

How to choose a builder

The licence check, the deposit cap and the six-year warranty that Tasmania gives you instead of insurance

A free buying guide from tasmania.biz · for Tasmania

Building in Tasmania is different from the mainland in one way that matters more than any other: there is no home warranty insurance certificate to fall back on if the builder fails. Your protection is a licence check, a written contract with a completion date, staged payments that cannot run ahead of the work, and a six-year statutory warranty. A builder who is excellent on the tools and vague on paperwork is the exact combination that ends in a dispute.

What it should cost

New home construction in Tasmania runs roughly \$2,450 to \$4,200 per square metre according to the Master Builders Association Tasmania's 2026 outlook, with custom and architectural work commonly starting around \$5,000 per square metre. Homes in and around Hobart sit at the upper end, about \$2,500 to \$6,000 or more per square metre, and total projects land anywhere from about \$320,000 to \$900,000 and beyond. Materials shipped across Bass Strait carry a freight premium of roughly 10 to 20 per cent over mainland capitals. Renovations usually cost more per square metre than new builds, because of access, discovery and making good.

The number that moves most is not the builder's rate; it is the scope. Site works, soil classification and footing design, window and door schedules, kitchen and bathroom allowances, heating and connection fees all sit inside or outside a quote depending on how it was written. Prime cost items and provisional sums are where the final price diverges from the headline: ask for every allowance as a dollar figure and for the assumption behind it. A contingency of 5 to 10 per cent is normal, and a builder who says you will not need one has not built on many sloping Tasmanian sites.

What the law requires

Building work that requires a building permit must be carried out under a licensed building services provider, licensed under the Occupational Licensing Act 2005 by occupation and class. A domestic building licence is not a plumbing or electrical licence, and trades are licensed separately, so check each one on the public register. For residential building work of \$20,000 or more, the Residential Building Work Contracts and Dispute Resolution Act 2016 requires a written, dated contract signed by both parties that includes the licence number, the work, the price or how it is calculated, the practical completion date and the statutory warranties; the builder must give you the signed contract and the Residential Building Consumer Guide within five business days of signing, and there is a minimum five business day cooling-off period.

The deposit is capped: 10 per cent for contracts between \$20,000 and \$50,000, 5 per cent for contracts of \$50,000 or more, and 20 per cent where more than half the work is done off-site. Progress payments

must reflect the work actually done - a builder cannot ask for more than 50 per cent of the price before half the job is finished. Statutory warranties last six years from practical completion and pass to a new owner if you sell. Tasmania has no mandatory home warranty insurance scheme; the 2023 amendment Act that introduces one should have its commencement date checked before you rely on it, and until it starts a capped government financial assistance package covers some failures where the builder died, disappeared or went into voluntary administration since 1 July 2021.

Red flags

Cannot produce a licence number, or the number does not match the person standing in your kitchen.

Asks for a deposit above the legal cap, or a large cash payment before anything is signed.

The contract is a one-page quote with no practical completion date and no statutory warranty clause.

"We will sort the permit later", or no building surveyor named at all.

No written variation process, so changes during the build are agreed verbally.

A price far below the others with no explanation of what has been left out - site works, fencing, driveway, connections, landscaping.

What good looks like

Gives the licence number and class without hesitating, and expects you to check it.

Talks about site works, soil, access and services before talking about finishes.

Uses a staged payment schedule tied to real stages, and invoices only for work completed.

Explains the six-year statutory warranty and what you have to do to claim on it.

Says plainly that Tasmania has no home warranty insurance and what that means for your risk.

What to ask

- "What is your licence number, occupation and class, and can I search it on the register while we talk?"
- "Who is the building contractor named on the contract - you, or someone else?"
- "What is the deposit and the progress payment schedule, and what dollar value is each stage?"
- "What are the prime cost and provisional sum allowances, and what happens if they come in higher?"
- "What is the practical completion date, and what happens if the job runs late?"
- "Who is the building surveyor and who lodges the permit?"
- "If you go under mid-build, what protects the money I have already paid?"

This guide is free and independent. No business paid to be mentioned in it. Costs, licence names and rebate amounts change; the figures here are ranges and should be confirmed before you rely on them. Every business listed on tasmania.biz is compiled from its own published material.

© 2026 tasmania.biz. You are welcome to print this, share it, or send it to someone who needs it.