

Home building tips

Quick tips for building or renovating your home

Building or renovating your home can be a huge and sometimes costly project. If you don't know where to begin, have a look below. We have highlighted some issues and tips for you to get started.

Building requirements and finance

Make sure you are able to build on your land, and find out what structure is allowed. Check with your local council.

Make sure you know what your budget is, and if you can afford any loan repayments.

Choosing a contractor

If the contract price* is over \$1,000 (including GST), your contractor must be licensed. However, for 'specialist work' (ie. plumbing, gasfitting, electrical wiring and certain refrigeration and air conditioning work), the contractor must be licensed regardless of the labour and materials cost.

Shop around for a contractor by getting three quotes and asking for references.

Check their licence is current and valid for the work you want done. Call 13 32 20 or visit www.fairtrading.nsw.gov.au/building

Make sure you know the different roles and responsibilities of a builder, tradesperson or supervisor and the work that your contractor is licensed to perform.

Contracts

If the contract price* is over \$1,000 (including GST), the contractor must provide a written contract (except in situations where, if the work

The contract must contain a checklist and the *Consumer building guide*. Make sure you read and understand these before you sign.

A signed copy of the contract must be given to you within five clear business days after the contract is entered into.

If the contract price* is over \$12,000 (including GST), your contract is subject to a cooling-off period of five clear business days within which you may cancel the contract.

All variations must be in writing. Matters required by law to be included in the contract cannot be varied (eg. statutory warranties and conditions).

Insurance

If the contract price* is over \$12,000 (including GST), the contractor must provide you with a certificate of home warranty insurance before receiving any payment, including a deposit.

Check the contractor has the right insurance cover.

Legal rights

Know your legal rights when using a contractor.

Know your rights and obligations if you are an owner-builder.

Find out what must be done about termite protection – what your responsibility is, and what your contractor's responsibility is.

If you are not sure what your rights and responsibilities are, seek legal advice. General information is also available at www.fairtrading.nsw.gov.au/building

* *That is, the contract price for labour and materials, or if the contract price is unknown, the*

were not to be done promptly, there would likely be a hazard to the health or safety of any person, or likely to be damage to the property).

reasonable market cost (including GST) of the labour and material involved.

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▲ Paying deposits

For a contract price of \$20,000 or less, the maximum deposit you should pay is 10% of the contract price.

For a contract price exceeding \$20,000, the maximum deposit you should pay is 5% of the contract price.

Resolving disputes

It may be helpful to:

- keep lines of communication open
- put in writing what you and the contractor discuss and send a copy to the contractor.

If a dispute arises, the Office of Fair Trading has a dispute resolution process that may be able to assist you.

Contact the Office of Fair Trading on 13 32 20 or visit www.fairtrading.nsw.gov.au/building if you would like more information.

Fair Trading enquiries 13 32 20
TTY 1300 723 404
Language assistance 13 14 50

This fact sheet must not be relied on as legal advice. For more information about this topic, refer to the appropriate legislation.

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