

Key considerations before embarking upon a building project

On any building project, meticulous attention to detail in the planning and design stage, leading to comprehensive and clear drawings, specifications and schedules of finishes, is crucially important, when presenting information to prospective builders.

By [Allen Bodill](#) 6 Jul 2016



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It is vitally important, when inviting tenders and appointing contractors, that each tenderer's track record, financial standing and recent references be reviewed by the consumer or their duly appointed professional agent administering the project on their behalf.

Make sure you obtain a detailed cost estimate before you commit to any contractor. In the absence of a detailed priced 'bill of quantities', which should be prepared for the consumer by an experienced quantity surveyor, any 'plan and specification tender must describe - in detail - the scope of work, description of materials and schedule of finishes, allowed for in the builder's price. Extreme caution should be exercised when paying out deposits, ahead of any work having been done or ownership of any materials having been legally passed to the consumer by the contractor.

Professional advice

To this end, should the consumer not employ the services of a professional agent to administer the project on their behalf, they should - at the very least - take professional advice as regards the appropriate form of contract to sign with their builder and ensure that all of this documentation is in place, before the work commences or any payments are made.

Consumers should also ensure that the work is carried out under cover of standard contractual documents which are widely used in the industry and which have been tested in law.

Caution should also be exercised when making any changes to these standard documents, as this may result in significant and unintended consequences, particularly with regard to the 'balance of risk' between the contracting parties. These standard documents are available from the Western Cape Master Builders' offices in Belmont Road, Rondebosch. These documents set out, in detail, the rights and obligations of each party and cover vitally important aspects such as completion dates, payment intervals, retentions, insurance risks, penalties for late completion and workmanship guarantee periods, amongst many other often 'overlooked aspects' of building projects.

When choosing a contractor, the consumer ensures that they are registered with the necessary statutory bodies, such as SARS, the National Home Builders Registration Council (applicable when building a new home from scratch), as well as the Building Industry Bargaining Council (BIBC). Consumers can check the contractor's registration and compliance status via the BIBC's website, www.bibc.co.za.

Appropriate risk insurances

In addition, careful attention must be given to ensuring that the appropriate risk insurances have been timeously placed by the parties, obligated in terms of the building contract for arranging this cover, and that confirmation of this is obtained via 'letters of good standing' from the relevant insurance broker or underwriter.

Lastly, in terms of the Occupational Health and Safety Act, it is a legal requirement that any contractor carrying out work in the industry, has Compensation for Occupational Injuries and Diseases Act (COIDA) insurance cover in place for the full duration of the works. Again, the consumer must insist on a letter of good standing confirming that this policy is in full force and effect for the entire duration of the work.

It is also advisable, in the case of altering- or adding to - an existing structure, that the owner of the premises advises their own insurer in writing, of the cost, nature and anticipated duration of the works, in order to be guided by their insurer as to the possible need to take out any special cover to secure their risk.

It is highly advisable that the consumer keeps in touch with the project by attending site meetings and communicating regularly with their contracting team, via the appropriate format and channels, the details of which will be described in the building contract document.

If you follow these guidelines, making your desired building project a reality is within your reach.

A directory listing all MBAWC members and containing useful information on how to use a standard building contract document is available to the public in order to make the building experience as painless as possible. Go to www.mbawc.org.za for more info.

ABOUT THE AUTHOR

Allen Bodill is executive director of the Master Builders Association of the Western Cape (MBAWC).

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