

CJM CONSTRUCTION



Top 10 New Build & Renovation

PROJECT MISTAKES

To Avoid At All Costs

By CJM Construction



We stay professional and pragmatic
and find the best solutions.

Craig Wilcox
Director





1. Wish List

Think about the biggest problems with your current house

Is there something about your house that is driving you to despair? Does everybody want the bathroom the instant you have closed the door? Do you love having friends over but can't face entertaining in your under-sized kitchen? Do you dream of an internal garage each time you haul the groceries from the kerb in the rain? Or do you simply want to change the closed-in feeling of windows for a lovely set of sliding doors?

While considering design improvements you may also wish to consider the benefits of a healthier living environment. This could mean thinking about such issues as energy saving features that will make your home more comfortable to live in while using less energy and water.

Other things you may wish to consider is whether you want to match the style and materials currently used in the house or whether you want to modernize? Do you want your addition to look like it has always been there or do you want the wow factor of an obvious addition?



Think about the greatest benefit you want to achieve

Perhaps a revamped **kitchen or bathroom** is on the top of your list. These are the rooms that are most often renovated and are key factors in resale to gain a higher market value; so to protect your investment, plan to do the job properly.

Think about how you will use your new kitchen. Do you want it to be the hub of the home or do you prefer it tucked away so you can keep the mess out of view whilst entertaining? Where do you see your family sharing their meals – at a dining room table or casually around an island? Consider what you like and dislike about your current or previous kitchen. Look at your friend's new kitchens and visit kitchen showrooms and builders showhomes to get ideas and see what's new.

Consider the flow of traffic in and around the kitchen. Try to put items of high use such as fridges and rubbish bins near the entrance to the kitchen so that other people can access them safely without entering the working part of the kitchen.

Bathrooms and kitchens are potentially subject to steam and moisture damage, persistent mould and moisture problems can build up over time so appropriate materials, finishes and extraction systems need to be considered in the design stage.

Extending up or down

This opportunity may be accomplished in your existing space by converting a basement area into a "granny flat" or rumpus room, or converting the attic area into a bedroom or study. It may also be possible to add an additional level onto your existing home. It is likely that in most of these situations you will be required to conform with local council and building regulations, so a detailed plan, including engineering calculations, will be required along with a building consent.

You may also wish to improve your **indoor/outdoor flow, include indoor access to garaging** or to have a home that is **easier to maintain**.

Think about where you will get the most value now and in the next 3 – 5 years. Consider potential life changes, it is important you get the benefit and the renovation is designed to suit **you** – not the next 'potential' homeowner.

Think about your 'vision for success' – what does it look like when its finished and how has it enhanced your life?

A trusted real estate agent can be useful to work out where money is best spent in terms of return on investment especially in the shorter term.





2. Budget

It is important to have a figure in mind

It is important to have a figure in mind and to have a clear idea of the costs involved. Get quotes from at least two reputable local builders or architectural firms. Explain exactly what you want to do and discuss various options. Then, take the most reasonable estimate and add 10 to 15 per cent for unexpected costs.

Arrange finance if required: If you need financing, you may be able to renegotiate your mortgage or apply for a personal loan. You may even be eligible for assistance, as there are incentive programs for energy-efficiency upgrades through ECCA available.

Allow for contingencies (10%) Bathrooms are particularly susceptible to issues around water leaks, but the Leaky Homes issue in recent years has shown that leaks are not restricted to this area. Poor workmanship in previous renovations or even the original build may have serious implications for the work you're planning.

These are items you may be mentally and emotionally prepared for, but when the reality hits and your budgets are blown out, things may be quite different. Be aware that there may well be nasty surprises so make sure you have contingency in your budget.

Arrange insurance cover (self or through builder)

Have you notified your insurance company about your intended renovations? (current policies for Home & Contents insurance may not provide cover during renovations, unless the insurance company agrees to extend the cover).

Does your builder have contract works insurance to cover damage to the property in the course of construction or alterations?

Do your contractors have public liability insurance, for protection against damage to third party property and personal injury to others, caused by negligence?

3. Architect



Referral: Ask for recommendations from; Satisfied people who have recently completed a renovation.

Family, friends and colleagues

Building merchants

Registered Certified Builders Association and Master Builders Federation or use your preferred builder you have used before

Research If you are getting someone to do the design for you there are a number of options to consider. Conduct some research to work out which type of designer will suit you best. Brief a few of the candidates before making your choice. Work with them to come up with a design for the renovation. Architects can also advise you on potential resource consent issues. Get the architect to do a concept drawing – the objective is to get to the point you have the design you want. It is important they are aware of your budget when completing the concept as this may influence the design.



4. Builder

The best way to go about finding a builder is through the tried and trusted methods of;

Referral: Speak to friends, family and colleagues who may have renovated and ask for any recommendations.
Research: Be informed. The internet is a great source of information, search for local renovators and check out their websites. Pay particular attention to their testimonials and photo galleries when assessing the quality of their work and their experience in renovations.

Things to consider when choosing your builder:

- Are they trade qualified and a member of an association (Certified Builders/ Master Builders)
- Do they need to be a licensed building practitioner to complete your project ?
- Are they renovation specialists?
- How many years experience, specifically in renovation do they have?

Request: Don't be afraid to ask for testimonials and referrals when you are narrowing down your selection. Ideally ask for a referral for a project similar to your own.

Beware of Contractors who:

- Are not members of either Certified Builders Association or Registered Master Builder Federation
- Quote a price without seeing the job

Demand a large down payment to buy materials: all reputable renovators maintain charge accounts with suppliers

- Refuse to provide a written contract that specifies exactly what they will do
- Come to the door offering a "special price" because they happen to be working in the area
- Promise a discount in exchange for using your home to "advertise" their work - the same offer will have been made to everyone

Can't give you an actual business address, only a post office box, telephone number, or the address of an answering service



5. Concept Plans

He can be a 'fresh set of eyes' to review your plans and discuss options/ finer points. Ensure your builder is aware of your budget.

Discuss time frames, any unmissable deadlines (birth of babies are common!) and order of work. Also consider order of work or options to minimise disruption to yourself if living in the house eg temporarily relocating the old kitchen to allow you to remain in your house longer.

Your builder should be able to give a ball park estimate of the cost (eg \$150,000 - \$200,000). Remember using concept drawings at **this point** allows the plans to be changed on review without a lot of additional cost. However, it is not reasonable or possible for a builder to price accurately off a concept plan due to the lack of detail so any 'final' price at this stage should be viewed with caution.

There is the opportunity now to revisit the plan if it looks like it is beyond budget. A builder with renovating experience is very valuable at this point to advise how money can be saved while minimising the impact on the end result.

6. Revisions



The final outcome is working drawings that can be submitted to council. Your preferred builder can also assist in advising what other services you might require, given the type of project you are undertaking.

Ideally at this point the plans need to be thoroughly reviewed with the builder and/or the architect. Changes now are less expensive than when plans are submitted to council.



7. Quote

At some stage you will need to decide whether you prefer a fixed price or cost reimbursement. On the face of it a fixed price may seem the preferred option due to the certainty of cost. A cost reimbursement project will charge based on a time and materials actually used, which may mean further costs or savings against the original quote. Ensure you are comparing apples with apples especially if a fixed price or tender. The cheapest price isn't necessarily the cheapest if things have been omitted in price or different quality materials have been priced. It is also common to 'tag out' items in a fixed price where it is impossible to accurately quote. A PC sum (estimate) is used, which is effectively ignored in the final bill and replaced with the actual cost. For example the cost of digging out a basement may be PC summed in one estimate at \$10,000 and another at \$20,000, so while one may look more expensive than the other both will be replaced for the actual cost of say \$15,000.

Whether you choose fixed price or cost reimbursement it is very important you choose a trustworthy, reputable and honest builder. You don't want your fixed price being achieved by cutting corners or supplying substandard materials, similarly you don't want your builder stretching out the project time if they are charging by the hour.

Ensure you go through the quote in detail with builders to ensure everything is understood and covered.



8. Building Permit

Must be in place before work can commence.

Remember that building codes and local council regulations may also limit what and how you renovate. There's nothing worse than discovering the project you've painstakingly planned is not allowed. Talk to your local building consent authority and find out about consent requirements and permits.

During construction, the work has to be inspected at various stages. This is done by your Building Consent Authority (BCA). The inspections confirm that the work has been done in accordance with the plans and specifications approved in the building consent.

Work cannot proceed until the inspection for each stage is completed. If the inspection is not done first, the BCA can make you undo the subsequent work. Similarly, if work differs from the plans the inspector can order it to be demolished and done again.

Either you, the builder or your project manager must arrange for the inspector to come at each stage, depending on what is agreed in the contract. It is often the builder who makes the call but you must confirm this as you need to know that the inspections have been done. The inspection stages are listed in the paperwork you get with the building consent.

A final inspection must be carried out by the building inspector to ensure everything complies with your building consent. If everything is satisfactory, a code compliance certificate will then be issued.

9. Appoint Builder

Always get a written contract, describing the work to be done, what it will cost and how payments will be made. Never agree to anything before you have it in writing. There are **three main ways to engage the services of a builder; full contract, labour only or cost reimbursement**. It is important to understand the differences so you know what a builder is quoting on.

Full Contract

When you engage a builder under a **full contract**, the builder quotes for a package which includes:

- Supplying all the materials.
- Hiring subcontractors such as the plumber, electrician, interior decorator etc.
- Getting consents.
- Liaison with the architect/designer.
- Arranging council inspections.
- Managing the whole building phase.
- The builder is known as the **main contractor** under this type of contract and is responsible for the quality of work of his own staff and the subcontractors. The builder is also responsible for health and safety on the building site.

You will have to work in with the builder at various stages, for example, when it is time to select the appliances, light fittings or floor coverings. You need to be ready with those decisions to avoid holding the builder or subcontractors up, as the delay will cost you money.

Labour-Only Contract

When the builder works for you on a **labour-only contract**, you manage the whole process and the builder is only responsible for building. People take this option in the belief that they will have better control over the building process or because they want to save money. With this type of contract you either pay your builder by the hour, by the week, or a set price. Paying a set price will be incentive for the builder to work steadily to finish the job in a reasonable timeframe, as the job would have been priced on a set number of hours.



10. Engage other consultants

Consider engaging other consultants – kitchen designers, interior designers etc.

A key element is for you to have an effective professional relationship with your chosen designer. Finding this fit is perhaps the single most important item.

Be comfortable with the way your designer communicates and their alignment with your personal values. Positive relationships lead to positive outcomes.

*With extracts courtesy of: **The Certified Builders Association of New Zealand, 'Gib Living Steps to Renovation' and The Business of Building 'Homeowners Building Guide'***

NEXT STEPS

If you want more information, or would like to talk to a Certified Builder to get all your questions answered, call Craig on [027 420 0006](tel:0274200006) or email him on Craig@cjmconstruction.co.nz

Check out what others are saying about working together with CJM Construction by [clicking here](#)

If you are ready to make your dream home a reality, [click here](#) to book a free design to build consultation with Craig or call [027 420 0006](tel:0274200006) to secure your spot

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