



## Keeping Your Home Building or Renovation Project on Budget

One of the greatest concerns of those opting to build or renovate their home is of course price. No one wants to engage in an endeavor in a money pit. For many, once a budget is in place there is very little margin for error.

### Pre-Qualification

Unless you are one of the fortunate few that are able to pay cash for your building or renovation project, your first step should be to get pre-approval from a lender. Lest you have an established relationship with a banking institute, you will need to shop around and find a lender that will handle your type of project at a competitive rate. Once a financing establishment has been selected, you will need to obtain pre-qualification. Like with any other type of financing, you will need to provide documentation for income, debt, and go through the credit check process. Be sure to thoroughly review the interest rates and all terms as these may vary from a typical home loan. Once this tedious step is completed, you will know what kind of budget you have to work with.

### Selecting a Builder

Once you know the exact amount of money that you will be able to work with, you will need to begin the steps to select a qualified builder. If you do not have a relationship with a builder, you may wish to begin by contacting a local housing association or community business group to initiate the selection process with their members. By doing this, you can be assured that the members are legitimate business people that are serious about their industry. This also gives you more avenues for recourse in the event of a grievance.

During your selection process, be certain to inquire as to how significant the builder's role will be in the project, how much will be subcontracted, and how much will rest on your shoulders. Don't hesitate to express what capacity you intend to be involved and what you are expecting from your builder. Ask how close to budget your builder usually runs. Find out the experience level of the builder and his relationships with the building authorities in the area. Don't hesitate to verify licensing and insurance. You must have open communication with your builder and trust that they will not take advantage of an excess in budget. Find out if the builder has a working relationship with an architect of choice.

### You Will Stay within Your Budget

Once you've decided on a financing institute and a builder, you need to put all your cards on the table. If you're not comfortable financing the entire amount that you have been pre-qualified for, do not use that as your budgeted amount. Let your builder know your upper limit and be certain that you leave 10 to 15 percent margin for error. Go through your list of must-haves, preferences, and can live with outs. You must realize that if you change your decisions during the construction or renovation, it will affect the budget. Therefore, you need to be as rock solid as possible in your initial decisions to remain within the boundaries you have set.

With a flexible financial provider and qualified builder and his team of associates, you will stay within your budget providing you do not make significant changes to your plans after it is set in motion.

---

Jock Wallace Constructions have over twenty years experience as award winning builders in Sydney's North. JWC provide quality construction on time and on budget and JWC offer tailored project management solutions to meet your needs. Please [contact us](#) to discuss your requirements.

J Wallace Constructions Pty Limited - Builder's License 54000C  
Unit 11A, 3-9 Kenneth Road, Manly Vale, NSW 2093, Sydney Australia  
Tel: 02 9948 8122 Mob: 0416 101 000 Fax: 02 9948 8035  
<http://www.jwconstructions.com.au>

All material is copyright. All rights reserved.© 2009 - J Wallace Constructions Pty Ltd.