

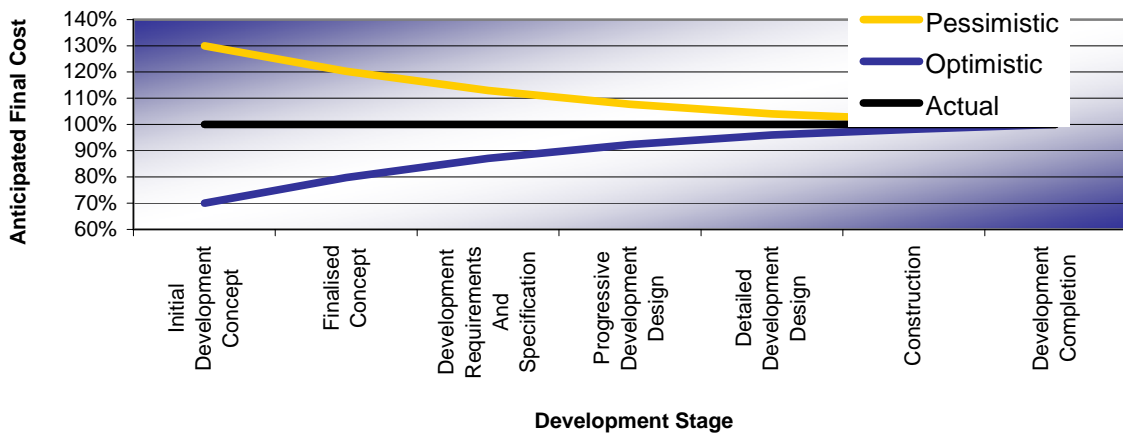
The following article will discuss how BMT & ASSOC provide synergised services to both developers and financiers in providing accurate and efficient cost planning. Our role in the development process is varied and our services can be employed from project conception to project completion. After a developer has employed the services of BMT & ASSOC early in the development process, they can then present to you, the financier, a more accurate and complete project cost.

BMT & ASSOC provide the financial assessment role that is critical in the ongoing design development, tender evaluation and construction of a project. Our role focuses on advice in the design process to control cost and recommend alternatives to maximise the end value.

BMT & ASSOC ensure the client is fully informed of the anticipated final cost of a project from inception to the completion of construction at the earliest possible time in the decision making process. This is achieved through cost planning and budget estimates of the total construction cost, which is monitored during design development, detailed design, tendering, construction, completion and commissioning.

Below illustrates the effect of cost planning on a client's perception of the final cost of the proposed development. BMT & ASSOC recommend cost plans are generated at regular intervals in the design process to ensure construction budgets remain on track with anticipated costs.

Estimate Convergence Graph



The Estimate Convergence Graph, shows that for any given stage, anticipation of the actual final cost can only improve as the design itself becomes more refined. Estimates can fall anywhere between the two curves.

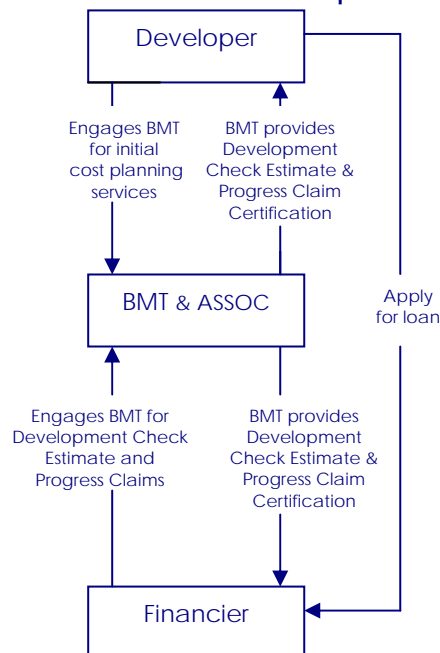
Valuation of construction works completed on site at regular intervals controls the cash flow for both the developer and contractor. Providing the developer with accurate progress payment recommendations ensures finance drawdowns are accurate for works completed. Financial reporting during construction outlining actual and pending future costs provides the client with a realistic final cost forecast. We inform on the cost implications of future variation claims and record actual progress against anticipated cash flow projections.

Independent and impartial expert calculation of variation claims for addition or omission of construction works ensures both the principal and contractor reach an agreed value for the works. Assessment, preparation and negotiation of the final account statement with the contractor, completes the project's construction financial status.

BMT & ASSOC employ teams of highly professional specialised quantity surveyors that ensure client satisfaction and efficient, accurate cost consulting services.

Should you require any of the above mentioned services during your clients' development process, please do not hesitate to contact our office for obligation free advice.

BMT & ASSOC: Role in the Development Process



The Calculation of Construction Costs

BMT & ASSOC calculates construction costs based on a Gross Floor Area (GFA) rate. Typically GFA can be defined as the sum of the fully enclosed covered floor area and the unenclosed covered floor area of a building at all floor levels, measured in a square metre rate. GFA consists of two elements:

- Fully Enclosed Covered Area (FECA)
- Unenclosed Covered Area (UCA)

FECA:

Includes items such as:

- Basements
- Attics
- Garages
- Penthouses
- Lift shafts
- Staircases
- Columns and piers

UCA:

Includes items such as:

- Roofed balconies
- Open verandahs
- Porches and porticos
- Attached covered walkways
- Usable space under buildings

Recently Completed Jobs

Location: Sydney, NSW

Project type: Mixed Use Development – 98 units
Approx. Square Metre Construction Rate: \$800/m²



Location: Newcastle, NSW

Project type: Refurbishment – Commercial Development
Approx. Square Metre Construction Rate: \$800/m²



Location: NSW South Coast

Project type: Residential Development – 9 townhouses
Approx. Square Metre Construction Rate: \$1,100/m²



Location: NSW Mid North Coast

Project type: Retail Development
Approx. Square Metre Construction Rate: \$1,200/m²

Location: Newcastle, NSW

Project type: Residential Development – 10 units
Approx. Square Metre Construction Rate: \$1,500/m²

Further Information

Please feel free to contact Tom Plenty, Bradley Beer or Pedro Cardoso if you wish to discuss any of the content further or require any additional information.

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