

BEFORE YOU SIGN THE CONTRACT

Homeowner Checklist.

A building contractor is required to provide you with this checklist and other prescribed information under the Building Act 2004 before you sign a contract for the building work — either when you request it, or when the work is going to cost \$30,000 or more (including GST).

Use this as your pre-contract reference. The seven steps below are the things every Auckland homeowner should work through before signing a Building Contract with Add Value Renovations Ltd.

STEP	ACTION	TICK WHEN COMPLETE
01	Become informed	<input type="checkbox"/>
02	Agree on project structure and management	<input type="checkbox"/>
03	Hire competent building contractors	<input type="checkbox"/>
04	Agree on price and payments	<input type="checkbox"/>
05	Have a written contract	<input type="checkbox"/>
06	Take control	<input type="checkbox"/>
07	Resolving disputes	<input type="checkbox"/>

Notes for each step follow on the next pages.

STEP 01

Become informed.

All building work must comply with the provisions of the **Building Act 2004**. You can find a copy on the New Zealand Legislation website: legislation.govt.nz.

Building work is any work done in relation to the construction or alteration of a building. This includes work on your home or other structure such as a garage, retaining walls, or fences. It also includes painting, decorating, and landscaping if it is part of the construction or alteration.

However, if the only work you are getting done is redecorating and there is no construction or alteration work involved, it is not building work. If landscaping does not include any structures (e.g. pergolas or retaining walls), it is also not building work.

All building work requires a building consent unless it is exempt under the Building Act 2004. Generally, only simple or low-risk work is exempt. Certain gas and electrical work is also exempt — see mbie.govt.nz.

Building work that is significant or higher-risk (such as structural alterations) requires a building consent and must be carried out or supervised by a Licensed Building Practitioner.

STEP 02

Agree on project structure & management.

Building projects do not run themselves. Decide how you want to manage the project. A few different roles are needed — someone needs to **manage timelines and costs**, **manage subcontractors**, **liaise with the local council**, and **make decisions about the design**.

You can do some of this yourself, but if you are not knowledgeable about the building process, get help from an architect, independent project manager, or a building company / LBP licensed to co-ordinate the work. With AVR's design-and-build model, our team carries every one of these roles for you.

Be clear with your building contractor about who is doing the building work and who is responsible for making design and change decisions during the project.

STEP 03

Hire competent building contractors.

Ensure your building contractor has the skills and resources to carry out the project. You should:

- Ask around about the contractor and get references for other work they have done
- Find out if the contractor is a Licensed Building Practitioner or has other appropriate qualifications
- Check that the company is a current member of a recognised industry organisation (e.g. Registered Master Builders)
- Check the company's financial standing and insurance cover

STEP 04

Agree on price & payments.

The contract should clearly state what payments are required and when. Where possible, a fixed price is preferable. The lowest price is not always the best price.

- Get detailed **quotes** (not estimates) for the building work
- When comparing quotes, ensure scope, materials, and fixtures match across each — comparing apples with apples
- Make sure you have the funds to meet payments as they fall due
- Understand what triggers each payment milestone

STEP 05

Have a written contract.

You should have a written contract. It should include:

- A description of the building work
- The start and completion dates
- How variations will be agreed
- The payment process — dates, stages, and how payments tie to progress
- Insurance, warranties, and dispute resolution

Note: The Building Act 2004 requires a written contract for residential building work valued at \$30,000+ (incl. GST).

STEP 06

Take control.

All residential building work is covered by implied warranties prescribed by the Building Act 2004 — addressing matters such as workmanship and building work being fit for purpose. For more information, go to mbie.govt.nz.

You should:

- Make sure there is a clear line of communication with the contractor through the site foreman, project manager, or other authorised person (the "key contact person" in the prescribed contract terms)
- Keep an eye on progress — visit the site and ask questions
- Keep records of any agreed changes in writing
- Check that progress payments match progress on site

STEP 07

Resolving disputes.

It is in both your and the contractor's interests to keep the project running smoothly and to deal with disputes as they arise.

- If you have concerns, raise them with the contractor (or the key contact person) as soon as possible
- Raise concerns in good faith and use the dispute resolution processes agreed in your contract
- If you receive an invoice that concerns you, clearly outline the issue to the contractor in writing
- For information on your options, go to mbie.govt.nz

Further information: Go to mbie.govt.nz or call the Ministry of Business, Innovation and Employment on **0800 242 243**.