



The Truth About Kit Homes

With many years of experience in property development, property investment, real estate, professional lending and residential building, Brad Ison commenced his involvement with kit homes and owner builders more than 8 years ago. After a successful career in real estate, as he was living in rural south east Queensland which was facing a building boom, in association with mining and coal seam gas,

Brad decided to exit real estate and become more heavily involved in building. Considering a rural area, with owner building being popular and the fact that owner builders represent the largest building group in the country, Brad chose his new direction into the kit home supply industry. Initially Brad bought into a franchise, with what was then Australia's largest steel built kit home company and he soon led his office to being their leading franchise in sales, production and expertise.

Brad quotes this as being a great experience which enabled him to see everything that can be done wrong within a kit home company. After a number of years of being the leading franchise and having to tolerate the incompetence of the franchisor and its' careless attitude towards customers and franchisees Brad terminated his franchise with them in complete disgust and lost hundreds of thousands of dollars. On reassessing what had gone down with this franchisor Brad soon realised that he now had the knowledge to run a kit home company correctly, that fulfils and satisfies the needs of owner builders and not makes the same mistakes that he had tolerated prior.

The franchisor that we speak about was soon all over the national news for being broke and not honouring its obligations to its customers. In hindsight it is with gratification that Brad realised his timing of the termination of that franchise. Not to be disheartened but still determined to be able to supply owner builders and project managers' quality product and service, Brad commenced his own kit home supply company, Builderific Kit Homes and continues to run it today.

Over the last 5 years we have seen many kit home company's start business and shortly fold up with clients losing their hard earned cash unfortunately this has been the trend in the kit home industry that has given the industry a bad name. In recent times anybody who when out and bought a roll forming machine would all of a sudden commence a kit home business with probably no other industry experience again leading to their demise.

The content and concept of this information sheet, is twofold. Firstly to provide important information and considerations that any budding owner builder or kit home purchaser should be considering. The other, although we recognise there are many reputable and quality kit homes companies operating, it's important that the buyer beware and have the knowledge to ask all the right questions. Of course the author's kit home company, [Builderific Kit Homes](#), would be only too pleased to assist you further.

WHY BUILD A KIT HOME?



The three main reasons people choose to build a kit home are money, personal satisfaction and your home your way.

Money

The savings associated with building a home the kit home way can be huge, let's face it these days most construction companies are project managers engaging sub contractors and add to their costs a builders margin that's profit margin usually. If you project build a kit home and sub contract all the labour yourself you can expect to save 20% in comparison with engaging a professional builder. If you construct the kit home with all labour by yourself other than electricians and plumbers you may expect to save a further 20%. Considering this it may be 40% cheaper to construct your dream home the kit home way other than engaging a builder.

Personal Satisfaction

When constructing your dream home yourself the urge to stand on the roof and shout to the world, I did it my way is hard to avoid. Owner builders take great pride and satisfaction of being able to personally construct the home that houses their family and their future.

Your home, your way

As the owner builder constructing a kit home you're the boss providing you have a kit home supplying company that has the flexibility to work in with your wishes it enables you to build your home, your way with your design your taste in materials and your expertise, your way.

Important information:

Are you considering joining Australia's largest building group, owner building a kit home?

Following are 20 very important points you should be considering and researching prior to making your decision to owner build or investing your hard earned cash into a kit home.

Kit homes in Queensland.

Queensland, beautiful one day, tropical tragedy the next. I think we're all aware especially in recent times as to the weather conditions Queensland can dish out. With cyclones, flooding, wind super cells bordering on being tornados, when building in Queensland, you need a kit home that's like our origin rugby league team, Queensland tuff! When looking into a kit home package to tolerate the harsh Queensland conditions it's important to be looking at the house frame, after all this is the skeleton that holds the building together. For strength in the frames, steel framing cannot be beaten, but not just any steel frame; one must consider a number of factors, the quality of the steel used whether it is cheap quality Chinese imported or Australian steel. Also the amount of steel used in the frame, the spacing between the studs or the roof trusses. Many companies stretch this out to be 800 to 1200mm between them, making the roof truss flimsy, like spaghetti. So not only is it important to take into account the quality of the steel and the amount of steel or spacing within the frame. Make sure that yours is Queensland tough.

Is your kit home supplier, really interested?

Or is her just going to sit in the ivory tower in the city, pressing computer buttons, flogging you a product. Along with a kit home not only should it consist of building materials but also the services and expertise of the supplying company. This expertise may include drafting design engineering energy efficiency rating, construction expertise support the list goes on. Are they genuinely interested in your project? Will they come and have a look at your land and help you assess type of design and structure most suitable for your land? Don't be shy to ask your kit home supplier for a bare block assessment.

Estimates of your cost or price of the kit home.

Like most retailers of a product most kit home companies are no different and only advertise their cheapest price. It's important when reviewing a price that you carefully study what you're actually getting for your money this is called the inclusions list. So when making a comparison it's not only important to compare price but also compare what is included and the quality of the inclusions. Be sure to check with supplier is there any cost for estimates and quotes.

Flexibility of design.

All kit home supplier companies have a number of their own standard plans, some will only produce and sell those standard plans. It may be important to you to deal with a company that has the flexibility in design that will allow you to start with their standard plan and make changes to personalise it to suit yourself which could mean moving walls adding rooms enlarging windows or many other things. Or perhaps you would like a kit home that is totally unique to you whether it is your plan or one designed custom especially for you be sure to ask the kit home company are there any extra costs for changing or designing custom plans.

When dealing with a kit home supplier company

It's important to consider that you are dealing with a company identity. Most kit home companies ask you to pay in advance a substantial amount of money if not all of the money relating to the purchase of the kit home therefore they have your cash and you are trusting that they will deliver. This is where a lot of people have in the past come unstuck dealing with companies that have little asset value have taken their payments and gone broke or failed to deliver. It's important that you know who you are dealing with. If you have concerns why not ask for guarantees in this day and age it is not uncommon to expect and directors guarantee on the contract this assures you that your money is not only secured with the company that you're dealing with but also against the company owners personal assets. Another alternative is to use a trust account managed by your solicitor most kit home supplier companies should be satisfied to deliver the product knowing that the funds are held in trust with a solicitor to be released on delivery.

Will the kit home actually work?

Many kit home suppliers are simply that, suppliers and nothing else. With hardware, building systems and legislative requirements constantly changing it's important that you know that the kit home system that you're purchasing is up to date and will actually come together and comply. Does the kit home supplier have building expertise? Do they build using it themselves? Do they really know the right screw and every little detail for the job because they're actually doing it to? Let's face it if your kit home supplier is using the system they know it works.

After sales support.

Building a kit home although simplified and suitable to the expertise of a handy man or fairly competent person is still remains quite a complex project with instruction manuals and literally hundreds of components that make up the home you're bound to need a little help. Some kit home supplier companies have the attitude of, here are your instructions, here are the materials, and we have got your money see you later. Look for a kit home company that is prepared to provide you ongoing support and instruction if you come to a point of difficulty. Ideally a builders' hotline whereas you can either phone or email a question or request for instruction and receive a prompt informative answer.

Warranties and guarantees of product.

The Australian building industry is being flooded by cheap imports cheap in price but cheap in quality. It's important to ask your kit home supplier as to what are the guarantees and warranties relating to each and every component that goes into your home. Be sure that your supplier is purchasing the components from reputable warranted Australian manufacturers.

Contract price and variations.

Before signing your kit home contract you need to be sure that it's the design you want, the inclusions the price and the terms are all as specified and suitable to you. Don't be led into signing a contract on the basis that it can all be sorted out later by variation although variations are okay especially if required because you changed your mind or want to change something after contact but bear in mind most companies charge a variation fee. With many variations this can add up to a substantial amount of money. Kit home supplier companies love it because it is an opportunity to increase their profit but to you it simply means more costs so work to get it right first time and be assured your getting what you really want.

Paying for your kit home.

As said prior the majority kit home supplying companies expect full payment for the kit home prior to delivery. This in most cases makes it unsuitable to the banks and not eligible for normal bank lending criteria. If you're planning to act as project manager and engage a licensed builder to construct your new home, you are able to borrow from the banks on this basis providing the payments to the builder and the supplier are paid in stages as per the usual terms and conditions of lenders construction loans. So if you're planning on doing this you're going to need a kit home supplying company that is flexible and negotiable within their terms and conditions of your payments. Look for a kit home company that supplies a fixed price contract with payment terms matching a standard master builders' construction contract.

Alternative verses conventional design.

There are quite a number of kit home supplying companies that have come up with some fairly alternative building styles and designs. This could consist of a number for example mud brick, hay bale or straw rendered, dome shaped constructions, aluminium clad freezer panel walls and many more, although you may see these concepts and like the homes and you may think to yourself why not do something different and alternative, well that is fine if you plan on living in the home for the rest of your life. But if you plan to one day sell; it's important that you take into consideration how the prospective purchaser is going to view your home. What you see as looking good and a great idea at the time may be totally detrimental to you at the time of selling and generally not acceptable within the market place. So If you plan to one day sell the home you build, it would be clever to keep it along conventional lines of building using renowned and well accepted quality materials. So that at time of selling your owner built home will be every bit as well received in the market as the professionally built designer home down the road.

Don't run out of money.

Keep it simple before launching onto your owner building project, be sure that you have taken everything into account for your project. Be sure that you are totally familiar with the inclusions list and what your kit home supplying company will be supplying. Remembering kit homes although most commonly include all engineering drafting and certification don't actually include on site labour so you need to be sure as to what labour tasks you will be completing yourself and what you plan to sub contract. You need to know what those sub contractors will be charging you as this is on top of your kit home purchase price. Unless you're a tradesman even if you plan to do all the labour yourself you're still going to need to engage a licensed plumber and a licensed electrician to conduct their specialty trades. Be sure that the cost of these trades is taken into account with your budget. As I said earlier Australian banks don't work well with owner building and you don't want to run out of money with your home only three quarter built and no possibility of borrowing further funds to complete it. Plan your budget well in advance and keep it simple.

For more information on Kit Homes please see, [Builderific Kit Homes](#), We would be only too pleased to assist you further.



When you compare apples with apples We stand out from the rest

As we provide:

- ✓ **FREE** bare block assessment *
- ✓ **FREE** unlimited amount of estimates of your cost
- ✓ We can produce your home, your way, totally custom to you at no extra charge
- ✓ In house home designer to customise your plan
- ✓ Friendly service from people who make building an enjoyable experience
- ✓ You get to know who you are contracting with, not just a Company (that could be a 2 dollar shelf Company)
- ✓ We are prepared to offer you Director's guarantees against personal assets, no hiding behind Company structures
- ✓ You can visit us at our office for help anytime
- ✓ Our kits work, we know it because we build with them too
- ✓ A number of professional builders use our kit homes
- ✓ **FREE** professional Colour Consultant *
- ✓ Our products are all individually warranted by manufacturers here in Australia, no cheap imports!
- ✓ Our hardware experts, get it right, even down to the correct screw for the job
- ✓ If there is a problem, we sort it out, usually within 24 hours (it's unlikely there will be any problems)
- ✓ We can provide builders help onsite, if required *
- ✓ Fixed price contracts – NO surprises
- ✓ You will get your product and on time, Guaranteed!
- ✓ Your money is safe with the use of solicitors or Master Builders trust accounts
- ✓ Steel frames with a 50 year Manufacturers Guarantee
- ✓ We can custom your payment plan to suit you, within limitations, but negotiable.
- ✓ Past client references and introductions available

* **GEOGRAPHICAL RESTRICTION MAY**

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