



## BUILDING TO LOCK-UP

### ARE YOU INTERESTED IN BUILDING TO LOCK-UP STAGE?

OUR CLIENTS FAQ'S ARE ANSWERED BELOW TO LEAVE YOU WITH A GREATER UNDERSTANDING OF THE BUILD TO LOCK UP OPTION WE OFFER OUR CLIENTS AT CENTRAL AVENUE HOMES

IF YOU WANT ANY FURTHER INFORMATION PLEASE CONTACT OUR OFFICE DURING OFFICE HOURS ON (08) 9456 3366 OR EMAIL THE TEAM AT [ENQUIRIES@CENTRALAVENUEHOMES.COM.AU](mailto:enquiries@centralavenuehomes.com.au)

#### Why build to lock-up?

There are a number of reasons people would engage a builder to build their home to lock-up stage rather than completion

- You may have intended to 'owner build' and the lender has advised that they will not lend to you on that basis, this will become more common in the tightened finance market. Lenders will generally be ok lending to you if the major part of your home is being constructed by a registered builder. You will probably still have to supply the lender with quotes for some or all of the remaining major works (e.g. cabinets, tiling, plumbing and electrical)
- You may simply have a lot of family or friends in related trade fields that are offering their services to you at 'mate's rates' or you may be an accomplished trade yourself and wish to take on a substantial part of the construction process yourself
- You may be only able to get the home to a partially complete stage with your current financial commitments and want to get the shell built and then complete the remainder when funds become available to you.
- You may simply be one of those people that likes being right in amongst it and love organising things but find the initial stage of design, building and or planning application and all that goes with it a bit daunting or just too time consuming.
- You may have considered owner building and want to do it again in a few years to take advantage of the capital growth but with the restrictions placed on owner builders by the Builders Registration Board in that they can only build one home every 6 years is stopping you. Getting a builder to complete the major construction works will help you move past this problem as we will provide a home indemnity policy to cover the works we complete and the building licence

#### What is included?

Building to lock-up is pretty much as it sounds, we will build the main structure of the home including all linings (unless you have requested they be omitted), external windows and doors so the home is secure.

#### What is NOT included?

You will need to complete the following (indicative list – may vary in individual contracts)

- Plumbing services (you would contract directly a licensed plumber for this work as the work they are doing extends past the lock-up stage) We can offer plumbing as an additional option to lock-up where you then engage an alternate contractor to install the fixtures and fit off (you may wish to engage the contractor that had completed the works to lock-up stage) – see notes below for Plumbing option Package
- Electrical services (you would contract directly a licensed electrician for this work as the work they are doing extends past the lock-up stage) We can offer electrical as an additional option to lock-up where you then engage an alternate contractor to fit off (you may wish to engage the contractor that had completed the works to lock-up stage) – see notes below for Electrical option Package
- Appliances including hot water service
- External render (if applicable) along with any feature rendered or aerated concrete bands and sills etc.
- Painting
- Carpentry – e.g. all internal doors, all internal and external mouldings and trims, shelving, hanging rails, towel rails and roll holders, door seals, door furniture etc.
- Cabinetry



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- Tiling including all related water proofing requirements, screeding, hob etc.
- Stormwater disposal
- Landscaping including any paving
- Driveway or Crossover
- Handstand (floor) to garage
- Sectional roller doors to garage
- All final cleans (we will carry out our basic cleans or supply bins for the removal of the building rubble related to the work we complete)
- Generally all finishing items

### What about drawings or designing the home?

We can work with your own design if you have already had the work done or we can work with you to design a home from scratch. You must keep in mind however that if we design the home we will own the copyright for that design so you won't be able to 'shop our design around' and you will need the builder's permission if you wish to use the design for a second home. While you may consider that to be a restriction you must also keep in mind that our design service is free and there is no obligation, obviously there are some basic conditions in respect to getting us to carry out design work for you that will be based mainly on what you are looking for in a home along with the budget you have in mind to complete the works (if you are expecting to build a palace and want it for the price of a small cottage we will be reluctant to commit any resources). After we have completed the main design concept and up to 2 revisions to bring the design to your needs we will obviously be expecting to get some form of financial commitment from you to move further forward (i.e. further design revisions and comprehensive pricing)

### What about insurances?

As with any normal contract we (the builder) will provide workers compensation insurance, public liability insurance and construction insurance for all the works that are covered by the contract. (Please note that the builder will not allow any works by the owner or the owner's contractors whilst he has control of the site – all owner related works must be carried out after handover) Those insurances will not, however continue after we have completed our part of the home and you will need to ensure that you have provided adequate cover to protect yourself and the people working on your site – you should always ensure that the

contractors that you intend to engage either show you or provide a copy of their certificate of currency in relation to the insurance they have in place.

In addition we will provide a home indemnity insurance policy in your name to cover the property for the work that we will be doing.

### Is building to lock-up cheaper?

Building to lock-up is not necessarily a cheaper option as the builder is obviously going to apply margin to the work he does. That being said, in the case of Central Avenue Homes, we do apply a lower margin to build to lock-up contracts than normal homes to completion, this is primarily because the time to build and as such related costs is much less as is the liability given that we would not be supplying or installing the majority of the finished items.

Generally, however, the rates the builder can get products and services for the job are significantly better than the one off owner builders can achieve – so the savings made by the builder means that you would be paying no more to engage his services rather than owner building to that stage but with the added advantage of the insurance and regulatory protections that are in place to put you and your lenders minds at ease.

In addition to the above if you build to lock-up with Central Avenue Homes it would be on a fixed price contract so the materials or trade rates related to the work that we do will remain constant and not subject to rise and fall – this also provides some peace of mind for the most substantial part of the process at least.

### Why are you offering the build to lock-up service?

As with any business we are always looking at ways of servicing wider parts of our prospective market, the build to lock-up process provides an option to clients that is not available from all the builders and is in effect far less complicated from our documentation and supervision perspective so we felt it a practical option to offer.

This decision was further backed by the fact that almost all lenders have tightened up their policies in respect to lending for owner builders which in effect created a larger pool of prospective clients in this area.

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### **What about those things that cross over from the builders contract to when we take over?**

There are several items that basically merge or cross over from what the builder is doing to when the owner effectively takes over, some are explained below others may arise and will have to be dealt with on an as needed basis.

- Plumbing and electrical – while these contractors may be dealing direct with the owner in most cases the builder will still co-ordinate them up to the stage where lock up is achieved, that would include the pre-lay of pipes and or conduit in under the ground slab and in the suspended slab if applicable, call them to carry out the drains in the case of the plumber and underground power run in the case of the electrician and then to carry out the tube out prior to linings in both cases. After these stages are achieved you would deal direct with the contractors for the remaining stages.
- On site toilet facilities – we would provide a chemical toilet on site during our contracted stage, you would have to either arrange another site hire company to provide a WC on site after ours has been off hired or negotiate with the company we use to take on the weekly hire and pick up from site when not required until your house has operating toilets inside.
- Balconies and stairwells or voids – like the toilet facilitates you would have to either provide edge protection from your own contractor to these areas or you may be able to negotiate ongoing hire of the protection that is already in place with our contractor.

### **Will I need to get a building licence for the work I will be doing or arranging myself?**

You should assume that you will need to apply for a building licence but you will need to contact the local building department in the locality of your land as each may be different. We have found that some are very stringent and will require a list of what you are completing whereas others have not required a licence at all.

We can offer some assistance in this area but the application must be completed by you and be in your name.

When we apply for our building license we will list for the application the items that will not form part of the contract so the licence we are issued extends only to that extent.

### **Notes: Options to include electrical and/or plumbing in 'build to lock-up'**

Feedback from current and past clients in respect to building to lock-up has indicated the plumbing and electrical areas are the ones that have caused some concern or have been a little daunting as they are licensed fields and can be quite confusing. To assist in these areas we have made arrangements with our regular suppliers and they have agreed to offer build to lock up options to our clients. These are not included in a standard 'build to lock-up home' but can be priced into the quotation (as options) if you request.

### **Plumbing option package (additional cost to 'build to lock-up')**

Included at additional cost for plumbing is:

- Connection to the sewer for all the drains (drains will be tested prior to handover at lock-up stage – if a blockage occurs after that stage (e.g. tiler may fill waste with sand/cement from floor screed) it will be your own responsibility to have the drains unblocked or repaired as necessary)
  - IS (inspection shaft) mound complete
  - DT (disconnecter trap) complete
  - All dry floor wastes complete
  - Vent pipe through roof
  - Water service run to the home and tubed out to each point where it will be left as a sealed outlet (either a welded pipe or a screw fitting at the plumbers discretion) along with 2 external hose cocks – this service will be left live (i.e. filled with water under pressure) – the showers or any wall mounted taps will be fitted with standard tap assemblies and sealed with temporary screw in plastic fittings (if mixer taps are required to wall mounted locations the bases will have to be provided by you prior to commencement and the plumbers price will be increased to accommodate this work)
  - Gas run in will be complete and tubed to necessary locations where the outlets will be left as welded over lead in pipes for future fit off by your contractor after handover (if applicable) – this service will be tested by the plumber after installation
- Specifically excluded (to be completed by your own licensed plumbing contractor after handover):
- All grates in floors
  - Centering of WC pan lines (will be left in foam clocks in the floor) and supply and installation of toilet suites



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- All supply and final fit off of tapware, sanitary fittings and fixtures throughout (note: if some of the tapware being provided by you is required to be set into the wall it will have to be provided to our plumber in advance and may incur additional charges – you will still be required to have the final fit off of those taps carried out after handover)
- Fluming of vents or exhaust fans to external air

### **Electrical option package (additional cost to 'build to lock-up')**

Included at additional cost for electrical is:

- Temporary power to site from slab down stage (approximately)
- Underground run in from power dome to meter position (this will differ subject to position of dome and set back etc)
- Meter panel and switchboard including all necessary circuit breakers and RCD's (safety switched)
- Power outlets and light switches, smoke detectors and exhaust fans throughout home as per final electrical plan (see notes in exclusions)
- Light points fitted off with standard bayonet type batten holders

Specifically excluded (to be completed by your own licensed electrical contractor after handover):

- Power outlets in restricted zones (e.g. where shower screens have not been fitted) – in these cases either a blank plate or a water proof switch plate may be provided and the power outlet will have to be supplied and fitted by a licensed contractor after the screen has been fitted creating an allowable zone.
- Installation of any appliances or fixtures being supplied by the owner – if applicable these circuits would be isolated for safety and they would be able to be livened up by a licensed contractor after the installation of the appliances

In the case where power outlets are placed where cabinets or tiling is proposed, the owner will have to engage a licensed contractor to remove the related power outlets or switch plates and re-instate them after the tiling or cabinetry is complete.

The above in both cases are indication of what can be provided as an extra cost option by the electrical and/or plumbing contractors in respect to 'build to lock-up' homes. Obviously the final level of inclusions etc will depend on the design and level of specification you intend to build.