



The Essential Guide to Building your Perfect Space

BONUS
Budgeting
Template

The Perfect Space®
DESIGN + BUILD



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WELCOME TO YOUR FREE GUIDE

For many people, doing a major renovation can be like a baptism of fire. It's a steep learning curve and you want to make sure you are making good decisions right from the start.

This guide is designed to help you navigate the early planning stages of a build. It lays out the options and explains the lingo, so you can move forward confidently armed with all the information you need to create your perfect space.

Happy renovating!

Why are homeowners turning to design and build over design and tender?

If you are a rookie renovator, then chances are you won't know the difference between the two main approaches to building. Simply, a **design and build** company is a full-service concept to completion team who manage the architectural design, construction and project management, end-to-end.

A **design and tender** is the traditional method of finding a designer/ architect to draw up your plans, getting them DA approved and then putting it out for tender to find a builder.

What are the benefits of design and build?

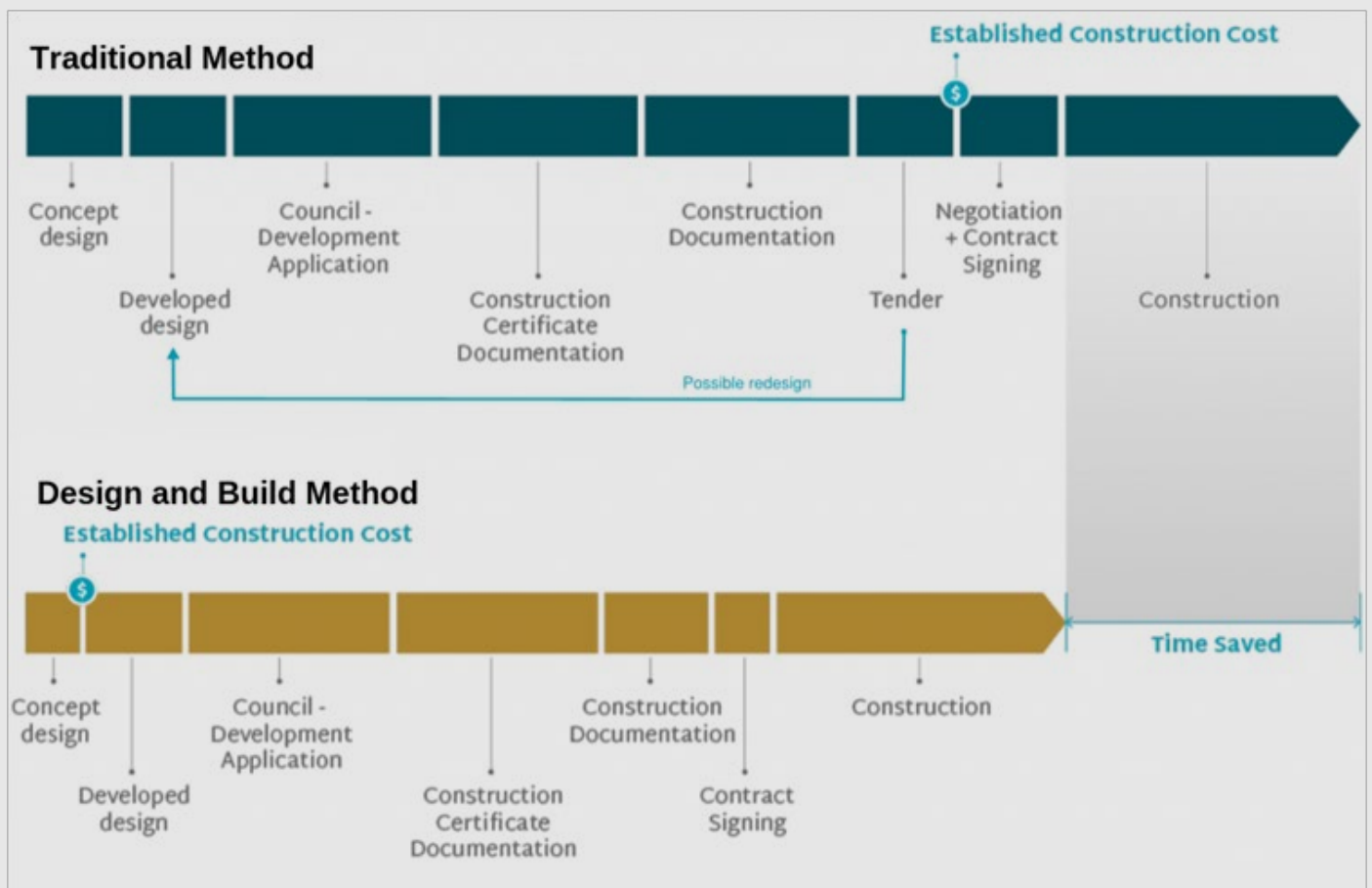
Offering a more streamlined process with one point of contact and the opportunity to save valuable time and money, it's no wonder homeowners are increasingly turning to design and build companies for their home extensions. With in house collaborative power, they can **design and build the best home extension for the money you wish to spend.**

This is because a builder working closely with an architect during the design phase will be able to provide valuable input and help shape the design, maximising your budget while ensuring it doesn't overrun.

But here's the best bit. This collaborative approach means they can give you an **accurate construction cost** upfront prior to council approval. That's right. Not only does it allow for much tighter control of your budget, **but you will be able to sleep better** knowing that the drawing and plans submitted for council approval are ones that you can afford to build.

An accurate cost upfront also means that you can confidently approach your financial institution for funding.

This graph compares the difference between design and build and the traditional way of design and tender. Take a look:



WHAT ARE THE OTHER BENEFITS OF A FULL-SERVICE DESIGN AND BUILD APPROACH?

Along with the valuable opportunity to save time and money, the design and build method also offers these six benefits.

- **Improved communications**

Since the design parameters and budgetary goals of a project are being developed simultaneously, it allows for effective execution and communication between all parties. With everyone working together, the owner has greater access to the project team throughout its development.

- **Increased responsibility**

Because design build companies are fully integrated, it provides the client with one company to answer any questions or concerns. This is really appealing for a lot of renovators.

- **Value-based feedback system**

The architect, builder and owner can work together to establish what methods and materials will amplify the owner's value. Once the budget is set, over runs rarely occur and are typically due to variations implemented by the owner.

- **Quality**

This process ensures high quality because of the effective and efficient collaboration between the architect and builder. This results in the production of a design that is both eye-catching and economically viable.

- **Budgeting**

When the budget is determined in the early stages of project development it allows a smooth transition between each stage of construction. A cost-effective design is now easier to obtain because the designer has access to construction pricing and information during the design phase. And, because designers and contractors work together within the same company it makes it much easier to stay within the projects budget.

- **Fast delivery** - With all aspects of the projects streamlined through one point of contact, it means projects can be completed much more quickly and efficiently compared to the traditional design-tender-build method.



What do I need to know about the alternative, design and tender approach?

If you are an experienced renovator with a deep understanding of building costs, then the method of finding a designer/architect and then sending it out for tender may be an option for you.

When finding an architect for your extension, it's vital to do your due diligence. Getting the right fit including a good rapport is essential. But while they may be a fantastic architect/ designer, they are not the keepers of building costs. It's very difficult for them to be on top of current building costs and products in a fast-moving economy. That's the job of the builder.

The watch out here is that the traditional way of submitting architectural plans to council prior to tender means **you could end up with a council approved design that you can't afford to build.**

Read choice 's article [Five steps to house plans that won't blow your budget](#)

When is the traditional method a better option? If you have a specialised design that an architect is known for and a flexible budget, then this method may work for you.

WHAT TO LOOK OUT FOR WHEN CHOOSING A GREAT DESIGN AND BUILD COMPANY

If you have decided that the full-service design and build approach is best for you, there are a few deal breakers to look out for when shopping around for the right company.

Do they do a concept design and cost analysis?

Check they offer a [concept design and cost analysis](#) before the approvals are obtained, and check the detail they provide, so you can make sure everything is exactly how you want it. Simple 2D Line drawings with a 1-page cost summary will not be enough for you to really make sure you are getting what you want. The proposal should at least include 3D CAD drawings, a full bill of quantities, a detailed specification so you know exactly what you are getting. **Not providing this as a minimum should be a deal breaker.** During this phase it's important know what preliminary costs you can expect, but more about this later.

Do you click?

Make sure that you get along with the builder and designer. This is essential. Since most renovations involve you living in while the work is going ahead, you need to make sure you trust the builder and his team and **feel comfortable to raise any concerns.**

Do they have good references?

This seems like an obvious one but **check the reference of the last two jobs.** Don't just look at a select reference that they have provided. And remember to ask the question, how did they deal with any things that were not up to expectation and did they rectify the issue to satisfaction of their client? With renovation work, it's normal for different issues to arise, but what sets a builder apart from a great one is how they respond.

Do they have an easy to use project management system?

Check that they have an easy to access online project management system, that you can log into whenever you want to see how your job is progressing.

Hot Tip:

On average it takes around 30 - 40 weeks from hitting the go button for a CDC or DA until you are ready to start building, so factor this in your decision.



Tips on how to set a realistic budget

Ah, the dreaded budget. The reality is that for most of us, we have a budget that we need to stick to. Read on to discover how to set your budget and where to start with your ideas.

Decide what your house is

Start with is this house your **‘forever home’**? Will you be needing to sell in the future? Where will you be in five or ten-years’ time? This will help everyone in giving you the right advice.

If over capitalising is a concern, then research similar properties to see what the value is. These days there is a wealth of free information on Realestate.com.au and Domain.com.au as well as other less known sites such as Onethehouse.com.au where you can research house values.

Another great idea is to speak to your local real estate agent to find out if the amount of money you are planning on spending will have a good return and add value.

And finally, decide what will give you back the most value in terms of lifestyle.

This will help you decide where to focus your money in order to receive the most value from doing the build.

Set your budget

Even if you have unlimited money (wouldn’t that be nice!), you need to provide a figure to your builder, so they know where to start. If you are not sure of building costs, you will have some sort of an idea or how much you would like to spend.

Item	Cost (ex GST)
Kitchen	\$20,000
Appliances	\$10,000
Bathroom	\$20,000
Laundry	\$13,000
Deck	\$10,000
New Floor	\$14,000
Plans	\$13,000
Painting	\$15,000
Structure	\$65,000
Windows	\$10,000
Demolition	\$10,000
Total	\$200,000 (ex GST)

This is a start but not completely accurate because it doesn't factor in builders' overhead costs and preliminary fees.

If your **budget is \$200k**, you can see from the below table that there is only approx. \$73k – \$125k available in raw building costs (approximations). In this case, a better option would be to not apply for a DA or CDC and rather renovate within the existing footprint to amplify the value. The scale of economy does increase when the budget is higher, and the percentages will reduce the higher you go. Remember this is just a guide and not to be relied upon.

The only truly accurate way to cost a project is by calculating a bill of quantities, using actual measurements and sourcing trade prices.

A Approx. job budget for DA approval or CDC - \$200,000.00 Ex GST		High	\$200,000	Average	\$200,000	Low	\$200,000
B Preliminaries (Plans, consultants, reports, fees)		14%	\$28,000	10%	\$20,000	8%	\$15,000
C Builders Preliminaries (Allow between 6-12%)		12%	\$24,000	8%	\$16,000	6%	\$12,000
D Builders Margin (Risk adjusted Allow 14-28%)		28%	\$55,000	18%	\$35,000	14%	\$28,000
E GST		10%	\$20,000	10%	\$20,000	10%	\$20,000
F Budget left for raw building		37%	\$73,000	55%	\$109,000	63%	\$125,000

For illustrative purposes only.

But please be aware, builders use accurate software to take off a full bill of quantities, using actual measurements, as well as obtaining accurate subcontractor prices. Also builders usually get wholesale rates on materials and labour, so the most accurate price will be the price the builder gives you.

What are the must-haves?

Once you have determined your budget, concentrate on the 'must-haves'. For example, a new kitchen and bathroom and/or more bedrooms. If you focus on the must haves, you can check costs early on and decide whether you can up the spec with materials or add on other items. Things that add the most value to homes are new kitchens, bathrooms and adding SQMs. Modern living is all about open plan with multiple living areas.

For other helpful budgeting tips, check out [Ten costs that can blow your renovation budget.](#)

Terminology

Preliminaries – All costs with planning, architectural fees, council fees, consultants, surveyors, certifying costs before build can begin. No builders margin is added to this, as this is a value-added service.

Builders Preliminaries – All costs that can't be attributed to a trade such as supervision, site labour, rubbish removal, cleaning up everyday after trades, scaffolding, safety costs, insurances, liability. All these are necessary to the build but are often overlooked.

Builders Margin – Any builder who is in business will have a mark-up on all costs. This margin is the builder's profit and overhead margin and goes towards operating costs such as administration, general insurance (non-site specific), car and truck insurances and office staff. The margin is adjusted for risk, so a new build will be on the lower spectrum and a difficult renovation, which is slower will be on the higher spectrum.

Highlighted - Its possible to have a combination as an example, such as low prelims (due to minor work needed) and very high builders preliminaries (due to needing very high scaffold, or difficult access) but just average margin because once the job begins it is relatively easy going, using this example on the above graph would leave \$106,000 which is $A-(B+C+D+E)$ or if you average the costs, it would be around \$102k. $(73k+109K+125K)/3 = 102K$.

Hot Tip:
Don't forget to add to your budget, preliminaries, builder prelims and a percentage for builders' margin to get a more accurate idea of costs.



WHAT PRELIMINARY COSTS YOU SHOULD EXPECT BEFORE YOU CAN BUILD

A lot of people seek financial assistance through their preferred lender to fund their new extension or second storey addition. Even with an approved design and building cost, to get full approval and the borrowed money released into your bank account, the finance guys need to see council approved plans and a signed building contract in place.

The Preliminary Phase is where this happens. It's broken into two parts, and there are fees associated with each.

For a more detailed list of third party consultants and reports that may be needed to support your application, you can learn more in our blog – Consultant fees.

We advise our clients that generally they can expect to outlay approximately \$15k - \$25K in total for preliminary fees based on a budget of around \$250k - \$500k.

Unfortunately, smaller jobs that require development approval still require costly fees, so it's worth considering if it's feasible.

Here's how it's broken down:

Preliminary Phase 1 - Development of architectural plans for lodgement

A full set of DA or CDC drawings are prepared for submission and approval. This submission also includes documents such as:

- Site plan
- Survey
- Calculations page
- Site analysis plan
- Elevations
- Shadow diagrams
- Floor plans

Your team will also prepare documents that support your plans and lodgement to the council:

- **A Statement of Environmental Effects (SEE)**

This detail any potential environment impacts the proposed build will have.

- **Waste Management Plan**

This applies to all homes across the country and lists how waste generated onsite will be managed, maintained and disposed of.

- **BASIX (Building Sustainability Index)**

This applies to all residential homes across NSW and is part of the DA process.

Depending on your property and build, there may be some extra supporting documents required in your application such as a Bushfire Report, Flood Report or Acoustic Report to name a few.

The preparation of drawings and paperwork for lodgement starts at \$6500

Preliminary Phase 2 - Council Lodgement of Development Application & Construction Certificate OR Complying Development Consent

This next step is where your plans are lodged to PCA (Private Certifying Agent) or Council as either a Complying Development Consent (CDC) OR as a Development Application (DA) and Construction Certificate (CC). At this stage, additional documentation will also be prepared for the build:

- **Engineering plans and certification** to confirm your existing home will support the new addition
- **Sewer Service Diagram**
- **Sydney Water check**
- **Home Warranty Insurance** – for all residential works over \$20K
- **Long Service Levy** – for all residential works over \$20K
- **And any other supporting documents as required**

The preparation of the lodgement for either CDC or DA/CC starts from \$8500.

A tighter cost can be provided once council fees have been quoted.

What about timing?

As a guide, it will take 3-4 months from planning to council approvals. This should be factored into your timeline.

What are the different methods of approvals?

You have probably heard the term 'DA approval' and maybe even CDC or exempt? What does it all mean and what's applicable to you? Read on for a description of each. Your architect/ designer and builder can help you work out which method is best for your build.

What is exempt development?

Some minor building renovations or works don't need any planning or building approval. This is called Exempt Development. Exempt development is very low impact development that can be done for certain residential, commercial and industrial properties. A few examples of developments that can be exempt development are decks, garden sheds, carports, fences, repairing a window or painting a house. As long as the proposed works meet all of the development standards (identified in the State Policy for exempt and complying development), approval may not be needed.

DA, CC and CDC? What are they are and what's the difference?

When building a new home or embarking on a major renovation or extension, you have two options to ensure that you are meeting all the regulatory requirements:

A Development Application (DA) is a merit-based assessment conducted directly through the local council. The council will have a set of guidelines and parameters that will be used to assess your application. In some circumstances, your application may fall outside those guidelines, but the council still has the option of approving your DA.

A DA is a two-stage process that includes the assessment and then once the DA is completed, a construction certificate must be submitted and approved.

A Construction Certificate considers the planning aspects of the build. Some of the elements required include site plans, architectural plans, engineering plans, building specifications, fire safety, and sustainability statements.

Complying Development Certificate (CDC) is a combined planning and construction approval process. It is designed to enable straightforward development applications to be fast-tracked. It can be conducted by either your local council or a private certifier. As a result, the process is faster than a DA.

There are two steps:

- A strictly defined checklist that you must comply with for every element. Failure to meet every regulation will render the CDC non-compliant.
- The second step is the inclusion of the Construction Certificate.

Example:

If your development application (DA) includes a balcony that does technically doesn't fit the guidelines, but when reviewed by the council does not affect other properties it may be approved. In the case of a CDC, because it does not fit the guidelines, your application would be rejected.

How Do I Choose Between a DA and CDC?

Firstly, you need to check whether a CDC is permissible. Some sites have restrictions that will only allow for a DA through the council. This permission can be found in your Section 149 Planning Certificate that contains information on how a property may be developed and whether there are restrictions on development.

Restrictions may be in place due to specific issues such as your block is flood-restricted, is part of a critical habitat, is heritage listed or other restrictions related to the Environmental Planning and Assessment Act.

Once you know that a CDC is permissible, you can seek advice on what will be the best process for you.

Considerations will be:

- **Reviewing the CDC documents in place for the local council area.**
- **Reviewing the design & type of building that meets your needs.**
- **How large is your desired home comparative to the size of the site?**
- **What are the setbacks from the boundaries?**
- **What are the floor/space ratios** – how big the building will be in comparison to the entire site?
- **Does the design meet all criteria?**

How long does this process take?

In general, you should allow up to six months to have a Development Application approved, whereas a Complying Development can be completed in around three to four months.

5 SIMPLE TIPS ON HOW TO AVOID STRESS DURING YOUR RENOVATION OR EXTENSION

Extending your home is a big job but there are things you can do keep your cool. Here are five top tips that will keep your stress levels to a minimum during a build.

1. Make sure you are in good hands

Be certain you can trust your builder and foster open and honest communication.

2. Ensure everything is resolved prior to starting

That means all the approvals are granted, materials and selections have been chosen and bathroom layout plans finalised.

3. If you plan on staying at home during the renovation

Ask your builder if he will partition a section of the house off, so it is separate the building zone (if possible). Or, if you are adding a second storey, ask the builder if he will do most of the work above before you need to be broken into. This will limit the length of time tradesman will have to walk through your house.

4. Make sure your builder gives you a program

So you know what is coming up and what to expect when, so you can organise your life and family.

5. Take a break for a while

If you can, book a relaxing holiday during the middle of renovation. Time out and time away will be good for everyone.







MEET THE TEAM

From design and build to administration, our talented team of professionals is focused on delivering exceptional customer service, every step of the way. We apply our industry experience and understanding to support you throughout your journey, taking you smoothly from initial concept to completion of your perfect space.

Mark Romeo

Director, Builder Lic No. 266190C

With over 20 years' experience in building, construction and project management, Mark has managed and built a range of innovative structures across Sydney's Northern Beaches and North Shore, from new homes to rear extensions and second storey additions.

Mark believes the key to a successful building project is having a strong and trusted relationship with your design and build team. To ensure The Perfect Space delivers this each time, he has carefully recruited a team of skilled professionals who share his passion for high quality craftsmanship and delivering the best results.

"Being able to deliver a valuable service to my clients - and seeing their dreams for their home and family come to life - really gives me a buzz."

Mark Romeo, Director, The Perfect Space

Susan Goldsack

**Architect BAS, BArch (1st class hon)
University of Auckland, NSW ARAIA Reg 937**

Susan is an accomplished residential architect who has worked across Australia, New Zealand and the United Kingdom. As well as being Head Designer for The Perfect Space, Susan also runs her own practice in Sydney's Northern Beaches.

By making architectural design more affordable, Susan believes The Perfect Space can genuinely improve a client's quality of home and life. She is excited that The Perfect Space removes the common stresses of building, such as overblown budgets and timeframes - replacing an often overwhelming experience with one that is seamless, stress-free and enjoyable.

3/23-24 Belgrave Street
Manly NSW 2095
Tel: (02) 9907 4568

perfectspace.com.au