

SO YOU'RE LOOKING FOR A BUILDER



Peter Mikus

with a contribution by Dr Nada Trtnik

How to Find the
Best Builder
for Your Job



TOTO PROPERTIES

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So You're Looking for a Builder

Peter Mikus and Dr Nada Trtnik

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“We are totally thrilled with our extension completed by Toto Properties. Peter and his trade teams delivered a quality build within the timeframe set. We particularly appreciated Peter’s responsiveness to texts, emails and calls at all hours of the day and night. He was willing to accommodate our ideas and gave us good advice throughout the process. We are pleased with the quality of the finishes, including features like double glazing and square set plastering that were included as standard. Toto Properties guided us through the design process with their architect, Andrew, the permit requirements and the build itself. We have no hesitation in recommending them for your building projects.”

– Joanne Cogan on Google reviews in January 2022.



Introduction

This review reflects the satisfaction every homeowner should aim for on completion of their building project. It is most likely the biggest financial investment one will make in their lifetime and, apart from that commitment, it also takes a substantial emotional toll. When looking for a builder, you will most likely search online and check reviews to see what other people have to say about a particular builder. If you pay attention, you will notice that no mention is made of money or price in reviews of the top-ranked builders. I learned early on in my career that whenever we tried to get a job by lowering the price, we rarely got a good review or a happy client. If you drop the price, you inevitably must cut corners to break even, and in the end nobody is happy. Does this mean that a good builder needs to be expensive? Not necessarily; I'm talking about a fair market price which will deliver a good product for the client and allow the builder modest profitability with a smooth supply chain and loyal subcontractors. This book is about how to get

the most out of your builder and make the process as stress free as possible.

I'm Peter Mikus, director of Toto Properties Pty Ltd, a construction company specialising in projects on sloping sites and heavy-duty structural modifications. I've been involved in the building industry since my early childhood and a registered domestic builder in Victoria for the last ten years. We operate in Melbourne's eastern suburbs, and my legal knowledge is limited to Victorian law and low-rise residential building. Other jurisdictions have different laws and regulations, and every reader should consult with their local building authority.

During my building career, I have encountered many clients and had countless discussions about the building process. Clients seem to be more knowledgeable these days, mainly due to all the online resources available, but there are still many areas where critical and costly mistakes are made very early on, even before the design phase of a construction begins.

I wrote this book with the intention of helping people minimise potential financial loss and to save them time.

The design and construction process can also be very stressful, but we can minimise stress, eliminate it or even make the whole building project quite enjoyable. Tolerance for stress varies dramatically from one person to another. However, being well informed of what lies on the road ahead does help.

1

Who Can Be a Builder?

The short answer is ... everyone. However, we can clearly distinguish between two groups: registered builders and unregistered builders.

Are unregistered builders illegal? No. However, there are several limitations within which they can operate. All owner builders are in this category. Owner builders can build their own home (not an investment property) and they can build one project every three years. The other major category in this group is handymen or women doing small home improvements and maintenance. Generally, a building permit isn't needed for most small works below \$10,000. However, there are a few exemptions; for example, house restumping does need a building permit, even below \$10,000. Also, decking attached to the house needs a building permit regardless of the value of the project—decks are considered living areas and so are deemed to be house extensions. You should check with your local council or private building surveyor as to whether a building permit is needed for your proposed project.

Registered builders are divided into two main categories: domestic and commercial. This book is focused on domestic builders, which are further divided into subcategories of unlimited (DB-U) and limited (DB-L). The limitations can be to landscaping, verandas, bathrooms and so on.

The law in Victoria is currently changing, and soon carpenters will also need to be registered in line with other Australian states.

There is also a big grey area of 'builders' who sometimes do substantial works without being registered and sometimes without a building permit. They will try to convince homeowners to operate as owner builders and engage them as subcontractors. Be aware that with such an arrangement, all legal responsibility falls on your shoulders. If someone gets injured or killed on site, or if the building is not built as required by Australian building standards, future owners may sue you many years after you sell the property. For these reasons, you should avoid any such arrangement.

Your first question should be: Are you a registered builder?

2

Where to Find a Builder

These days the most obvious answer is the internet. However, I still get a considerable proportion of my jobs from people whose friends have recommended me, or people who live near my construction site and check on the work in progress, and a few of them just call me when driving behind one of our company vehicles. Some (mainly large) builders advertise on radio, TV or local cinema. Smaller builders also advertise in local newspapers. All the above options should be considered.

We will focus on the internet. Regardless of where you get your initial information, you should check out what you can find online. Specifically, check if the builder:

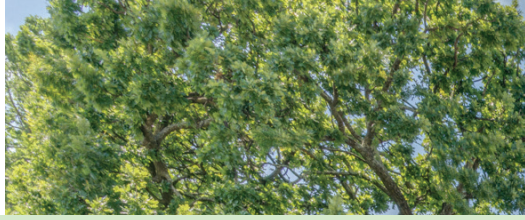
- Operates in your area
- Has good online feedback
- Has a presence on social media
- Does the type of job you're planning

You should aim to find a minimum of three builders to call, but preferably five or more.

There are several ways you can go about finding a builder, and you can use all of them. The most obvious is

an internet search. You should type: 'builder' or 'building company', your suburb and the type of work you're looking for, such as 'renovation' or 'new house' or 'extension' or 'decking' or whatever best describes your proposed project. At the top of your search results will be builders with paid advertisements, followed by builders who are the best match for your search. Most builders who appear on the first page use some form of SEO (search engine optimisation) that helps get their listing on the first page. SEO services are provided by specialised companies who don't necessarily understand the construction industry, so I suggest checking the second and third page; real gems are usually hidden.

Between the builders on the first page of your search results, you'll also find free services such as Hi-pages and Oneflare. These services will provide you with three builders willing to quote on your job. These services are free for you (builders pay for it) and are a reasonably good source of quality builders. A good and reliable source is the Master Builders service, which provides a free list of builders operating in your area.



Case study

Years ago, on beginning my building career in Australia, I was looking at expanding my company, and I came across a client wanting a five-unit building. I desperately wanted to get this job to make some money and build up my reputation. Very soon I learned that I wasn't the only one in the race. The owner used all the possible venues to find the builder with the best value, and I finally won the job, outbidding eleven other builders. My quote wasn't the lowest, but it was very very low. After ten months of hard and stressful work, I realised that I didn't make any profit. However, my client was very happy, and at the end of the project, he treated me to lunch. I paid for five units without a profit; he paid for lunch. Good deal for the client.





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