

9 Project builders

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Project builders are Australia's answer to mass production of housing. Other countries have done it with prefabricated concrete and high-rise flats. Australians have been fortunate to develop a system based on volume marketing and control of subcontractors by standardising plans. Project builders are the Henry Fords, Volkswagens and Toyotas of the housing industry.

WHY ARE 'PROJECT BUILDERS' DIFFERENT?

The project builder sees home building as a volume business, producing dozens, if not hundreds of buildings a year, whereas the 'cottage' builder sees each house as a one-off project.

The project builder organises for volume with an annual marketing strategy, demonstration houses or villages, a sales force, teams of supervisors and organised purchasing and accounting departments. Project builders are multi-million dollar a year businesses. The cottage builder may turn over only a few hundred thousand dollars a year.

Project builders are interested in control, standardisation and limiting the number of variations. Their profit is to be made in pushing the maximum number of standard models, with the fewest variations, through the organisation, in the shortest time. Cottage builders are interested in building what the individual customer wants. Project builders are interested in building what they're selling, which hopefully lots of customers want.

The successful project builders have carved out a segment in the market place, organised themselves to service that market segment, and are interested in fighting off competitors who want to take away some of their market share. Their business motives are those of any medium-sized Australian business. Their market may be city-wide, State-wide or nation-wide. The largest companies can be one company in a chain of companies, spanning many aspects of the construction industry, from finance, through commercial and industrial development, building materials supplies, to home building.

Having them build a house for you is, in principle, no different from buying a car. You inspect the demonstration model, select optional extras, agree a delivery price to your land, and sit back to wait for the key to the front door. The difference is that your house is assembled on site, while your car is built in a factory, not in your garage. But the same rules of the game apply for both products.

STANDARD HOUSES, STANDARD PLANS, OPTIONAL EXTRAS

To make the system work project builders must standardise all elements of the construction, and work to standard plans with only limited optional extras.

These options will include extra rooms, variations in floor and wall tiles, the opportunity to add an extra bathroom, a carport, etc., but not to re-arrange the plan beyond limits set by the builder. They may, in very special circumstances, be more flexible, but these are the exceptions that prove the rule 'stay with the company standards, or production costs and quality control goes wrong'.

For the customer, this may at times be frustrating. But then we wouldn't be thinking of asking for a Honda Accord dashboard on a Holden Commodore. Just as in the car industry, project builders borrow ideas from each other's product. But they usually won't agree to customers wanting to redesign the bathroom or the roof. The project builder is there to produce you a standard house with optional extras, usually at a cost below what a cottage builder would offer for the same volume of space and quality of finish.

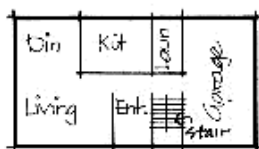
The exception to this rule usually arises when the standard plan doesn't adapt well to the slope and shape of your land, and foundation and underfloor costs become excessive. On such land, the cottage builder often has a competitive edge because of the flexibility of his drafting service to design a house that more efficiently adapts to the steepness.

You need to take this into account when approaching the project builder. Their plans have usually been designed for level or moderately sloping land. They have also been designed to look different from the competition. In many cases, differences of style and layout will be superficial. Most project homes can be reduced to less than a dozen or so basic planning layouts, and an equal number of overall geometric volumes. Beyond that, the differences are in materials, decorative details, windows and interior fitments, i.e. the appearance.

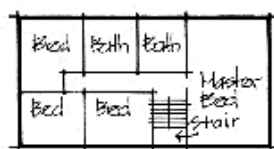
These stylistic differences are often important to us, as a house is a symbol of our lifestyle, and thus of how we feel about who we are. Just as with cars, it is often the appearance rather than differences in mechanics that persuades us to buy.

Knowing the basic planning formats can help you be aware that you are actually comparing like with like, even though the salesman will claim his company's product is unique.

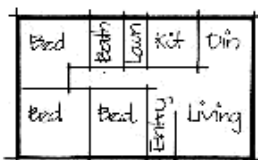
Opposite are the basic planning formats for many project homes.



ground floor
TWO STOREY.



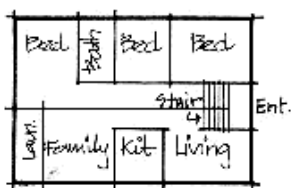
First floor



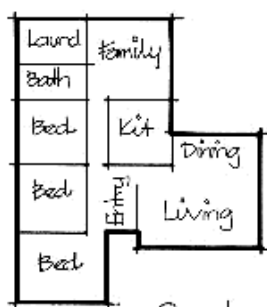
One level



One level



Split level



One level

SEEING IS BELIEVING, OR IS IT?

The project builder will have brochures, glossy or straightforward, illustrating the range of houses offered for sale, the variety of optional extras and why you should buy. They may or may not include cost. In times of moderate to high inflation, costs may change sufficiently quickly to require adjustment of house prices every three to six months.

In addition, on site costs, such as excavations, footings, foundation walls, sewerage or septic, water and electrical connections, storm-water groundworks, drives, paths and steps, will probably not be included in the price. These may vary significantly from site to site, and even from council area to council area. Project builders will only quote these on-site costs after you have chosen a model, they have inspected your land, and in some cases, you have paid a deposit to cover their costs in getting you to the next stage, that of having the plans drawn for council.

Getting to this next stage may involve a session with the project builder's drafting service, or in some cases with their staff architect, or the architectural firm they have retained to design their houses. The sales representatives will probably be present at this session, partly to see that you don't talk the draughtsperson or architect into anything that is not company policy. Or, if you do, he or she can put a question mark on it until it's checked with production staff, or the boss.

All of this assumes that you have inspected the demonstration model or models, discussed your needs and interests with the sales staff and accepted, tacitly or implicitly, the quality of construction and finish in the demonstration house.

As they say, 'what you see is what you get', or at least you hope it is. In the vast majority of cases it is, but just as with architects and cottage builders, things sometimes go wrong.

CHECKING THE COMPANY OUT

Again customers are always the best source of opinion about performance.

You can probably get a list of addresses from the sales staff of recent houses they have completed. Drive by and have a look.

Try talking to the owners about such things as:

- Variation in construction quality and finish from the demonstration model to their house.
- How the house has stood up to wear and tear.
- Variations in costs as a result of the on-site costs being quoted as a provisional sum, hidden extras, or unrealistic provisional sums for tiles, stoves, etc.
- The time taken from when the model was selected to commencement of construction, and to practical completion.

- Any disputes over delays or quality, and the company's attitudes and responses.
- What the owners thought of the contract.
- Who they dealt with in the company and how co-operative the supervisor was. (Rapid staff turnover indicates internal dissatisfaction and problems for customers.)
- How they like the house, and whether they have noticed any design faults.
- Would they buy housing from the company again?

In talking with sales staff, it may be useful to ask how long they've been with the company, where they worked before, why they joined this project builder, how long the company has been in business, how many customers they processed this year and last year, and how much contact they have with the production and supervisory staff?

Remember, that while you will eventually meet the supervisor who will handle your job, it is unlikely that you will get beyond the sales staff at first contact with the company. Checking out the project builder is just as difficult as checking out any medium-sized corporation. Ex-customers, the product and the after sales and after occupation service is what you have to go on. In addition, most project builders are in the business for the long term, and are as dependent upon customer satisfaction as any business.

A SALESPERSON IS NOT THE BUILDER

It is important to remember that the salesperson is not a building supervisor, and may not realistically be able to answer technical or detailed questions. That in itself may not reflect on the quality of service or product.

The point of commencement is the salesperson. From then the process is something like this:

- 1 The estimators price your choice of model and variations on your land.
- 2 The draughtsmen or architect discuss standard variations and draw plans.
- 3 Plans go to Council for approval, and final pricing and contract documents are prepared.
- 4 You sign the contract.
- 5 The production department takes over, assigns your job to a supervisor, sets in train orders for materials, wall frames, windows, etc, and construction commences.
- 6 Hopefully, you move in on time.
- 7 The maintenance period commences, and your supervisor or a maintenance manager handles your complaints.

You will have contact with the salesperson, maybe draughtsperson or architect, possibly someone responsible for the contract if it is not the salesperson, and your job's supervisor.

You and your job are one of dozens being processed at the same time. It's the nature of the system. Its advantages to you are cost effectiveness, hopefully passed on to the customer, speed of construction, a known quality of construction and finish, and a product you can inspect in advance.

The experience may be quite different from building through a cottage builder, but not necessarily less satisfactory. You have to weigh up the differences and accept them. Expecting the advantages of one to apply to the other is simply asking for disappointment and frustration. Both ways are satisfactory means of buying housing, they are just different.

GETTING IT SITED RIGHT

One of the biggest problems in project housing is choosing a design that will not only fit on your land economically, but also makes sense of the micro-climate, outlook, privacy and other site design requirements of your block.

The number of project houses that are badly sited is almost beyond count. Picture windows face due west with no sun shade, the bathrooms face the best views, the garage blocks the best sun from the family room, the kids have to climb 20 steps to get from the ground to the family room. The family room and kitchen face south-west exposed to the full blast of winter winds, the family room opens on to the street so nobody can sit in privacy on the verandah. The list of mistakes that project home salespeople, their drafting services and their customers make when siting the houses, is almost endless.

Before you even ask the company for a quote, take their standard plans shown in their brochure out to your land, and apply the site design rules described in Chapters 3 and 10. By now you have already checked out your micro-climate, and if you have worked through the exercises in Chapter 10, you will have a fair idea of what makes for a sensible house on your land.

If the particular project home model you're looking at doesn't measure up against what you already know, think very carefully before proceeding with it.

If the company is one you believe is worth buying from, then discuss your observations about their plans with the salesperson and see what he or she comes up with. If the response isn't to your satisfaction then go elsewhere.

Remember, you will be the one living with the consequences of those site design decisions.

READ THE CONTRACT

Before you finally decide their house is the one you want, it's a good thing to read the contract cover to cover and discuss the terms, inclusions, and exclusions.

The project builder's contract may be quite different to the one you would sign with the cottage builder, or your architect may advise you to become a party to.

It may be a contract the company has had specially prepared to suit its interests, which may not coincide exactly with how you see your interests.

How you resolve such differences, or whether they matter, is something that you must decide in discussion with the company's representative, and any solicitor you wish to consult.

It is important to remember that contracts not only reflect different definitions of the party's interests, but different ways of doing business. Project builders do business differently from cottage builders, or builders who contract under an architect's watchful eyes; and their interests will differ as a consequence.

You must bear these differences in mind. Re-read Chapter 5.

THE FINAL ANALYSIS

In the final analysis your choice between project builders comes down to weighing up:

Design Does it give you the accommodation, in the arrangement, that suits your family, on your block of land, and meets the design rules described in Chapters 3 and 10?

Style Do you feel comfortable with the appearance of the house, inside and out, and can you furnish it in your style?

Cost Can you afford it, and does the price include all the extras?

Quality Does the demonstration model match your idea of quality, and do the examples of finished customer's houses that you have inspected confirm that the company builds the quality it promotes.

Completion on time Does the time quoted from start to completion compare favourably with the experience of ex-customers?

How does this company compare with its competitors on these criteria? Choosing between companies may be a little frustrating, simply because you'll be dealing with a number of salespeople, all equally after your business. But remember, you're the buyer, and the time to look into these questions is before you sign the contract. Once you get under way, the system is geared to push you along as fast as possible, to save you time, and them money.

Check it out first, and the ride will be more comfortable. It's your house, even if it is their product.