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Reigning in the cowboy builder with the launch of comprehensive online building contracts

- **Detailed contracts to help formalise the agreements between homeowners and builders now available to download**
 - **Top 5 problems to be avoided**

The notoriously fraught relationship between homeowner and builder could become significantly smoother with the launch of the www.homeownercontracts.com online service from Sweet & Maxwell, the legal information provider, on behalf of the construction contracts company the **Joint Contracts Tribunal** (JCT).

JCT contracts are used in around 90% of the UK's construction projects and were conceived to spearhead contract standardisation, reduce legal costs and avoid litigation within the construction industry and now those benefits are being made available to consumers online.

Sweet & Maxwell, a Thomson Reuters business (NYSE: TRI; TSX: TRI; NASDAQ: TRIN) says that home building works are often the second biggest single investment people make after the purchase of their homes, and they should not treat any agreements relating to such works lightly. Sweet & Maxwell explains that the launch of www.homeownercontracts.com allows homeowners to purchase and download standard contracts that are widely recognised and respected by the construction industry.

The contract between homeowner and builder is available to buy along with a second consultancy contract that details further agreements should they be employing a consultant such as an architect or surveyor to oversee the work.

After negotiating with their builder, the homeowner can record exactly what work is to be done, how long it will take and how much it will cost, and so contractually protect their investment.

The contracts carry the Plain English Campaign's Crystal Mark of clarity contract ensuring they are easy to understand and simple to use. Once the details have been discussed with their builder or consultant, homeowners fill out the contract on their computer, print and present to the builder or consultant for signing.

Sweet & Maxwell says that any homeowner wishing to undertake any sort of house work that involves a builder or a consulting contractor needs to have a contract in place to avoid stressful and potentially very costly confusions over pay and standards of work that often arise.

Top 5 problems in the homeowner–builder relationship

1. **Disputes over precisely what work is to be done.** Misunderstandings often arise between homeowners and builders over exactly what work needs to be done. This can extend the length of the project if work completed needs to be amended, leading to higher costs.
2. **Disagreements over cost.** This can occur if parties neglect to outline clearly and precisely what the builder's quote includes. Material costs for example may overrun or the timescale may change, and the builder might attempt to charge the homeowner for these extra costs.
3. **Timescale and deadlines.** Builders often underestimate how long an assignment will take to complete. This might be because they are trying to win the work with a better time-estimate than their competitors, or it can be because they discover during the work that the project is more complicated than they thought. The hassle and disappointment this causes is further aggravated if the homeowners have to stay in a hotel while the building work is being done as their extended stay incurs huge extra costs.
4. **Poor workmanship.** The need for additional work might arise due to poor quality execution by the builder mid-project. The builder may try to shift the costs of the extra time and materials needed to rectify these mistakes onto the homeowner.
5. **Timing of payments.** A homeowner and a builder may agree on a price, but while the homeowner assumes that payment will be done when the project is completed, the builder may ask for all or a proportion of the cash at various times during the project. Very often builders halt work if they don't receive the payment they feel they are entitled to, leaving homeowners with an unfinished project and having to go through the process of finding another builder.

Sweet & Maxwell explains that the homeowner-builder relationship often starts off well. However, unless agreements made verbally at the commencement of work are put into a formal contract and signed by both parties they become very difficult to enforce and the goodwill that existed rapidly evaporates.

The www.homeownercontracts.com site provides homeowners with a simple route to protection and peace of mind for their improvement projects.

The **Building Contract for a Home Owner/Occupier** is available at £16.00.

The **Building Contract and Consultancy Agreement for a Home Owner/Occupier** is available at £22.00.

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Notes to editors:

Sweet & Maxwell (www.sweetandmaxwell.co.uk) is a leading provider of information and solutions to the legal and professional markets in the UK and Ireland. With over 200 years of history and heritage in legal publishing, Sweet & Maxwell offers detailed and specialist

knowledge, understanding, interpretation and commentary across a wide range of subjects in a variety of formats to meet customers' needs – books, journals, periodicals, looseleaves, CD-ROMs and the market leading online services, Lawtel and Westlaw UK. Sweet & Maxwell is part of Thomson Reuters.

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JCT

The Joint Contracts Tribunal was established in 1931 and is an independent organisation representing all parts of the construction industry. The JCT is the leading provider of standard forms of building contract. JCT Contracts provide a wide range of documents that cover most situations where building work is involved. Go to www.jctltd.co.uk for more information.

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