

8 Ways To Avoid Expensive Renovation Mistakes



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1. Only Do What You Can Afford

- Agree your budget up front and know what it is.
- ALWAYS include a contingency, preferably 5% – 10%.
- Make sure your finance is approved before you start.
- Be realistic about what you can and can't afford to do.
- Make sure that your builder will cost things accurately for you.
- Agree your price with the builder.
- Understand what happens if you change your mind and the impact of variations.
- Acknowledge and understand any potential extra costs, or things that aren't included.



2. 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.



3. Only Make Payments At Agreed Stages / Milestones

- Under the Construction Contracts Act payments must be specified and should be paid at agreed time periods, stages or milestones.
- Payments should be clearly identified as to what, when and how they will be paid so there are no misunderstandings.
- If possible, payments should be tied to visual matters e.g. excavation, foundations, sub-floor, walls, roofing, cladding etc.
- It's also important to tie them in with required council inspections and sign-offs.
- And if you're not happy with a Payment Claim that has been made by a builder, then there is a simple process to follow.



4. Insist On A Written Guarantee

1. Understand what the Defect Remedy Period is and how it works.
2. Make sure you get a minimum 10-year Workmanship Warranty.
3. Know the process and what happens once work is finished.
4. Get your written Guarantee in clear and easily understandable words.
5. Specific product warranties / guarantees are also needed.
6. Be aware of the inclusions and exclusions of all guarantees.
7. What are the additional costs for out-of-warranty / guarantee work?
8. Understand what the claim process is for all warranties and guarantees.

5. 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?



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. Don't Make Changes Unless Absolutely Essential

- Changes are more often called Variations. Variations cost money. Variations cost time.
- There is also an administration / costing fee associated with Variations, plus extra labour, materials, subbies, scaffolding, bins, Project Management and other costs.
- And there can be flow on impacts to other areas of the building work as well, causing delays and deferred completion dates.
- Variations can also necessitate changes to the Building or Resource Consents, plans, architect fees, engineers, surveyors etc. which adds more and more cost to the project.

8. Don't Try To Do-It-Yourself

- Renovating, extending or modifying an existing 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 renovation, extension or modification of your existing 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
 - Renovating or extending 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.



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

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