

# **12 Ways To Avoid Expensive Mistakes When Building A New Home**



**Ann & Howard Woolston**  
**[www.Smartway.Builders](http://www.Smartway.Builders)**



## 1. Choose the Right Location/Section

- The bigger the slope the more expensive it is to build on. If it has the dual complication of sloping section and a sloping road it can cost even more.
- A 40 or 45-degree slope on the section could add \$50,000 to \$75,000 to the cost of the build. A 50 or 55-degree slope will add over \$100,000.
- And if the slope is more, expect to spend at least an extra \$150,000 “getting out of the ground” so you’ve got a level platform to build on.
- Extra cost comes not only from the work that must be completed on larger or deeper foundations, but HOW that work will physically be completed.
- Talk to your builder before you sign up for the land so that you understand any potential extra costs and issues.



## 2. Design a Layout That Will Work For You, Not The Architect

- Be specific about what you want, or think you want in your new home. The more time you spend planning the better the result will be.
- How many bedrooms and bathrooms? Do you need space for young children, teenagers or older relatives? Their needs are different.
- Do you want open plan, visibility into and from the kitchen or everything hidden, separate spaces for different activities?
- Get your builder to talk through some options that could work for your section ... will it be single level, dual level or multi-level?
- Be practical and pragmatic ... and if necessary, be pushy! It's your home after all and you want the best result you can get.



### 3. Make Sure You Keep Your View and the Sun

- Understand the impact of different locations on the site and different angles that the house can sit, so that you maximise the views and sunlight.
- Get your builder to show you where the proposed floor levels will be. Often a change in floor levels of 200mm makes a huge difference to the view.
- The sun rises in the East, goes across the house from the North and sets to the West. What route does it take for your section?
- Whilst it's nice to have full day sun, do you want some spaces that aren't exposed to either wind or sun, so you can enjoy them too?
- Big areas of glass are needed to maximise the view, but big areas of glass also need significant structural work ... and cost.



## 4. 24 Things That Affect The Cost Of Building A New Home:

1. Site location relative to major city / suppliers.
2. Access for trades, supplies, trucks, diggers.
3. Slope of the land.
4. Condition of land (hard, soft, slippery, breaking up).
5. Proximity to public walkways – does it need engineered retaining for safety?
6. Position of building platform. Is it restricted?

7. Size of house in m<sup>2</sup>. Bigger houses cost more.
8. How many levels? Single level dwellings are less expensive.
9. Layout / shape ... how many internal / external corners?
10. What style? How unusual is it going to be?
11. Large open spaces in living areas need structural beams.
12. Eco-friendly, whilst better for us all, costs more.
13. Do you want technology in-built?
14. What cladding type or types do you want?
15. What roofing type, style and design?
16. Windows and glazing ... Timber? Aluminium? PVC?
17. Kitchens and bathrooms ... how many?
18. Decking and patios ... where and size?
19. Number of cupboards / extra walls / doors.
20. Insufficient details / plans / specs.
21. Landscaping and fencing.
22. Other specific details where there is a range of costs / levels (carpet, drapes, light fittings etc. etc.)
23. Stuff that's not included in the quoted price.
24. Variations ... extra costs are incurred whenever you change your mind!



## 5. Spend Time Getting It Right

- Know what you want.
- If you don't know what you want, ensure that your builder can help you work it out through the design process. Work with someone who can help.
- Understand your current and future lifestyle and needs.
- Have designs and drawings prepared for you.
- Have a "Before You Start" checklist.
- Most important ... YOU need to OWN the plan. You don't want to end up where you say "That's what the architect came up with, but I was never happy with it".
- Don't succumb to "Designer Decisions". Be in charge.

## 6. Don't Cut Corners

- Agree with your builder how “Acceptable Quality” is to be defined so there are no misunderstandings from day 1.
- You don't want stuff-ups, cover-ups and people not owning up to things, so make sure your building project is managed by professionals.
- Unfortunately, cheap means exactly that in the building industry, and if you “Pay Peanuts You Get Monkeys”.
- Experienced, qualified people cost more than amateurs, so always pay for the BEST you can.
- It's unwise to pay too little...

John Ruskin, a 19th century poet and philosopher, made the following observation...

*“It is unwise to pay too much, but it is also unwise to pay too little. When you pay too much, you lose a little money, that is all. When you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the job it was bought to do. If you deal with the lowest bidder, it is wise to add something for the risk you run, and if you do that, you will have enough to pay for something better in the first place.”*

- Cheap products often have some components missing, so installation becomes complicated and more expensive as the installer must go and find the right “extra bit” that's needed e.g. special sink inserts, gas connectors etc. So, stay safe with the main brands.



## 7. Choose The Right Building Company

- Check out their testimonials, case studies or photos of previous work.
- Do they use licensed, qualified and experienced tradespeople?
- Do they understand that Restricted Building Work must be carried out by a Licensed Building Practitioner (LBP)?
- Will they communicate well and be easy to understand?
- Are they flexible and helpful if you need to make changes?
- Will they respect you and your opinions?
- Will they listen to you ... or ignore you or talk down to you?
- Are they someone who will care about you, your family, your pets and your belongings?
- Will they “Be There” onsite and be committed to your job?
- Have they provided the necessary disclosure statements?
- Do they use a formal quoting process, or do they do their costing based on general “footpath” estimates only?
- Do they provide extra useful information to help you understand the process, the rules and the parameters?



## 8. Have A Signed Contract

- It needs to be in writing ... and written in easy-to-understand language.
- Make sure that the plans and specifications are all agreed, that they are what you want and that they are listed in the contract.
- Know what's included and what's not.
- Get everything specified at the beginning. Remember, "The Devil Is In The Detail!"
- Read, learn and understand your contract. Ask questions if you're not sure.
- Make sure you get the information and disclosures that your builder MUST provide to you. There are Government regulations that apply to EVERY Building Contract.
- Get legal advice so you understand what you are signing.



## 9. Get a Fixed Price For the Job

- Have a clear total price for the work, so you know where you stand and can budget more easily. There may still be unexpected costs, like finding pipes that aren't on the council plans, or overly soft ground, but most of the cost is known at the start.
- Generally, more of the risk lies with the builder because under a Fixed Price a builder may not be entitled to extra payments if there are cost overruns.
- Banks are more likely to lend you money. They like less risk, and a fixed price means less risk of the cost escalating past the level you can afford.
- You'll generally deal with a larger and better quality builder, as small operators aren't pricing experts, and they often prefer to avoid fixed cost contracts.
- It's easier to value the project at any point, as the current value can be looked at as the finished value, less how much is still left to pay out.



## 10. Specify Good Quality Products

- Choosing cheaper products to save a few bucks here or there can be all too tempting when building on a budget. But don't be fooled! Substandard building materials could end up costing you more in the long run.
- Cheap products often don't have some components included like the more expensive ones, so installation becomes complicated.
- Do you want your new home built to last or built cheap? Cheap means exactly that and it will ultimately come back to haunt you.
- Some products don't meet minimum standards, some just manage to scrape through and some provide extra guarantees and longevity. They are more "fit for purpose". Don't allow "lesser-quality" substitutions, even if they still theoretically comply.



- Building a new home for you and your family isn't the time to skimp on the little things- especially if those little things make a big difference in how much you'd spend to maintain or repair your home in the future i.e. if they increase the total cost of ownership of your home.
- Spending a bit more on kitchen and household appliances also means you get an energy efficient, reliable product that can save you money in the long run.
- When buying building products, look for evidence of Building Code compliance or better still BRANZ Appraisal or CodeMark Certification. These are a comprehensive independent assessment of New Zealand building products and systems, which guarantees 'fitness for purpose' and code compliance.
- The simple fact of the matter is, paying upfront for quality, compliant building materials is your best assurance of durability and long-term performance, and could save you having to pay out for major repairs further down the track.

## 11. Don't Try To Do-It-Yourself

- Building a new home to current New Zealand standards is a skilled enterprise and not for the inexperienced DIYer.
- There are LOTS of regulations and specifications and building codes to follow. Literally hundreds of pages you must understand and follow correctly.
- Don't attempt to build or project manage the construction of your new home, unless you are skilled and experienced in:
  - Construction project management
  - Organising and planning multiple building activities
  - Health and Safety policies and procedures
  - Managing subbies and suppliers
  - Building new homes from the anticipated materials
  - Product selection and legal substitution
  - Design and draughting
  - Engineering
  - Building regulations
  - Building standards
  - Building related products
  - Approved items vs not approved items
- Don't try to Project Manage it all yourself as it always ends up costing much, much more, taking years longer ... and being LOTS more stressful than you can imagine!
- Place a value on your sanity, your stress levels, your family and your relationships ... and leave the building to the experts.



## 12. Relax and enjoy the process.

...It takes time to create great things.



**YOUR NEXT STEP:  
Get in touch with us today...**

**Ann & Howard Woolston**  
Directors  
Smartway Builders

Ann's Mobile: 021-030-4291  
Howard's Mobile: 027-478-9283  
Tawa, Wellington  
PO Box 13-155, Johnsonville, Wellington,  
New Zealand