



If you pay a contractor to do some work on your property, you have a building contract with him. It doesn't have to be in writing – but even for a fairly small job, it's sensible (I'd argue essential) to at least set out the main terms on paper. Without this, it's your word against the builder's if disputes arise, and it can be difficult to prove your case based on verbal agreement.

A fair contract will foster a good rapport, so a decent builder will want one as much as you do. Plus, having an agreed price and payment terms works in their favour as much as it does yours.

What should a contract cover?

Building a new home or tackling a renovation is a complicated process. A written contract has two main goals: to record the agreed terms; and to provide a mechanism for dealing with problems or changes should any arise. With that in mind, the key areas a good contract will cover are as follows (we'll pull out a couple of these in more detail later):

- **Scope of the work** It's important to set out what the project entails. The more detailed the specification, the less risk there is of uncertainty, extra cost or delays being added later.
- **Payment terms** Securing a fixed-price agreement is often a good route, as it gives you reasonable assurance on your project costs. The contract will also specify how payments will be made – monthly, for example. Try to ensure they're made in parallel with the value of the work (and not ahead of it).
- **Timing** You need to at least agree a start and completion date – ideally backed up with a project schedule.
- **Problems & changes** The contract should put a procedure in place for dealing with issues and changes.
- **Work on site** Setting out basic rules for safety, regular working hours, cooperation with others etc.
- **Defects** Post-completion, your builder may have a responsibility

to make good any defects that arise in their work (usually within a six or 12 month period of completion). If you're creating a new home from scratch, then taking out a 10-year structural warranty from the likes of Self-Build Zone covers this from day one.

- **Termination** There should always be a clause allowing the client or builder to cancel the contract if the other seriously fails to meet their obligations; although hopefully you'll never need to resort to it.

Changes to the contract

A key function of a building contract is to help deal with any changes. One case where this might arise is if you, as the client, want to make an alteration to the original spec. A good contract will provide for the builder to estimate the time and cost implications of the resulting work, and for the scope and price of the change to be agreed in writing before it's implemented. You can, of course, decide not to go ahead or negotiate on the finer details if the estimate is higher than you'd hoped.

The other common scenario is when the builder encounters a problem that wasn't expected, such as exceptionally bad weather or unforeseen ground conditions (eg finding archaeological remains). The contract should outline a similar procedure to the above: the builder notifies the client of the issue and the two parties meet to decide how best to deal with it, including whether the problem justifies extra cost or an extension of time for the work.

Wherever an amendment is to be made to the original agreement, it's always best to use a change confirmation form so both you and the builder have a written record.

Where can I get good contracts?

Contrary to what some in the legal profession might suggest, a contract doesn't have to be complicated. In conjunction with insurance and

Building contracts: Do you really need one?

Not sure whether a written agreement is necessary for your project? **Giles Dixon** reveals why you need to think again

warranty specialist Self-Build Zone, ContractStore.com has developed a range of plain English contracts for self builders and renovators.

The value-for-money suite includes a standard form for building a new house (contract B152, priced at £22.50) and a shorter version for appointing individual trades (£17.50). They are easy to read and complete, and come with explanatory notes you can access online before you buy.

Putting a simple agreement in place, alongside a straightforward claims form, can also put you in good stead with your insurer. For instance, Self-Build Zone offers reduced premiums for self builders and renovators buying into these contracts; along with three-year legal expenses insurance cover for its structural warranty clients. That's because an effective contract allows the claims team to move quickly on your behalf when issues arise.

Bear in mind that no contract can guarantee the quality of the builder; so always make sure you seek several quotes and take up references. They also can't stop things going wrong. But they do give you and your builder the legal framework needed for your project and a method of sorting out any problems that do occur.

Giles Dixon is a specialist construction solicitor and a founder-director of ContractStore.com. He wrote the plain English contracts mentioned in this article in conjunction with Self-Build Zone.

For more information about Self-Build Zone visit www.selfbuildzone.co.uk