

Councils now require a 'cost report' for DA Submissions

As you may be aware numerous Councils in NSW have introduced a policy requiring a Quantity Surveyor to provide a 'detailed cost report' for the proposed construction when submitting a Development Application. In most cases, cost estimate reports must accompany an application for a complying development certificate or a construction certificate.

The specific legislation appears under the Environmental Planning and Assessment Regulation 2000 - Clause 25J(2) which states: *"For the purpose of determining the proposed cost of carrying out development, a consent authority may have regard to an estimate of the proposed cost of carrying out the development prepared by a person, or a person of a class, approved by the consent authority to provide such estimates."*

Where the construction cost is \$500,000 or more, a Quantity Surveyor, who is a registered member of the Australian Institute of Quantity Surveyors (AIQS), is required to complete a detailed cost report.

BMT & ASSOC have extensive experience providing detailed cost estimates and can prepare our estimate to meet the specific needs of each individual council. Also, as this is a requirement that is only now being enforced by many Councils and as most developers are still unaware of its need, we can act quickly to meet the timeframes of individual developers in an effort to speed along the approval process.

When time and cost need additional control

As construction costs continue to increase and interest rates continue to climb, the risk of time delays and their resulting impact on LVR becomes more and more important. With this in mind, BMT & ASSOC have developed a two stage assessment and reporting process.

1. Level 1 - Re-assess the initial projected cost to complete:

In the first instance, BMT & ASSOC are able to undertake a review of the remaining trade works and reassess their costs based on current market rates. Significant construction cost increases since the time of producing the original budget may be affecting the contractor's ability to complete the project on budget. In addition BMT & ASSOC are able to undertake a review of the remaining preliminaries budget and forecast the costs associated with completing the remaining works.

2. Level 2 - Increased assessment of progress claims and general progress of works:

BMT & ASSOC are able to undertake a more involved role on behalf of the financier on the project. This additional role can be tailored to meet any specific requirements, but is generally geared toward handing more control and information to the financier. These additional measures can vary but commonly include;

- More frequent site inspections;
- Attendance and chairing of monthly PCG meetings discussing trades being let, time program and cost overruns;
- Additional reporting on potentially onerous issues identified from meeting and enquiries with project participants;
- Increased control of progress payments through direct payment to subcontractors.



Overall these measures are designed to provide you with better protection on your investment while providing certainty of both completion date and final costs.

Please contact Tom, Brad or Brendan at the office to discuss any development scenario.



BMT & ASSOC would like to take this opportunity to wish you and your family a safe and happy Christmas and New Year. Thank you for your continued support through 2007, we look forward to working with you in 2008.

Recent Projects

Location: North Gosford, NSW

Project type: 37 unit residential development
Approx. Construction Cost Per Square Metre: \$1,050/m²

Location: Girraween, NSW

Project type: Industrial development
Approx. Construction Cost Per Square Metre: \$800/m²

Location: Bowral, NSW

Project type: 44 unit residential development
Approx. Construction Cost Per Square Metre: \$1,150/m²

Location: Carwoola, NSW

Project type: 13 lot residential subdivision
Approx. Construction Cost Per Lot: \$157,400/lot

Location: Sunrise Beach, QLD

Project type: 2 unit luxury residential development
Approx. Construction Cost Per Square Metre: \$2,980/m²

Location: Pitt Town, NSW

Project type: 70 lot residential subdivision including significant services lead in for latter stages.
Approx. Construction Cost Per Square Lot: \$180,000

Location: Newcastle, NSW

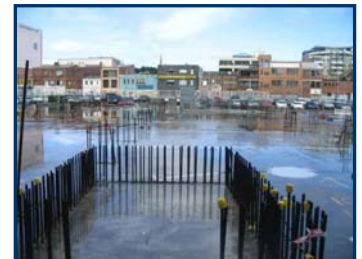
Project type: 85 unit residential/commercial development
Approx. Construction Cost Per Square Metre: \$1,700/m²

Location: Traralgon, VIC

Project type: Child Care Centre
Approx. Construction Cost Per Square Metre: \$1,100/m²

Location: South West Rocks, NSW

Project type: 60 bed aged care facility
Approx. Construction Cost Per Square Metre: \$1,800/m²



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