

BUILDING A NEW HOME

THE RAW FACTS



**RAWSON
HOMES**

EVERYTHING
YOU NEED TO
KNOW TO AVOID
**THE PRICE
HIKE...**

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Please note that the sites, processes and procedures referred to in this document relate to vacant registered sites and standard designs chosen from the Rawson Homes and Luxe+ Gold specification. Processes and procedures may change in some council and regional areas.



Just like the Rawson brothers themselves, I've been in the building game for years. Believe me, I've seen it all. Sometimes though, I think we're our own worst enemy.

What do I mean by that? Well, building is complex, and good builders tend to be detailed people. I know we are. So when we try and explain all the ins and outs of what needs to be considered to someone who's never built a home before ... well, let's just say that sometimes we give people all the detail when we should just really give them the message.

So here it is.

When it comes to price, the key difference between other builders and Rawson comes down to these two things.

- 1.** We do a full site investigation before we give you the tender price.
- 2.** We submit your plans to council before we ask that you sign a Real Price contract.

In the following pages, you'll find out some of the reasons – the raw facts in simple language – why doing both those things is so very, very important. Ultimately, it's why the price we give you is the Real Price. In fact, one of our clients says it better than I could ever say it myself.

"From the beginning I had a great feeling about Rawson. The Rawson display homes obviously first attracted us to Rawson but sales people are always the point where you either get that bad feeling in the stomach or a great feeling of trust."

"I knew Rawson was the company we HAD to build with because if the salesman was this honest what does that say for the company? No costs were ever hidden and from beginning to end the cost of the house never changed."

Welcome to Rawson Homes.

A handwritten signature in black ink, appearing to read 'Martin Apap'. The signature is stylized and fluid.

Martin Apap

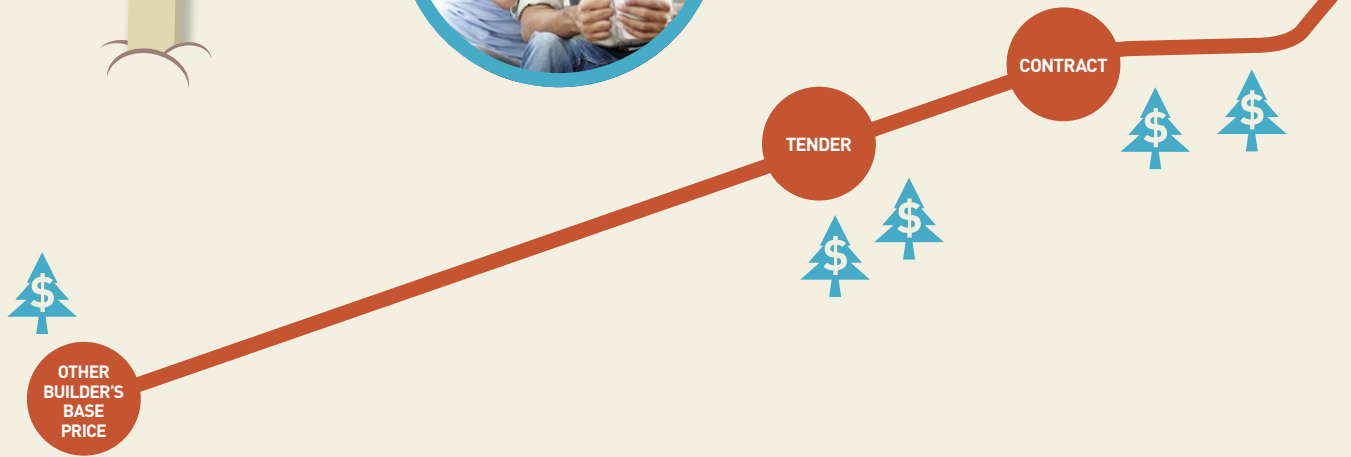
General Manager

THE PRICE HIKE

What other builders do



Other builders often fail to do a site inspection before giving you the tender price, and lock you into a contract long before submitting your plans to council. The result is lots of unknowns, allowances, provisional sums and a price that goes up, up, up.



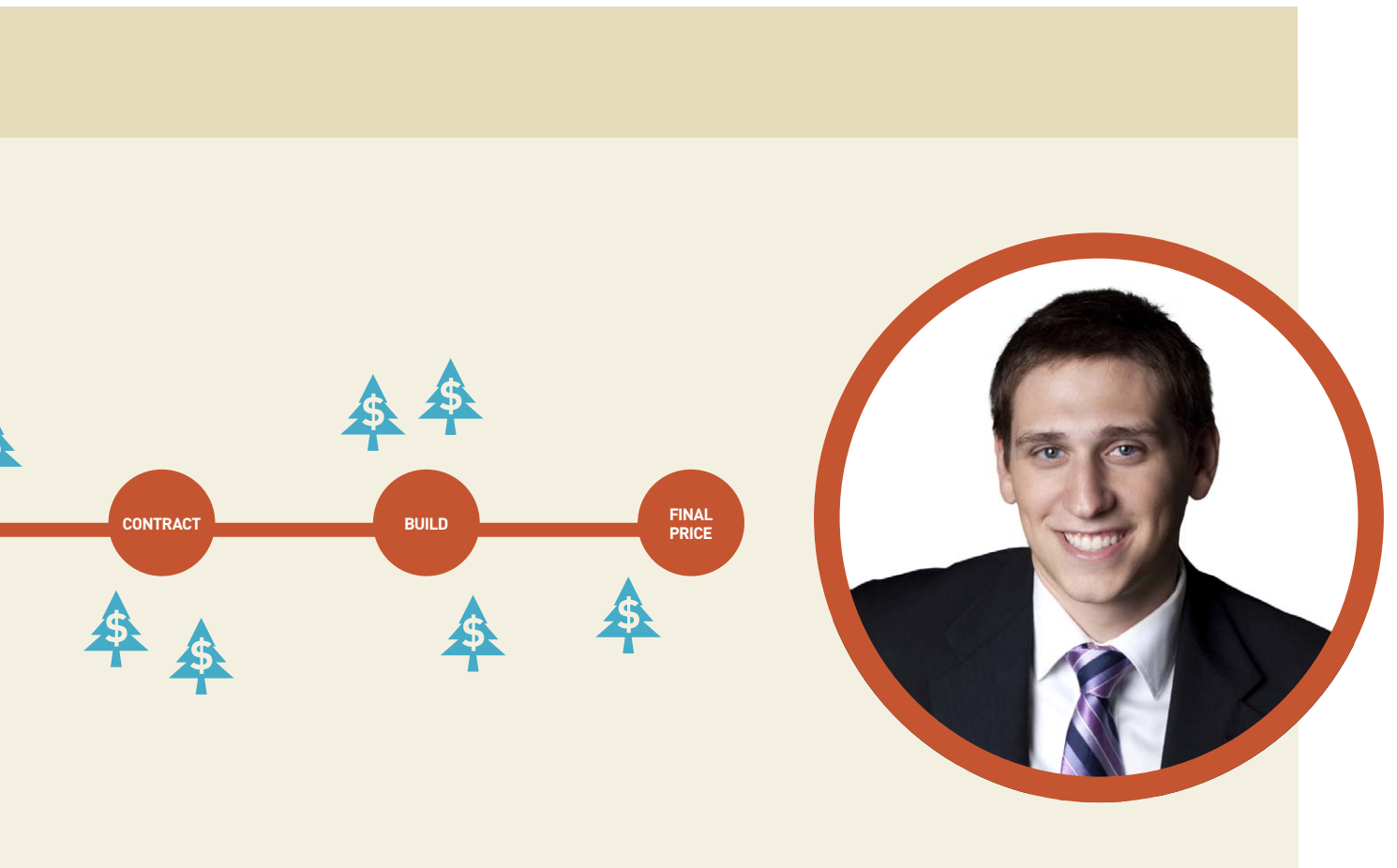
REAL PRICE

What Rawson does



We do our homework before we give you a price. We do a full site investigation before we give you your tender price and we submit your plans to council before we give you a contract price. The result is a fixed price that doesn't change from start to finish.





What's a base or package price and can my home really be built for that?

How annoyed would you be if you bought a car and found out it didn't come with an engine? A base or package price is a price that is the bare minimum of a promise. It's a car without an engine – or a house without eaves, driveway, flooring or flyscreens for example.

What many builders do is offer a low, low price to prospective clients. This is their 'base price' and they say you just need to add on what you want from here on. But do you

want a driveway, flooring and eaves? Of course you do. Just as you want a building design that will pass council requirements and BASIX regulations, and building foundations that will keep your home solid. The truth is everyone wants these things because they are in fact necessary – no home can actually be built for a base price.

At Rawson we include everything up front. We include everything you actually need to build your house in our Rawson Real Price. That's it. It's that simple. No base price deals or gimmicks. No tricks. Just honest business practice – the way it should be. ●



What's a tender price and why is it sometimes different from the final price?

A tender is an offer to carry out work at a stated price. That price includes an estimation of how much the work will cost.

What many builders do is offer a low tender price that will only go up. That's because they don't do a full site investigation before tendering. Instead, they give you a tender price full of 'allowances' (for example piling, service connections and BASIX) that won't be finalised until the council approval stage or during the build. The result is that your final price will be more, much more, than the tender price.

At Rawson, we only give you a tender price after we do a full site inspection. That means that we know the dimensions of your block and



how much fall is on it and the location of your trees and your services. When we get to the contract stage, we've also typically submitted your plans to council, too. Our tender price is our final price because at Rawson, we have really done our homework. ●

What is contract signing and why does its timing impact final costs?

Signing the building contract is the point at which each party is legally bound – they're contractually obliged to meet their side of the agreement.

What many builders do is ask you to sign a contract very swiftly. Once you accept their tender, they'll produce preliminary drawings within a few weeks – and then ask you to sign a contract. And, because many other builders won't have inspected your site fully or obtained council approval at this stage, you're signing a contract peppered with provisional sums and allowances... which just really allows the price to be hiked up, up, up.

With Rawson, we ask you to sign a contract much, much later in the process. At the tender request

stage, we do a full site investigation which then allows us to present a tender with fixed prices for the entire build.

Once you agree to the tender we then submit plans to council and typically ask you to complete your colour and materials selections.

It's only when we're well on the way towards council approval – knowing the extent of any council-requested amendments – that we ask you to sign a contract. What all this preparation really means is that the tender price is the contract price. As long as you meet your side of the agreement in the allocated timeframes – then the contract price is the final price; what we like to call the Rawson Real Price. ●



What is soil testing and why does it matter?

A soil survey is typically done by a geotechnical engineer, who works out a site classification by assessing the soil type, moisture content, salinity, bearing capacity and possible soil reactivity. The site classification lets the engineer detail the slab and piling so that your home complies with the Australian standard.

Many builders don't complete a soil test at tender stage. Instead they include an estimated allowance. Only after you have signed a contract and paid your deposit or acceptance fee will they complete the soil test

– and therefore only after that will you know how much will be needed for foundations, slab and piling, all potentially sizable costs. Do you want to take that risk, the risk of the price hike?

At Rawson we complete the soil test at tender stage. We don't make an allowance to be adjusted in our favour later on – we get it right from the start. Without the right foundations, a house can move, its walls can crack. Everything starts with the soil – and so do we. It's not only good building practice, it's peace of mind for both us and our clients. ●

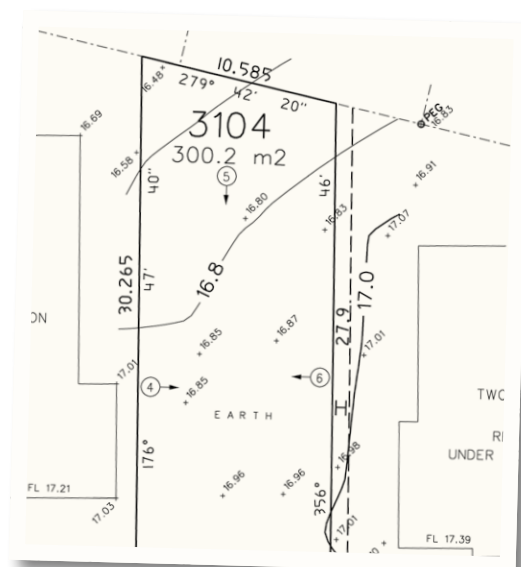


What's a contour survey and why can it change the price?

Typically done at the same time as soil testing, a contour survey literally sets the levels at which a your home can be built. It looks at how even the ground is and where and what the slope is across the site. The information that comes from the survey (combined with the soil tests) is critical in working out the amount of cut and fill, the extent of the drop edge beams and where the service connections are.

What many builders do though is leave commissioning a contour survey (and a soil test and a full site investigation) until the contract is signed. This means that their tender is subject to both a site investigation and a contour survey – and correspondingly full of allowances about some potentially big ticket items.

At Rawson, we complete a contour survey and full site investigation before we present your tender. This means that we know exactly what the level of the garage will be for example, and the driveway gradient, and the design of the edge beams and the location of the services. We don't need to make allowances for these in the price – which means that we can give a fixed price. Now that's peace of mind: knowing the cost upfront and knowing you are not open to risks of price hikes down the road. ●



What is piercing and why does it matter?

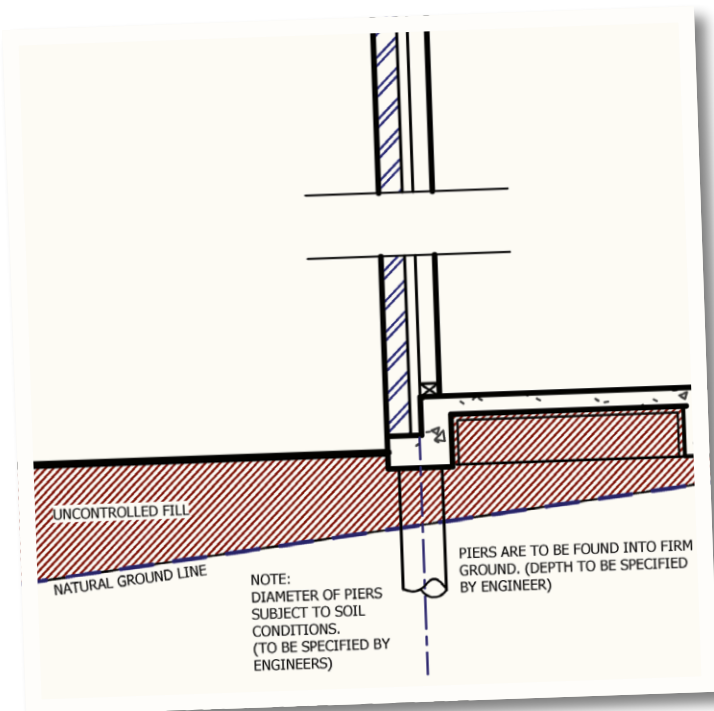
Piers go underneath the slab and help support the foundations of your home. They are typically made of concrete and act like the legs of a table supporting the overall slab.

What many builders do is give an allowance for piercing, because at the contract stage they haven't yet done a soil test. However the allowance is often minimal. Once on site they find they

require much more and then they'll call you up and say, 'It's now going to cost you quite a few thousand dollars more.' But what can you do? Piers may be buried in the ground and never seen again but they are not something that can be skimmed on.

At Rawson we give you a fixed price for piercing at the tender stage. We can do that then because

we've already done our soil test and full site inspection so we can accurately estimate a site's piercing needs. And that's the way we think it should be. We are builders, we know our trade and we don't leave anything – especially something as important and potentially expensive as piercing – as just an allowance. ●



What is a slab class and why does it matter?

A slab isn't just a slab – they actually come in classes that are designed to match the type of soil on your block – its moisture level and reactivity for instance.

What other builders do typically is allow for what's called an M class slab in their tender price. Now while M class slabs historically reflect the most common type of soils, that's not always the case. In that situation,

you face a potential hike in the price. If the engineer requires an H class slab instead of a M class, this can add between \$4,000 and \$8,000 to the price.

What Rawson does is complete a soil test prior to giving you the tender price. This means that at this stage we already know what class of slab is needed; we don't need to guess. This makes our tender price very real indeed. ●



What are drop edge beams and how do they impact price?

A drop edge beam, also known as a stepped edge beam, is the beam around the edge of a concrete slab that has been enlarged to contain fill or provide for a level surface. When a site needs cut and fill to equal out the angle of a slope, a drop edge beam is inserted on the fill end of a slab to keep the slab level equal to the cut end.

What many builders do here is say that the price of a drop edge beam will be subject to a contour survey, meaning the client has little control over the cost once contracts have been signed. This is just one more door left open to charge the client. As most people don't understand the drop edge beam concept, builders can really charge whatever they want for this – and the poor client is left heading down the price hike road.

At Rawson we price and fix drop edge beams at tender stage. From our site investigation we know the heights and levels of the site so we know what will be needed on your home. A fixed price for drop edge beams at tender stage makes sense for us, for you, and for a happy relationship between us both. ●



How do different companies treat driveways and how does this impact price?

Did you know that all driveways in Australia must be designed to an Australian Standard? That standard also dictates the type of concrete, the thickness and angle, the splay, width and gradient.

What many builders do is leave the site investigation and contour survey until *after* you've signed the contract. This means that they won't know for example whether your garage will need to be stepped down to meet gradient rules, or whether backfill will be required to meet splay or width requirements. And that's just some builders – many others simply don't cover any driveway costs at all, leaving you with a shiny new home and no driveway.

At Rawson we confirm all driveway needs and costs at

tender stage. What's more, we also include the driveway within our Real Price, where so many others don't. That's just another example of the Rawson difference. ●



What is BASIX and why can it impact the price?

BASIX, or the Building Sustainability Index, is a NSW planning standard that sets a number of energy and water reduction targets that each home needs to pass.

What many builders do is complete a BASIX assessment *after* you've signed the contract. What typically happens then is that the BASIX allowance they have included just isn't sufficient to cover all the things your home needs to pass BASIX. For example, while they may have allowed for a rainwater tank, if it's not sufficient

to meet requirements it could cost you an extra \$2000 and if they haven't allowed for one at all then that's an extra \$6,000 to \$7,000. Other common extras are: sarking (about \$2,500), eaves (about \$4,500), and extra insulation (between \$1,000 and \$1,500).

At Rawson, we've already done the work making sure that our homes comply with BASIX and our standard specifications include a high level of environmental and sustainable inclusions – higher insulation and cross ventilation, slimline rainwater tank at the side of the home, for example – so our houses naturally rate well in BASIX. What's more, at Rawson we fix your BASIX price at tender stage. No more to pay. ●



What is sarking and how could it impact my price?

Sarking is the foil backed material installed underneath the roof covering. It is a recommended building process because it not only offers additional weather proofing but adds extra insulation.

What most builders do is charge extra for sarking; it's not included in the base price. Often you'll only find this out *after*

you've signed your contract, and after the BASIX assessment has been done.

At Rawson we include sarking as standard in our specification. It gives our clients peace of mind that they have secondary weather proofing and also that their home will pass BASIX and with flying colours. ●



What are connections and how do they impact price?

A home is more than pretty design and it's more than bricks and mortar. A home also has to function: it needs to let a family cook, clean, shower and... well, you get the picture. All that means gas, water, electricity, stormwater and plumbing.

What other builders do is make an allowance at the tender stage for the cost of services and their connections. This might be, for example, sewer line at a fixed price up to 6 metres from the house. But what

happens if you have a deep block?

At Rawson we've already identified all the connection points in our site investigation.

That means that we know what connections will be needed, and how much you will have to pay as a total price. When we give our clients the tender we clearly say, 'Your stormwater connection will be X, your water Y, your gas Z'. You will know all that up front, which means there are no nasty surprises down the line. ●



Vegetation removal and how it affects the price

Vegetation removal is the process of removing all unusable materials from site: while some soil can be used for fill, the top layer tends to be filled with vegetation and is just not a suitable foundation material so it must be taken away. Import-export meanwhile is the process of making a site level by either trucking in extra soil (import) or carting away excess soil (export).

What other builders do is literally this: once work begins on site the first phone call a client receives from their site supervisor is that there is extra vegetation that needs to be removed. The conversation may go

something like: 'There's a load going now. It's going to cost \$1500. How do you want to pay for it?'

At Rawson, we include vegetation removal and import export up front. Our site investigation identifies the exact vegetation on site and we allow for the cost of that removal. Our site investigation also identifies any import or export soil needs and we include a fixed price for that in the tender. Together it means there are no unpleasant phone calls to our clients on the first day on site – because we've already factored everything in. ●



Bricks and mortar: why do they matter?

We all know what bricks are, and most of us know that the stuff that holds two bricks together is mortar. But what many people don't realise is the wonderful variety of both bricks and mortar – yes, mortar! – available on the market.

What other builders typically do is allow their clients to choose their bricks from only one brick manufacturer. When it comes to mortar, most offer only a single mortar colour: grey. If you want a different colour, they will charge up to \$1,000 extra. If you want a different brick manufacturer, bad luck.

At Rawson we give our clients the choice of brick manufacturers and mortar colours. We not only give all our clients a choice of grey or white mortar

but we also offer a choice of raked, ironed or flush joint finishes, too. Just bricks and mortar? At Rawson, it's just more choice for you. ●



What are cartage, site handling and access and how do they impact cost?

The smallest things can add up to headaches – and big dollars – during a build. Three areas that many clients don't consider are: cartage (moving materials to and from site), site handling (moving materials on site) and access (entrance to a site).

What other builders do is leave the thorough site investigation until *after* you've signed the contract – which also typically includes clauses like: 'any excess materials will be stockpiled on site'. What are you going to do when that happens? Wheel out your excavator and tipper? Not doing a site

investigation before you sign your contract has a number of ramifications that end up affecting the price.

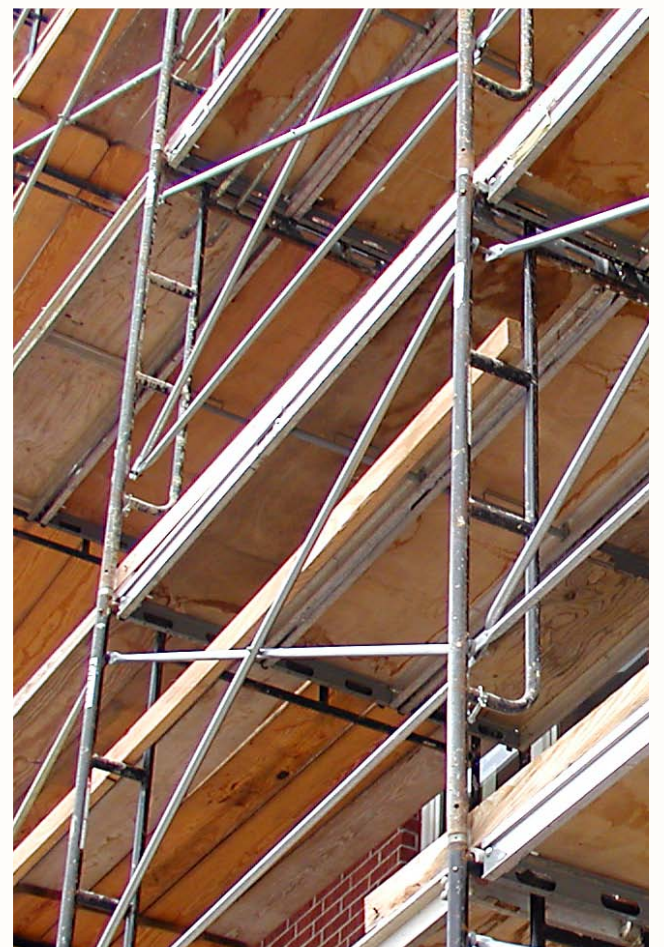
At Rawson, we do the site investigation early so we know how cartage, site handling and access can best be managed on your site. For example, we've already sited your home on the block, and we know what it's going to be built from so we know if we need to factor in moving packs of bricks from the front of the site to the back. If your block is a battle axe or down a laneway for instance, we already know that some deliveries will need to be made with three small trucks, not one large one. All these things are factored into your tender price – which means no nasty surprises (or stressful phone calls) for anyone later on. ●



How can scaffolding & WHS* impact price?

Builders and trades people on a building site must work in safe conditions. In NSW, WHS regulations dictate that full protection must be used wherever building occurs more than two metres above the ground.

What many other builders do is make an allowance for scaffolding in their tender price, certainly. But as they leave the thorough site investigation – including the contour survey – until *after* you've signed the contract, they don't know how much extra scaffolding might be needed. For example, say your home is single storey but that it sits one metre off the ground on the fill side (the opposite of the cut side). In that case, the home sits more than three metres above the ground on that side, and as a result scaffolding must be used.



At Rawson, site inspection means that we've priced all the scaffolding at tender stage. No WHS extras with us; all included, all upfront, no more to pay. ●

*Workplace Health and Safety

What is site security and how might it impact me?

Building sites need to be safe. Not only for builders and trades people, but also for passersby and the local community. That means temporary fencing, all weather access and signage all need to be planned, delivered and managed on site.

What other builders do is include these as a site cost, a variable extra to be determined later. The allowance they typically make may

not be sufficient for the site and so once again the price can start to go up, up, up. Why should safety be an 'extra' – one for you to cough up for down the track, as if it's some kind of unexpected afterthought?

At Rawson we include site security in our tender price.

Everyone will be safe, everything will be covered, and there will be no more to pay. It's just good building sense. ●

What is Home Warranty Insurance and what do I need to know?

Home warranty insurance is a government consumer protection program. As part of the program, the top 40 builders in NSW are audited regularly to ensure they are financially viable and therefore capable of completing work.

Small builders are not in that top 40. Therefore they are not being regularly monitored to ensure they are capable of delivering quality work on

time and to budget. To ensure you don't end up at risk of being left high and dry, always check first to see what kind of monitoring a builder has.

Rawson is in that top 40.

We are audited regularly so you can be confident that we are compliant with the program, that we are financially fit and that when we say we will deliver you your home, we mean it. ●



Home Warranty Insurance Fund

WHAT NOW?

VISIT US

walk through our display homes

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**RAWSON
HOMES**