

NEW HOMES CONSTRUCTION

TIPS FOR BUYERS

1. *Protect your investment*

The only way to be sure defects are detected with new construction is through an independent professional inspection—someone working for *you*, not the builder.

2. *Adopt a staged approach*

To protect your investment, it's best to have independent progress inspections completed at three key stages of construction:

- (i) footing/slab inspection
- (ii) frame and brickwork inspection
- (iii) final handover inspection (also known as practical completion).

If you wait until your house is complete the inspector can't check certain elements (for example, frames covered with gyprock and painted) and it can be too late to rectify building issues that affect the quality (and value) of your home. This could affect resale value. Also, it can be difficult to get back progress payments you've already paid to your builder.

3. *Timing is everything*

Make sure you have an independent property expert assess the quality of construction before you move in and release your final payment. You can also do this during any of your three main warranty periods—your 90-day maintenance period (also called the defect liability period), the two years you have to claim non-structural defects or the six years you have to claim structural defects. After these periods pass you're not protected by warranty.

4. *Engage a qualified, professional property inspector*

Remember, builders are not qualified property inspectors. This is an area of expertise in its own right. The only way to get total peace of mind is to do your own due diligence by engaging an experienced property inspector. This means not relying on mates who are builders, plumbers or carpenters to inspect your new construction. Relying on mates leaves you exposed with no legal recourse and these tradespeople are not trained for this type of specialised work anyway.

5. *Understand your contract*

It's important to understand your contract and your progress payment responsibilities. It's best to ask your solicitor to review your contract for potential concerns *before* you sign it.

6. *Ghosting*

Ensure your builder holds all the necessary licences to operate and is not using the licence of another builder to perform work they aren't qualified to do. This illegal practice is called ghosting and it happens more than you think (the ACT Government has even released public information warning consumers about this). If you engage a builder without a licence you won't be protected by any authority.

7. *Comfort through professional associations*

Check to see if your builder and/or property inspector is a member of the Housing Industry Association (HIA) and/or Master Builders Association (MBA)—this is a sure sign they take their profession seriously. Remember, too, that these professional, national associations help consumers with concerns or problems.

8. *Advise your builder of your intentions*

It's best to let your builder know you intend to engage an independent professional to conduct inspections on your behalf. Some builders may try to talk you out of this, stating that certifiers do this work. However, the certifier is paid by the builder *not by you* (see 'The true role of certifiers' below).

9. *The true role of private certifiers*

Builders pay private certifiers to sign off that project stages meet local government and/or council regulations. While certifiers are ideally working for the buyer they are paid by the builder. And many builders use the same certifier over and over so they have a tight business relationship. In addition, checking regulations is the certifier's only responsibility. Certifiers do not, therefore, inspect the *quality* or *finish* of your work. Nor do they advise you if it has or has not been carried out in a good tradesman-like manner. It's therefore best to have an independent professional property inspection company act on your behalf to ensure nothing has been missed and to check both quality and finish. It's the only way to be confident about your investment.

10. Consumer warning

In the ACT and NSW the property inspection industry is not legislated. Indeed, you don't even need a license, building qualifications, accreditation or experience to operate. This is why it's important to only engage the services of a property inspection company that can prove their industry track record.

11. Ask questions about expertise

Given that the property inspection industry is not legislated, it's important to ask questions before you engage the services of a property inspector, such as:

- How long have you been in business—how many years have you been inspecting?
- Do you have any qualifications—for example, accreditation with the Master Builders Association or a building license?
- Do you follow Australian national standards when inspecting (Building Code of Australia)?
- How long does it take you to inspect a property (at least 1.5 hours is needed to do the job well)?

- Do you provide an itemised defects list room-by-room?
- Do you review the inclusions list for missing items?
- Do you check the quality and finish of workmanship, and how?
- Do you check all electrical appliances and power points?
- Are your reports detailed, easy-to-read and supported by photographs?
- Will you take the time to explain the contents, including technical, of a report to me?

12. Priceless peace of mind

Some property owners believe it costs too much to have three property inspections conducted for new construction yet the opposite is true. It only costs a fraction of the cost of your property—less than 1%—yet gives priceless peace of mind. If you were buying a second-hand car worth only hundreds or a few thousand dollars, you would want a qualified person to inspect it. Why not a property worth hundreds of thousands of dollars?

Surety Property Reports handles the full range of your new construction inspection needs, including:

Footing and slab
Frame and brickwork
Final handover

SPECIAL RATES PACKAGE FOR ALL THREE STAGES

Professionalism you can count on

Surety Property Reports is a member of the MBA and the HIA. Director Bruce Cohen is an accredited consultant with the MBA and a qualified building inspector with more than 10 years' experience. We are fully insured (including professional indemnity insurance).

Our professionalism extends to the little things too. We respect and care for the property being inspected as though it was our own home. We always use overshoe booties, drop sheets, gloves and gutter protectors.



www.suretyproperty.com.au

1300 767 741

ACT and surrounding region Queanbeyan South coast (Ulladulla to Eden and west to Braidwood)