

Contract checklist

For home owners entering a building contract

A written home building contract for work worth more than \$20,000 must contain the following checklist for owners:

- 1 Have you checked that contractor holds a current contractor licence?
- 2 Does the licence cover the type of work included in the contract?
- 3 Is the name and number on the contractor's licence the same as on the contract?
- 4 Is the work to be undertaken covered in the contract, drawings or specifications?
- 5 Does the contract clearly state a contract price or contain a warning that the contract price is not known?
- 6 If the contract price may be varied, is there a warning and an explanation about how it may be varied?
- 7 Are you aware of the cooling off provisions relating to the contract?
- 8 Is the deposit within the legal limit of 10%?
- 9 Does the contract include details of the progress payments payable under the contract?
- 10 Do you understand the procedure to make a variation to the contract?
- 11 Are you aware of who is to obtain any council or other approval for the work?
- 12 Do you understand that you are not required to pay the contractor a deposit or any progress payments until the contractor has given you a certificate of cover under Part 6 or 6B of the *Home Building Act 1989* (except where the work is of a kind that does not require insurance)?
- 13 Does the contract include either of the following:
 - 13.1 the cost of insurance under Part 6 of the *Home Building Act 1989*?
 - 13.2 the cost of the alternative indemnity product under Part 6B of the *Home Building Act 1989*?
- 14 Has the contractor given you a copy of the Consumer Building Guide, which provides key information about your rights and responsibilities under NSW's home building laws and where to get more information?
- 15 Does the contract include a statement about the circumstances in which the contract may be terminated?

If you answer **NO** to any of the questions in the checklist, you may not be ready to sign a contract.