

Contract checklist

For home owners entering a building contract

By law, 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 insurance under the Home Building Compensation Fund (except where the work is of a kind that does not require insurance)?
13. 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?
14. 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.

