

# 11 So you'd like to be an owner builder

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*The Australian dream of owning your own home can often be more easily afforded by building it yourself, if you have the time, inclination and perseverance. We're a nation of home owners, and some of us find a lot of satisfaction in building our own houses.*

## THE CHALLENGE AND THE SATISFACTION

People have been building their own homes ever since man came out of the cave. It's only been in the last century, and in big cities, that entrepreneurs have built for the people. Prior to the 1850s, if you needed a house, you got together with your family, relatives, clan, and friends and built it yourself.

It was the only way. Most, simply did not have the ready cash, or credit, to hire builders and tradesmen. Only the Church, nobles and wealthy merchants could afford the luxury of sitting back and have somebody else build for them.

Today, more Australians, for financial reasons, and the satisfaction, are turning to being owner-builders. You can even get a licence to do so.

The task is not an easy one. You'll have to learn new skills, change your lifestyle for a few years, work like a dog at times, learn to deal with tradesmen who don't turn up when they say they will, suppliers who can't deliver on time, workers who make mistakes, inspectors who think you've built it wrong.

But in the end, you will have your 'own' house, knowing that you got it built yourself, largely the way you wanted it, and along the way you may have saved yourself 10, 20 or even 40 per cent of the cost of paying a builder to do it.

It can all add up to a unique satisfaction, 'my home, on my land, built by my hands', (at least some of it).

## WHERE TO START

Unlike past generations who grew up helping uncles and elder brothers build their homes, we have to learn it all from scratch. That, in itself, makes it all a bit of an adventure, though with a few risks thrown in.

Unlike the army, there is no first right step. Instead, there are two. Learning about designs, plans, specifications, costings, approvals, insurances and contracts and learning about organising the job, work schedules, cash flows, ordering, subcontractors, suppliers, getting it on the cheap, and doing some of the work yourself.

In other words, combining design with building. If you don't get them both right, then you may end up living in a well-built, ugly house, or in a beautiful shack.

## YOUR OWN DESIGN

You can start with your own design using Chapter 10, or go to a builder's drafting service, or ask an architect to design and document it. Whichever way, it's more fun to build a house which is your own design, rather than just a plan out of a book.

You also need to leave yourself some flexibility in the finishing trades. Building your own house takes time, and your ideas about the details of the house will evolve as you see it growing out of the ground. However, you won't be able to change the details too much, otherwise you'll have to submit new plans to Council.

## PLANS AND SPECIFICATIONS

Drawing up plans and specifications requires technical training. If you're really interested in learning those skills, there are technical education courses you can do. But they usually take a few years, and are intended to qualify you to earn your living by drafting.

For the purposes of an owner-builder, it's quicker and more efficient to have a plan or drafting service (the type who service local builders) draw up your plans and specifications. You need them at a standard suitable for Council, and good enough for costing and for building. The first requirement is more easily satisfied than the last. For costing you will need more detail than Councils ask for. Your plan service should be able to advise you on the extent of detail you require.

If you are inexperienced with plans and specifications, as you probably will be, it will take a while to get the hang of them. Learning to read them, understand the dimensioning, the symbolic-short-hands used to represent materials, and the two-dimensional way they represent a three-dimensional space or object, is essential to your success at being an owner-builder.

It almost comes down to the fact that if you can't learn to read plans you may as well give up. For one thing, you'll find it very difficult to set the house out on the land.

As a first step, getting plans good enough for Council and for costing from the plan service is all you need at this stage, as you don't really know whether you can afford it.

## COSTING, THE FIRST OF MANY TIMES

Costing the design is your first introduction into the world of subcontractors, suppliers and building quantities. Here you'll need help.

You have to go through each trade separately, find someone who can measure the quantity of materials you'll need to buy for the tradesmen, and write it all down in a manner which makes sense to the suppliers who you will order from. Or else, you find some technical college course which will help you learn how to do this.

Local tradesmen who are interested in doing your job may be happy to measure the materials for their trade. But you *will* need to check it before you order to ensure the quantities are right.

Once you have the quantities it's simply a matter of getting on the phone to subcontractors and suppliers, or visiting them, or meeting them on site and getting quotes for it all. I say simply, because it really is simply a lot of chasing around. In the process you'll learn at about how the building industry is, and is not, organised.

This chasing around is both an essential aspect of life in the industry, and a vital learning experience. There is no way you can how do it from books or someone telling you. You have to it out for yourself. It's part of the adventure.

You now have all the subcontractors' and suppliers' quotes. Check that the subcontractors have not allowed to supply some of materials you intend supplying, or assumed you are supplying something that you haven't allowed for. It can easily happen.

Then comes the awful moment of adding it all up, adding 10 per for your overheads (such things as insurance, phone bill, tools, etc., and things going wrong), and seeing if you can afford it.

If not, it's back to the drawing board to design a cheaper house, or to more competitive tendering for subcontractors and suppliers deciding how much of the work you'll do yourself.

There is, of course, more to costing than just the above. Books are written about quantities, estimating, and pricing for builders. I suggest you have a look at a few.

As it will probably take you between two and four to five times to build your own home than a builder would, you will have to recheck your costings as you get to each stage. You should also allow an inflation factor for the time you think it will take, so you don't get caught with excessive price rises on both materials and labour.

## APPROVALS AND INSPECTIONS

A concern for many owner-builders is getting both the plans and construction right for the Council. For reasons of structural safety and environmental health, the construction of buildings is subject to regulation. Of special importance to the

owner-builder, are those governing single-family residential buildings, administered by the Council and Authorities controlling water, sewerage, septic, stormwater drainage, electricity and gas.

You have no choice but to comply with them. The plans you prepare for your building application must comply, and during construction, the Council and other authorities will require notification to inspect various aspects of the work, to ensure it complies with the regulations. If it does not, you may have to pull it down and do it again, or at the least modify it.

Getting on well with your inspectors is an important part of building. Find out what they want before you start building, and comply. It makes for an easier life. You'll have enough difficulties anyway without getting on the wrong side of the inspectors.

### INSURANCES

As an owner-builder you are legally responsible to protect those you employ, protect the public, and the property which is being paid for by the bank, building society, credit union, or whoever you have borrowed money from.

You need to take out workers compensation insurance, public-liability insurance, and insurance to cover the building works against fire, theft, storm, etc.

Talk to your insurance company or insurance agent about this and take their advice. The risk of not doing so could bankrupt you.

### CONTRACTS AND EMPLOYEES

As an owner-builder you will be entering into two types of contracts. One where a company contracts to supply materials for you to take delivery of, or to deliver to your site, and one where individuals or companies contract to perform certain work on your building site.

You may also become an employer, if you hire labour on a day-rate basis to work on the job. In the case of supply contracts, the company will often have its own form of contract, sometimes on the back of the order form. Read it carefully.

In the case of subcontractors and tradesmen, many have operated for all their working life on the basis of verbal agreements and what's shown on the plans, in the specification, and required by the building regulations and codes.

There are a number of contracts which have been developed for subcontractors by the Housing Industry Association, the Master Builders Federation and the Building Industry Specialist Contractors Organisation of Australia. Have a look at them. But many tradesmen will find them confusing, technical, and even threatening, especially if they don't read English well. In some trades, non-English speaking or reading immigrants are common, e.g. Italian concretors and plasterers. They are often excellent tradesmen, but a written contract is not part of their way of doing business.

This is something you'll have to decide for yourself. Checking the tradesmen out against former customers is something that should become second nature.

The residential building industry, at the subcontract level, is run very much on word of mouth, a handshake, and the promise of more work if you do a good job. The last is something an owner-builder can't offer, so tread carefully. You're in the double bind of neither being technically expert, and thus having difficulty knowing whether the workmanship is up to scratch, as well as having no carrot of future work to hold out as the bait for good performance.

The best you have is withholding payment, and keeping a percentage (5 or 10 per cent) of the subcontract sum back until defects have had time to show up. But 5 to 10 per cent of a \$2000-\$3000 contract is not much incentive, and the subcontractor could easily load his price to cover your retained percentage, especially if your job is only one of 40 or 50 he is doing that year.

If you become an employer, as you probably will, just to avoid some of the backbreaking work, not only do you have to decide what you do about tax (talk to your accountant), workers compensation insurance (talk to your insurance company), but also how you're going to find the time to supervise the work, so the employee(s) actually performs. Which leads to organising it all.

### ORGANISING IT ALL

Organising it all is part of the challenge, the fun, and the frustration of building. The better organised you are, the easier it will all go, you'll have fewer problems and the quality of construction is likely to be superior.

In one respect, being a builder is simply about being well organised. This is why accountants, solicitors and doctors who are used to organising things, often make quite a profit by buying old houses and flats, fixing them up and selling them. They may not be technically competent in building, but they are good at organising, negotiating and controlling costs. To make your job go smoothly, this is exactly what you need to learn. Getting organised requires a number of things:

- Think the whole building through, imagining every stage of construction. Visualise how each part goes together with every other part, which trade is going to have to do what, when, and what materials and help will they need.
- Talk to each subcontractor about how long they will need to do their part of the job. Some trades will need to be on the job two or three times. For instance, the plumber to lay the drains, then later to run the pipes in the walls and finally to fix the taps. Some come and go in a few days, such as the plasterboard fixers.

- Write yourself out a schedule, or make a bar chart of when each trade will be on the job and when materials need to be delivered. Then work backwards, allowing for delivery and order time to decide when you have to order the materials and organise the subcontractors.
- Get a separate folder for each subcontractor and supplier. Keep all your notes, plans, sketches, pamphlets, specifications, quotes, letters, etc., on each one separate, so you don't end up in a mess of paper. At the end of the job, you may have a filing cabinet drawer full of files.
- Get into the habit of making notes of all conversations with inspectors, contractors, suppliers, whoever. Make sure you keep a record of dates, names, telephone numbers and addresses. Three months down the line, you may have spoken to so many people, you'll have a hard job remembering important details.
- Take lots of photos of the house under construction, so when you're at home and need to order something, or talk to someone on the phone, you can refer to the photograph to refresh your memory.
- Make yourself a trade and materials cash flow, so that you'll know when you'll need to have money to pay people. Remember to update the cash flow as the job gets behind schedule, or prices go up, or you'll be in for a surprise you mightn't like.
- Build in a margin of error for how long you think it will take. It always takes longer than you plan for. Allow for holidays, the end of December and all of January, when the Australian building industry takes off to the beach. Also allow to give yourself regular holidays, you'll need them.
- Read as many books and magazines on construction and building you feel you can cope with. Talk to everybody you know, or can find, in the industry, who will be patient with your questions. Look at as many houses under construction as you can find.

Think about it until you start dreaming about it. Organising it has to become second nature, so that when you go to bed at night with an unsolved problem, you wake in the morning with a solution.

And get used to early mornings, late evenings, and weekends on the phone. The building trades start work at 7 or 7.30 a.m. If you want to catch your plumber or bricklayer, you may have to call before 6 a.m. in the morning, or after 6 p.m. at night. If you want to meet them on site, you'll have to see them before you go to work in the morning or on weekends. (You'll need as many holidays as the industry, to keep up with the pace.)

### SUPERVISING THE JOB

You are the supervisor, nobody else. Apart from deals on materials and doing some of the work, it is by supervising and organising the job that you save the 10 per cent to 20 per cent margin a builder adds to the subcontractors' and suppliers' prices.

The price you pay is in early mornings, late nights, weekends and time off work, i.e. your time.

The risk you run is of two kinds. Firstly, you mightn't be around to answer a question for a subcontractor working on the job and he decides to build it one way when you wanted it built another.

Secondly, you run the risk of not recognising, or not knowing, poor workmanship or materials and paying the subcontractor before the defects show up.

Unless you can work alongside your subcontractors, there is little you can do to protect yourself against these risks. You can of course take courses, but in six months, you can't expect to learn all it takes a builder or architect to learn in six years.

You could, of course, hire a builder or architect to make periodic inspections at key stages of the construction, such as:

- excavation
- placement of reinforcement steel
- set out of drains
- completion of floor framing
- completion of wall framing or brick walls
- erection of roof framing
- installation of electrical wiring
- fixing of windows, doors, flashings, wall boards
- finishing of taps, tiles, electrical works
- painting

Ten inspections! The cost may be worth the peace of mind, especially when it will probably only cost you the equivalent of 1 to 1.5 per cent of the cost of construction.

Despite this assistance, you will still be responsible for the day-to-day supervision. Simply checking that materials get delivered when the tradesmen need them, seeing that temporary electricity, water and toilet facilities are on site, checking that materials stored on site are protected and stored securely, seeing that all the work of one trade is finished to allow another to start, making up the damage one trade does to another's work, notifying inspectors when certain stages of the job are ready for inspection, getting labourers on site when they are needed to carry, dig, move or clean up things, checking delivery invoices to see you're not overcharged or sent the wrong order, and lots of other things.

It's all part of the job. Some of it is fun, some interesting, some tedious, some frustrating, and some downright aggravating. All of it is necessary.

### GETTING IT ON THE CHEAP

One of the primary motivations for being an owner-builder is to save money. Getting it on the cheap by shopping around, seeking the lowest subcontract tender, using secondhand materials, building of earth, doing it yourself, are all rules of the game, regardless of the risks. It's part of the fun and challenge of it all, and it can make the difference between saving 10 to 20 per cent and saving 20 to 40 per cent, or more, on the job.

It's all a question of having the time, inclination, and shrewdness to make it work. It's one of the measures of being a successful owner-builder, and a skill you should practise hard at.

### DOING SOME OF THE WORK YOURSELF

This can be one of your best ways of saving money, getting job satisfaction, and doing your back in.

If you have the will, the practical turn of mind, the facility with manual skills, and the time, it's a great pleasure to know 'you built that, and it looks good'. It's the pride of owning the end results of your labours.

But be careful of your back. Learn how to lift properly. You don't want to end up being a worker's compensation case with no employer to claim against. Building is heavy labour and involves other risks, such as falling off ladders, scaffolding and framing, having bricks, timber or roof tiles dropped on your head, cutting fingers, hands and feet with saws and chisels, burning yourself with a soldering iron or welding equipment or electrocuting yourself. You want to finish your house in one piece, and you don't want anyone injured on the job, so pay attention to safety.

Also, don't do the work a licensed plumber, gasfitter or electrician should do. There are good reasons why these trades are licensed. They involve safety and health, your health and safety. Besides, it's against the law, and you run risks of penalties, not to mention risks to health and life, if mistakes are made.

### SETTING THE JOB OUT

Getting the measurements right at the beginning is critical. The building must not encroach on an adjoining property or any of the Council building alignments, or height limits.

One way of getting it right is to hire a surveyor to set it out for you. Many builders do just this, to avoid the risk of making set-out mistakes. It is probably worth taking a leaf out of their books.

### WHAT'S UNDER THE GROUND

You won't know what's under the ground until you excavate and then you may have to change the foundation design.

There may be unexpected rock, floating rocks, pockets of clay, or deeper areas of earth before you reach satisfactory bearing strata.

It's all par for the course. Often builders quote foundation work as a provisional sum, or rock excavation at a rate per cubic metre.

You should be equally prepared.

### IT SEEMS TO GO ON FOREVER

Sometimes building a house seems to go on forever, and the difficulties appear to gang up on you all at the same time.

For the owner-builder, bouts of excitement and satisfaction can alternate with frustration and depression. Patience and perseverance are necessary ingredients to see it through to the end.

And then, of course, you can bask in the satisfaction that it's your house, your design, built your way, and at a price well below what you would have paid a builder.