

New Home Inspections

BUILDING CONSULTANTS AND QUALITY INSPECTORS

'ENSURING YOU GET THE QUALITY YOU'RE PAYING FOR'



In This Issue

[Fixed Site Costs](#)

[Builders Display Homes - Part 1](#)

[Builders Warranty Insurance](#)

[Sub Soil Drainage](#)

[MBAV Building & Home Improvement Expo](#)

[Dodgy Workmanship Award](#)

Dear Subscriber,

Welcome again to our now bi-monthly newsletter, we trust you will find this edition insightful and would encourage you to forward and share it with everyone you know who are building or contemplating building a new home.

Building Tips and Tricks

Fixed Site Costs

Fixed site costs have been around for a while now but some builders seem to be abusing the intent of this service of late.

We are starting to see an increased number of homes brought through builders with 'fixed site cost' agreements being set up on sites at the original finished land height rather than being cut into the land with a modest site cut. This is being done to save the builders the cost of the site cuts and any subsequent retaining walls and drainage but it is leaving the clients with houses set well above the finished footpath level and ridiculously steep driveways, like the one pictured below.



The steepness of drives like this one are not only dangerous but image trying to load the kids in and out of a car when it's parked on an angle like this, or unpacking the weekly groceries, when as soon as you open your rear door they'd roll on down the street!!

All jokes aside, be very wary of signing contracts with 'Fixed Site Costs' and this is why we advocate that you should never take tender and contract advice from salespeople that are directly profiting from the advice they provide to you. We also advocate that details like these should be negotiated prior to paying over any deposit, not after the builder already has thousands of your dollars.

Failing all of the above, one of our Pre Contract reviews would have identified this issue to the owners at which point they could have renegotiated the height of their home before signing their contract or decided to walk away and only have to bear their initial deposit costs rather than live with this. Image trying to on sell it?

Your Rights & Responsibilities

Builders Display Homes - Part 1



A common complaint we hear from our clients is that they didn't get the fixtures and finishes that were on display at the builders display home. So we want to clarify just what you are entitled to receive before you hand over one cent of your hard earned money.



What most consumers don't realise is that section 43 of the Domestic Building Contracts Act 1995 states that 'A person who makes a display home available for inspection must ensure that the following documents are prominently displayed in the display home-

(a) a copy of the plans and specification used for its constructions; and

(b) a draft copy of the major domestic building contract that the builder on whose behalf the display home is displayed would be prepared to enter to construct a similar house'.

So, before you pay your initial deposit ask to see copies of these documents and ensure all of the schedules are filled out in the building contract so you can see exactly what you are getting. Ask for copies to take home or photograph them for future reference. You can then refer back to and rely on these documents as you proceed through the selection, tender and contractual stages of your new home.

Common Building Misconceptions

Builders Warranty Insurance

As we pointed out in our article 'Your 7 Year Guarantee' in Edition 2, since July 2002 a builder has had to provide mandatory warranty insurance on all domestic building work valued over \$12,000. This warranty insurance only covers structural defects for six years and non-structural defects for two years. It is also classed as a 'last resort' insurance policy and can only be claimed on when the builder is dead, insolvent or has disappeared. We also stated that we didn't believe the existence of these policies were worth much!



A recent article in the Age newspaper stated figures released by the state government that in the past 12 months, more than 53,000 Victorians paid an estimated \$87.8 million for warranty insurance on home building projects. But just three owners made successful insurance claims against their builders and received a total of \$108,476 - a minuscule claims-loss ratio of 0.12 per cent. The state government's insurance arm, the Victorian Managed Insurance Authority, had collected \$38 million in premiums, while the other \$39.8 million was swallowed by add-on costs such as brokerage commissions and administration charges.

So keep this in mind when your builder tells you that they have an insurance policy in place to protect you should anything go wrong with your home in the future.

Finishing & Maintaining Your Home

Sub Soil Drainage

We keep going on about it but we continue to see homes moving around and cracking from poorly landscaped sites with little or no drainage, so here are the facts, ignore them at your peril!

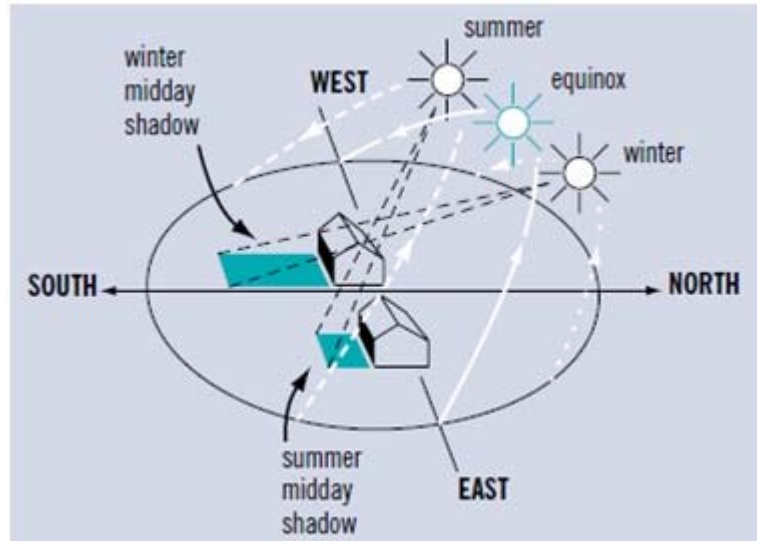


1. The underlying soils and clays across Melbourne can be expected to move from between 20mm ('S' site classification) up to 75mm ('H' and 'P' site classifications) from the dryer to wetter months as they absorb water and swell, then subsequently dry out and shrink again.
2. Add to this the fact that the sun rises in the East and sets in the West via a Northerly rotation, leaving the soils and clays along the Southern side of your home in shade during both summer and winter and less affected by the sun's drying rays, which assures their uneven swelling and drying if these areas are not properly drained. This can be further amplified from uneven shading from adjoining properties and trees etc.

So, to give your home the best possible chance against this expected and uneven movement and to keep the moisture content in the underlying soils and clays as

constant as possible the ground immediately around your home should be paved with grading to take any surface water away from the edges of the floor slab and footings - see Edition 1 of our Newsletter. A shallow sub-soil or agricultural drain should also be installed at the outer edges of this paving and connected into the stormwater system via silt pits.

Sub-soil drains should also be installed at the base of all site cuts and surface drains installed into larger paved areas and landscaping. Areas under timber decks and sub floors should be graded with crushed rock to fall away from the edges of your home and drains placed at their outer edges as well. Under no circumstances should water be allowed to lie or pond under these areas.



MBAV Building & Home Improvement Expo

We are exhibiting at the MBAV Building & Home Improvement Expo July 15th to 17th, so if you're going to attend drop past and say hello, we are at Stand K49.



Free Tickets

We have 5 double passes to the show to give away, so if you are interested send us back an email and we'll draw 5 names out of a hat on Wednesday and express post the tickets across to the lucky winners on Thursday.

Dodgy Workmanship Award

This edition we are going to give you two because the second one isn't ours, it was sent to us! We also believe the photograph of the steep driveway in our Fixed Site Costs article could also make its way into this section.



Next Months Edition

We'll be Covering

Before Paying Your Initial Deposit
Builders Display Homes - Part 2
Display Home Quality
And More.....

We welcome your feedback to this newsletter and would invite you to email us any topics or questions you'd like to see covered in future editions.

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