific development requirements relating to your land - for example, landscaping must be complete within a specific period of time, you will need to budget for this.

h) Other costs that may or may not be included are: rock/ dirt removal; tip fees; temporary fencing fees; asbestos removal from site/ demolition costs



SELECT THE RIGHT BUILDER

Here are a few things we suggest you do to minimise your risk of selecting the wrong builder.

a) Ask to see previous houses they've built

We're not talking about display homes here, which are essentially built to "sell" the builder and their work. We're talking about homes they've built for clients

b) Check out Builder reviews

Review local building forums, Facebook and community groups and ask friends about their experience. Keep in mind though, feedback from these forums can be skewed by bad experiences as those who have had positive/neutral experiences are less likely to leave feedback.

c) Do everything you can to check the builder is financially stable

This can be difficult to assess, but things you might want to look into include:

- How long have they been building?
- What's their reputation like in the community?
- Is the builder based locally?
- What kind of maintenance period is offered (and is it performed by a local team?)



We hope this gives you a starting point of things to consider when thinking about the practical elements of planning your build.

Arranging the finance for your construction is an entirely different aspect of the process! And something we'd love the opportunity to assist you with!

Please give our office a call on 02 6286 6501 or click below to get started.

[Get started here](#)