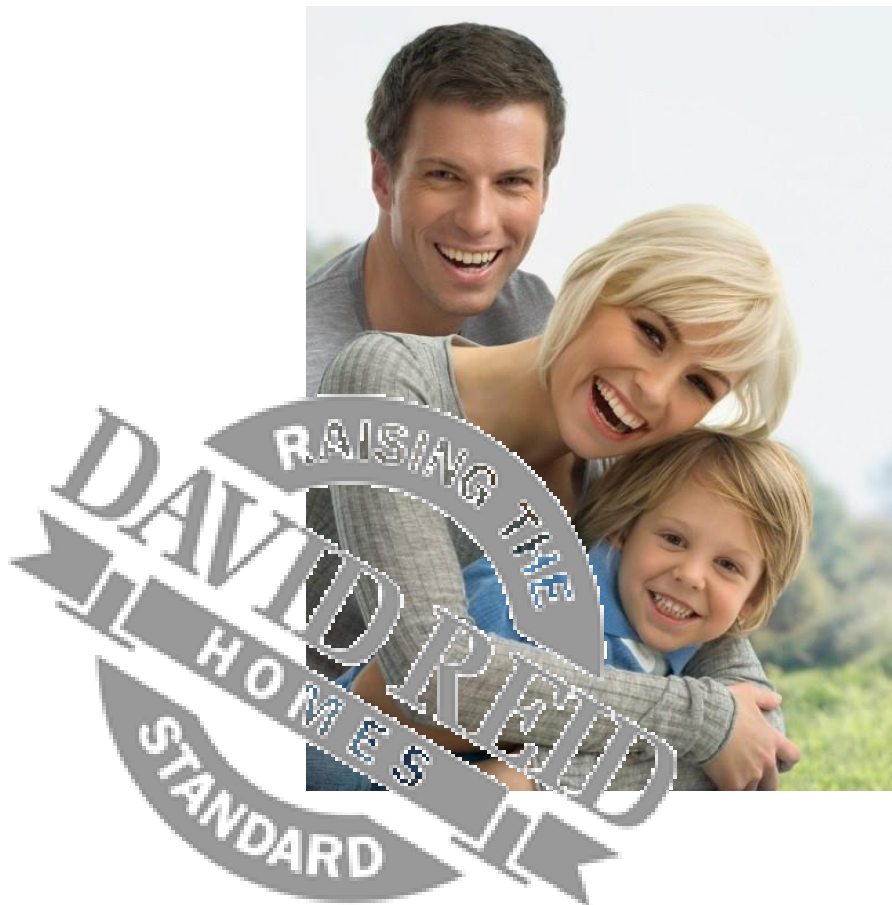




9 ESSENTIAL THINGS YOU SHOULD KNOW BEFORE YOU BUILD A HOME

Thank you for your building enquiry.

*Congratulations!
By contacting us you will receive some of the most valuable
information covering building available.*



1. Check the experience of your builder

Some builders can claim that they have built hundreds, or even thousands of houses, however they may have just built variations of what is essentially the same house.

Do a little research to find out the scope of experience of your builder. If you want to build a luxurious home, or on a sloping site it's important the builder is capable of this type of building. Find out whether a builder is respected for doing quality work, as well as being punctual. Most importantly, was there good communication? Ask to see examples of his work, references for the addresses of previous houses they have worked on, and ask the owners if they were satisfied with the results (i.e. was it finished on time? Did they stay close to quoted cost? Were they on the 'same page' as you?)

Questions to ask the builder

a) What is your building contractor licence number?

If the builder is a company they need a company builders licence and the company needs a supervising builders licence. This might not be the director of the company, it could be an employee or partner. Ask for the licence.

b) What Insurances do you have in place?

Make sure the builder has public liability for at least \$10,000,000. Construction insurance can be a job by job cover or an annual policy. Construction insurance covers the cost of the building up until handover to the owners. This is when you will need to take over insurance coverage so you are covered in case there is a fire, theft, vandalism, etc. BSA Home Warranty Insurance –this is required for work over the value of \$3,300.

c) How much deposit do I need?

Maximum deposit allowable by law in QLD is 5% and this will be in any home building contract. This question will check the integrity and knowledge of your builder.

d) Do you have a quality control policy?

Most quality driven builders will have a structured plan for ensuring quality, this is always the priority.

e) Are you compliant with all Workplace Health and Safety obligations, and what systems do you have in place to be compliant?

You're probably wondering what this has got to do with you. Well, if the construction site is closed down by a Workcover inspector, you may be waiting a couple more months for your home to be completed, which may lead to compounding issues. A conscientious builder will have a full system in place.

f) May I get a list of references of previous clients whose homes you have completed?

Take the time to read through references and check them. Look for a builder who has established good relationships and an underlying trust with their clients.

2. Budget, Speed & Quality

You can rest assured we know all the horror stories out there and we have both the experience and systems to ensure your build is one of the successes rather than the vast majority that result in nightmares for the client!

Enough, let's focus on the positives! There are 3 components to any build. They are budget, speed and quality. Naturally, you would like all 3 and that can be achieved in balance, but it's important to note they are all linked. So, we need to get clear at the beginning, what is your number one priority?

Just because you choose **budget** doesn't mean you will end up with an inferior build. Just like paying over the top will not guarantee quality! But, budget will always be a top priority for both of us and all subsequent decisions will be made with that in mind.

If you need **speed** then be honest with your deadline. If we cannot meet it we will not waste your time. Equally, you should insist on a timeline plan from whoever tenders for the work. This will ensure the handover date has been planned. If your builder cannot (or will not) provide this info then they are incapable of achieving a successful outcome.

Quality is often talked about and rarely delivered in residential construction. It is linked to speed because it takes longer to deliver a higher standard of work. It also means that the supervisor will be far more confident getting sub-standard work redone if he is not working to an immovable time line (Christmas!).

So, the first question I need to ask is: what is your number one priority? You can say all three if you wish. That is fine, but we are now working in your interests so it's good to know if there is a pressing constraint involving a budget or completion date.



3. Deciding on your home design

The beauty of building is that you can create the home you want. It's a great idea to start out by scrapbooking ideas from books and magazines. Write down a list of rooms you require or want.

If you're building a custom new home and you want to make it special, this is where it starts. You can use an architect, a building designer or take your sketches to a draftsman. But talking to your builder first can save you thousands of dollars. Ask their opinion on where to go for design help for the type of house you want to build. We can suggest an architect, draftsman or building designer outside our company but it is still a great idea to run the initial plan or sketch plan past us before you fully commit to a working plan. Small changes may need to be made that affect the appearance of the house, and there may be changes that can save tens of thousands of dollars on building costs. We can discuss with you the difficulty of the site, best orientation, etc. **A trap that many people fall into is going to an architect and designing a "dream home" that they cannot afford to build.** It is heartbreaking for people to spend thousands, sometimes tens of thousands of dollars on a plan that is basically useless to them. By working closely with the builder from the start, you can minimise this problem.

David Reid Homes has the best of both worlds! A custom design section & a plan library with thousands of flexible designs. Using our in-house building design service comes with practical advice and know-how, the designer and builder work closely from concept to finish, hence understanding your vision from the start.

Here are some things we suggest you consider:

- Single, double or split level?
- How many bedrooms?
- How important is living space?
- Have you thought about sustainability?
- How much outdoor space do you want?
- What fixtures and fittings do you want?
- What do/don't you like about your current home?
- What do you want the outside to look like?



4. Guarantees & Warranties

HOME WARRANTY INSURANCE (BSA Insurance)

Home Warranty Insurance is designed to protect homeowners against losses caused by the death, disappearance or insolvency of their builder during the construction period or for a defined period of time after completion. One misconception that exists in the marketplace is that BSA insurance protects the builder. *Home Warranty Insurance does not protect builders.* It is not an insurance that covers any claims on the builders over the 6yr 6mth structural warranty. It is only for the build period as a security for the owners that if the builder dies, disappears or become insolvent than the owner can claim to help finish the house. It is compulsory to have Home Warranty Insurance for any job over \$3,300.00.

CONTRACTS

By law, your chosen builder or tradesperson must give you a written contract if the value of the work is over \$3,300, materials and labour (including GST).

BUILDER'S GUARANTEES

In our quest for superior quality and highest level customer satisfaction, we guarantee all our clients:

- To care about your house like it is our own
- A Free 2hr colour consultant meeting
- To meet the Building Standards of Australia
- To give you security by using a HIA New Home Contract
- To communicate & keep you up to date
- House Cleaned upon completion, so all you have to do is enjoy moving in
- A room by room quality assurance checklist at completion
- Your vision is our priority- we use our experience, our knowledge, our energy to create a home you'll be 100% satisfied with.



5. Here's 10 Reasons why David Reid Homes is the ONLY choice for your next building project

1. Our services include design & construct, construction management, project management, and full construction service as a licensed builder with projects ranging from small homes or duplex units to million dollar projects.
2. Our workmanship and service exceed our customer's expectations.
3. We expose ourselves to the latest products & training to keep up to date for our clients.
4. We maintain a clear focus of our client's needs and aspirations.
5. We provide quality services and workmanship.
6. Each project receives our personal attention so your project is completed to the highest possible standard.
7. We can provide a complete Turn-Key solution, from concept plans and working drawings to final certification reducing your time and stress.
8. You will be 100% satisfied with your home and our service.
9. Upon receiving your plans, we provide you with a preliminary estimate in 2 business days, and a written quote is provided within 20 business days, enabling you to move to the next stage much quicker.
10. The step by step procedure of the process of building with us:

Step 1 -Free Site Inspection. Meet you on site to discuss construction options and your requirements.

Step 2 -Designing your home. You tell us what style home you have in mind and we can recommend the building designer or architect that we think is most experienced to fulfil your needs. We will then work as a team to give you the very best in design service.

or;

Help In choosing a plan. If designing your home is too daunting (we understand this!) or if you are a first home owner just starting out in the home ownership world, we can offer you a fantastic choice of flexible plans to suit you & your block.

Step 3 -Tendering Process. Prepare a budget estimate or quotation for you with site works and all other inclusions. Set out in a clear manner that shows everything that is included in your tender. No assumptions required.

Step 4-Tender Acceptance. Discuss changes and additions to the project and gain your approval to proceed with the works.

Step 5-Signing of Contracts. Prepare contract for you to sign. Develop a time line program for the project and arrange a start date.

Step 6 -Finance Approval. Provide us with your loan approval documents or bank guarantee that you have your own funds to cover the contract value.

Step 7 -Commence Construction Works. You will receive updates on the process of the project. Site meetings are arranged if required to monitor progress of the works.

Step 8 -House Detail. Your house is detailed, not just cleaned!

Step 9 -Handover Part 1. Carry out a detailed inspection of the completed works with you and rectify any incomplete works for final acceptance and occupation. Arrange for finance institutions to do their final inspection and valuation so final payment can be made.

Handover Part 2. Arrange a date to hand you the keys to your new home!

Step 10 -Maintenance Period. Attend to any issues or any rectification works that require completion during the defects liability period

6. Checking your quotes

If you went to buy a new car you would expect to receive a full specification, options and a detailed price. So why is a building contract so different when it can be over 30 times the price of your car? To help avoid misunderstandings and to ensure you are comparing apples for apples make sure the following questions are answered and included in any quote.

- Is temporary fencing included in the quote?
- Are the site works, footings & slab quoted as per soil test?
- Are all set out surveys included?
- What is the finish to the soffits (eaves)?
- What is the specification for the hot water system?
- What termite control is included?
- All building approvals, insurances & certification included?
- Footings & slab engineer inspections included?
- Is the site left clear and tidy with any rubbish removed?
- What bathroom accessories are included?
- Are insulation batts included to the entire ceiling? (If so, what rating?)
- Is the energy efficiency assessment included?
- Are supplier delivery charges included?
- Are the internal WC's externally vented? (BCA Requirement)
- What is the specification & furniture for the internal doors?
- Is the driveway included?
- What is the finish to the driveway?
- What type of splashback is allowed for in the kitchen?
- Is the letter box included?
- What insurance is included?
- Who is the colour consultant and how much time has been allowed?
- Provisioning for site access included in quote?
- What is the handover & orientation process?
- How many maintenance inspections have been allowed for after handover?
- Are any external features (hoods/awnings/batten screens etc) included in the price?
- What type & size are the robe doors & what is the fit out to all robes & linen cupboards?
- What is the specification of the air conditioning if included?
- What is the specification for the cabinetry in the kitchen, laundry & bathrooms?
- How clean is the home at handover? (what is the process?)
- Is the quote inclusive of any additional materials required for 6 star energy efficiency rating?
- What is the specification for the security system?
- Have slabs been allowed for rainwater tank, air conditioning unit etc?
- If the home is on stumps, have adjustable stumps been allowed for?
- Is the TV Antenna included?
- What size skirting & architraves have been allowed?
- What size frame is allowed for?
- What is the specification for the garage door?
- Is gas installation included?
- How many coats of paint have been allowed and what is the paint specification?
- What finish has been allowed for to the ceiling/wall junctions?
- What length has been allowed for stormwater & sewer connection?
- If your block doesn't have town sewerage, what sewerage treatment system is included?
- If your house is set back from the boundary, have the water, power and phone lead-in been allowed?

- How many outside taps have been allowed for?
- What is the specification for the kitchen sink?
- What laundry tub has been allowed for?
- What basins are included?
- What is the specification for the shower screens?
- What is the specification for the mirrors?
- What tapware has been allowed for?
- Is temporary power & services included?
- Which brand of windows & doors have been included?
- Has external rendering been included?
- What is the specification for the stairs and balustrading?
- What carpets and underlay have been allowed?
- What is the specification for the external balustrades?
- What is the finish to the garage floor?
- What kitchen appliances have been allowed?
- What is the specification for the water tank?
- What tiles have been allowed to the walls & floors? If it is an allowance what size and quality does the allowance cover?
- What height is the tiling in each wet area?
- Is the garage lined?
- Do you get a clothes line?
- Are the value of PC Items sufficient for the quality of fittings you expect?

A quote should capture detail. Lack of detail can lead to an increase of over 36% to the contract price by completion.



7. Sustainability

A great majority of Australians live in homes that work against the climate, rather than with it. These homes are energy inefficient, too cold or too hot and comparatively expensive to run. Most homes use more water than necessary, and can be made of materials that damage our health and the environment.

Building a home using good design principles can save energy, water and money, while creating a more enjoyable and comfortable home.

The cost of implementing good design ranges from a net saving through to a significant up-front investment that will be repaid throughout the life of the home and increase its value in the future.

Depending on your budget and your priorities, you may want to consider:

The basics – required in every new home to meet the 6 star requirement

- 4 star WELS rated toilets
- 3 star minimum WELS rated tapware and shower outlets
- Energy efficient lighting
- Ceiling/roof insulation
- Sufficient ventilation

Extras – Depending on location and design, some homes will need some of the following:

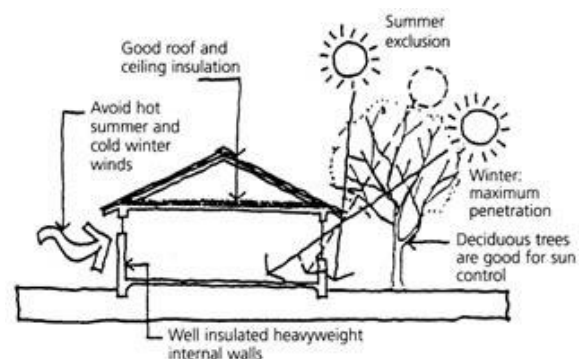
- Tinted windows
- Fans
- Outdoor living space
- Solar PV panels (1kW)
- Wall insulation

Common sense options –

- Orientation - Living areas facing to the north
- Energy efficient hot water system (no longer compulsory in some areas)
- 5000L Water tank (no longer compulsory in some areas)
- Use of timbers from sustainably managed forests
- Window placement for warmth in winter, cool in summer.
- Shading for windows
- Extra insulation and draught sealing
- Gas or induction cooktop

A Step Up

- Energy Efficient glazing
- Use of recycled materials (depending on the style of your home)
- Solar PV panels/ Wind systems
- Home Automation
- Geo-thermal heating
- Consider embodied energy and life cycle of materials selected
- Use of thermal mass
- Skylights



For more information, visit yourhome.gov.au

8. Statutory Requirements

Be aware of the requirements of legislation, your council or approval authority and your financial institution.

COUNCIL APPROVAL

For a new home, the builder will need to submit a Building Application to the local council or building certifier.

With these applications you will be required to submit:

- 3 copies of plans
- Engineering details, soil test etc.
- BSA Insurance Certificate
- QLeave Levy Notification
- 6 Star Energy Assessment
- Sewer & water applications if required

6 STAR ENERGY EFFICIENCY

6-Star energy efficiency requirements for new homes became mandatory in Queensland on 1 May 2010. However, rather than simply having to comply with the construction requirements outlined in the Building Code of Australia (BCA) 2010, Queensland builders have been given four different options to achieve 6-stars. The new legislation includes alternatives for the use of outdoor living areas and photovoltaic (PV) cell system which allows customers greater choice.

As was previously the case, the new requirements are set out in Mandatory Part 4.1 Sustainable Buildings in the Queensland Development Code. MP 4.1 now sets out four different methods for a new home to achieve 6-stars.

1. BCA 2010

Complying with all of the elemental provisions (previously known as Deemed to Satisfy) of BCA 2010 (Volume Two) will give a 'deemed' 6-star rating without any additional inclusions or offsets.

2. Verification

Verification using a reference building as outlined in BCA 2010 (Volume Two). You can use the energy rating from one home to verify another home if it is identical on all of the factors that affect its energy efficiency e.g. design, orientation and climate zone.

3. Software Rating

Obtaining a house energy rating using one of the three software rating tools - BERS Pro, FirstRate 5 or AccuRate)

4. BCA 2009

Complying with the 'Deemed to Satisfy' provisions of the BCA 2009 (Volume Two) to achieve a 'deemed' 5-star rating PLUS obtain a 1 star credit by using one or more of the nominal credits.

Nominal Credits

- 0.5 star for the inclusion of a 'compliant outdoor living area' (see below);
- 1 star for a 'compliant outdoor living area' with a permanently fixed ceiling fan (with a speed controller and blade rotation diameter of not less than 900mm)
- 1 star for a solar PV system of at least 1 kW in capacity (max. power output)

Compliant Outdoor Living Area

To receive the 0.5 star or 1-star nominal credits, a 'compliant outdoor living area' must comply with all of the following criteria:

- be directly accessible from, and attached to, a living area of the dwelling e.g. off the lounge, kitchen, dining or family room,
- have a minimum area of 12m² and in all directions be a minimum of 2.5 metres,
- be completely covered by an impervious roof, and
- two or more sides must be open or capable of being readily opened, not including the connection between the internal living area and the outdoor living area.

BUILDING IN TRANSPORT NOISE CORRIDORS

New residential buildings and alterations in designated transport noise corridors need to comply with the Queensland Development Code (QDC) Mandatory Part (MP) 4.4 'Buildings in transport noise corridors'. Under the code, buildings need to achieve certain levels of noise mitigation through the use of appropriate materials for the floor, walls, roof, windows and doors.

A free online search tool can be used to find out if a property is located in a designated transport noise corridor. The tool allows searches on a registered lot number and/or property address to determine if and how the code applies. Information about transport noise corridors is also available at state and local government offices, is shown in local government planning schemes and may be included in notices on property titles for state designated transport noise corridors.

BUILDING IN A BUSHFIRE PRONE AREA

In 2009, Queensland adopted the Australian Standard for the Construction of Buildings in Bushfire-prone Areas. This standard sets out the requirements for all new buildings constructed in bushfire-prone areas. Properties in Bushfire prone areas must be assessed by a suitably qualified person, and a "Bushfire Attack Level" or BAL rating designated.

Depending on the BAL level, there will be requirements affecting the materials and the construction methods used for your home. Some of these items will not affect the cost of building, whereas others may increase the cost. BAL levels may affect:

- Timber selection for sub-floor beams and decks
- External cladding selection
- Sealed wall and roof joints to guard against ember attacks
- Glazing and window construction
- Window Screens
- External door selection
- Roof and eaves material

FINANCIAL INSTITUTIONS

All Financial Institutions are different. But the following items are most often requested. Please check with your bank, broker or credit union for what their requirements are.

- A copy of the building contract -showing the contract price & progress claim schedule.
- Building Specifications
- Council Approved plans
- Documents from the builder, such as;
- Contract Works Insurance cert of currency
- Public Liability cert of currency

9. Relationship with the Builder

The relationship that you will have with your builder will be an involved one over a matter of many months. Personal communication skills are essential to make sure that your building experience isn't stressful. During construction you may be talking directly with the builder, or you may be dealing with a site supervisor. It is a good idea to meet with the person and to consider the following:

- Do they have good personal skills?
- Do you feel like you get along with them?
- Are they more interested in your needs than their own ego?
- Do they understand what you are trying to communicate?
- How do you think they will deal with issues and problems as they arise?
- Do you feel like you are being involved in the process rather than just fitting in with the builder's system?
- Do you feel that your needs, goals and ideas are valued?

We trust that you have found this information informative and useful. For more information about how we can work with you to build your new home, please contact us.



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