

THE GRANNY FLAT

Bible

Everything You Need To Know

BY



GRANNY FLATS
- AUSTRALIA -

Since the beginning...

We have been there
Since the beginning...



GRANNY FLATS
- AUSTRALIA -

Granny Flats Australia Story

GRANNY FLATS AUSTRALIA WAS ESTABLISHED IN 2008 PRIMARILY TO COMBAT THE HOUSING AFFORDABILITY CRISIS IN SYDNEY THROUGH THE PROVISION OF AFFORDABLE HOUSING.

Providing surprising and exciting solutions to investors, young couples, single parents, retirees, teenagers, young singles, newlyweds, small business owners and home owners, Granny Flats Australia has left a trail of happy clients who have found a home, privacy, freedom, security and extra cash every month.

Granny Flats Australia provides a fresh new and easy approach to building a granny flat in your backyard, through a new era of architecturally custom designed and custom built homes, that are modern, functional and easily approved in as little as 10 days*.

Granny Flats Australia are specialists in design, approval and construction of Granny Flats and have the specialised knowledge and experience to take a project efficiently to a quality finish.

The dynamic team of designers and builders approach each project individually, catering for each clients situation, block of land and needs.

As 'the original' pioneer, Granny Flats Australia has been featured in Fox Business News, Your Property Investment Magazine and The Sydney Morning Herald as industry leaders. Their advice has been sought after by the Australian Government (regularly contributing to the evolving Affordable Rental Housing SEPP), Business Owners and Investors in the property market all over Australia.

Their philosophy is simple:

"We cater for your individual situation and make the whole process as easy as possible so all you have to do is move in. We do this through our simple Design, Approval and Construction process".

'we make the whole process as easy as possible'



Cid Daher, Founder

*The above time frame is typical and may vary, subject to weather conditions, availability of materials, complexity of the project, site conditions and other unexpected delays.



Why Build a Granny Flat?



SINGLE PARENTS & YOUNG COUPLES

Granny Flats Australia can put you into a brand new home from as little as \$150 a week by building a Granny Flat on your parents property. Compare this to living in a brand new unit of a similar size for \$400,000. You're now left with \$350 pw in your pocket



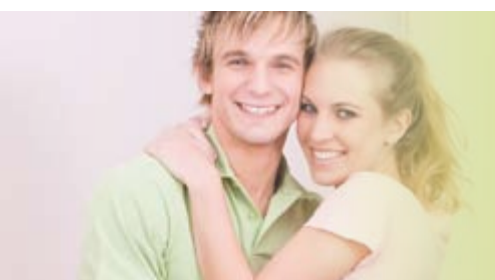
INVESTMENT

Home Owners and Property Investors can now enjoy immediate positive returns of over 20% on a Granny Flat Investment. Make an extra \$1600 per month based on real returns.



RETIREMENT

Benefit from downsizing to a more maintainable brand new home leaving the larger home to children or rent it out for a weekly income.



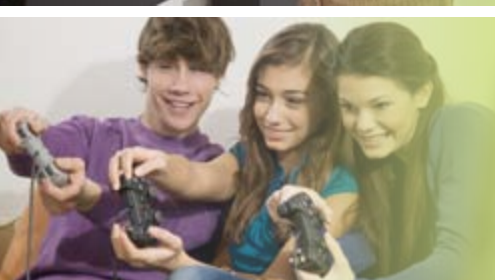
YOUNG SINGLES

Can't afford to move out of home? Need your own space? Happy to pay board? An ideal solution is to build and live in a Granny Flat in your parents backyard costing \$150 per week rather than spending \$300-\$400 a week renting. Get your independence yet still have connection and security.



HOME OFFICE

Wake up when you're ready! Wear what you like! Step out into your backyard and you've arrived.. 60m2 office space, close to family, no travel expenses, save time, enjoy your environment, enjoy capital growth.



MULTIPURPOSE ROOM

Theatre Room, Games Room, Jam Room, Teenager Hangout, Sewing Room, Art Gallery... the uses are endless.. A detached room can give you the additional space you need while keeping out the noise and mess.

Granny Flat Investment

GONE ARE THE DAYS OF NEGATIVE GEARING!

Welcome the new wave of positively geared investments.
Join the new world of investment with us.

GRANNY FLAT READY TO MOVE IN \$100,000	
Rental Return Per Week	\$421
Rental Return Per Annum	\$21,892
Return On Investment	21%

SUBURB	RENTAL PER WEEK	RENTAL PER MONTH
Bossley Park	\$ 360	\$ 1440
Ermington	\$ 460	\$ 1840
Glen Alpine	\$ 390	\$ 1560
Greystanes	\$ 420	\$ 1680
Carlingford	\$ 465	\$ 1860
Sylvania	\$ 510	\$ 2040
St Marys	\$ 330	\$ 1320
Rooty Hill	\$ 340	\$ 1360
Seven Hills	\$ 350	\$ 1400
Rosemeadow	\$ 330	\$ 1320
Marrickville	\$ 550	\$ 2200
Normahurst	\$ 410	\$ 1640
Yagoona	\$ 380	\$ 1520
Wentworthville	\$ 510	\$ 2040
Yagoona	\$ 410	\$ 1640
Cromer	\$ 525	\$ 2100

AVERAGE RETURNS \$ 421 \$ 1685

Immediate Positive Returns of over 20% on the Granny Flat Investment

Make an Extra \$1600 per month based on real returns.



Granny Flat Investment



CREATE A POSITIVELY GEARED INVESTMENT OPPORTUNITY IN THE SYDNEY METROPOLITAN AREA.

This used to be an option that was promoted in the outskirts of Queensland and remote towns with lower Capital Growth.

Now we have the opportunity of positively geared investment in Sydney, by purchasing a property and adding a Granny Flat.

BEFORE GRANNY FLAT ADDITION

Property Purchase Including Stamp Duty & Other Fees	\$ 400,000
Rental After Agent Fees and Vacancy Per Week	\$ 420
Rental Per Annum	\$ 21,840
Return On Investment	5%

AFTER GRANNY FLAT ADDITION

Granny Flat Outlay	\$ 100,000
Rental After Agent Fees and Vacancy Per Week	\$ 400
Rental Per Annum	\$ 20,800
Return On Investment	21%

NEW MAKEOVER - HOUSE + GRANNY FLAT

Granny Flat and House Outlay	\$ 500,000
Rental After Agent Fees and Vacancy Per Week	\$ 820
Rental Per Annum	\$ 42,640
Return On Investment (WOW!)	9%

DEPRECIATION BENEFITS

For those who need a tax break, the construction of a Granny Flat adds great Depreciation benefits. About \$6,000 Per Annum using the Diminishing Value Method. So on top of it being neutrally geared, it also gives you a huge Tax Break.

Long gone are the days of purchasing a Brand New apartment as a good investment.

As all leading Investment Advisers know, it is the land that increases in value, not the building.

That is where purchasing a house with land value has its major benefits.

Also no Strata fees, no common areas, and most importantly, you have a Home Warranty Insurance Policy, compared to purchasing a new unit.

UNIT INVESTMENT

Unit Purchase Including Stamp Duty and All Fees	\$ 500,000
Rental Return Net of All expenses/ Week	\$ 450
Rent Per Annum	\$ 23,400
Strata Levy Per Annum	\$ 3,000
Net Rental Per Annum	\$ 20,400
Return Per Annum - BOO!!	4%

HOUSE + GRANNY FLAT PACKAGE

House Purchase Including Stamp Duty and All Fees	\$ 400,000
Granny Flat Addition	\$ 100,000
Total Outlay	\$ 500,000
New Total rental Per Week	\$ 820
New Rental Per Annum	\$ 42,640
New Return Per Annum - WOW!!	9%

Getting Started

NO COUNCIL APPROVAL! HOW?

How large is your block? Is it over 450m²?
This is the starting point for complying development.

FRONTAGE		SETBACKS WHEN BUILDING FRONT, SIDE & REAR			
Block Size	Frontage Required	Block Size	Back	Side	Front
450-900	12m	450-900	3m	0.9m	4.5m
900-1500	15m	900-1500	5m	1.5m	6.5m
1500 +	18m	1500 +	10m	2.5m	10m

FLOOR AREA , SITE COVERAGE & LANDSCAPED AREA			
Block Size	Site Coverage	Total Floor Area (Include Existing House)	Landscaped Area
450-600	50%	330sqm	20%
600-900	40%	380sqm	25%
900 +	30%	430sqm	35% (900-1500)
1500+	30%	430sqm	45%

DESIGN ELEMENTS

Size & Height

- A granny flat can not be more than 60m² measured from external walls
- It can be 1, 2 or 3 bedroom
- Maximum of 8.5m high but a special formula is used if it is over 3.8m at setback points
- If being built with 1.8m of existing dwelling, the wall must be fire rated

Stormwater

- Must comply with Council Stormwater Regulations
- If property is higher than the street, then generally the stormwater can be connected to the existing down pipe of the main dwelling or directly to stormwater in the street.
- If property falls away from the road and is lower than the street, then the water will have to be charged (run uphill) or an Absorption Trench will have to be built

Sewer

- Is there a Sydney Water main sewer in your back yard? Get a sewer diagram from Sydney Water to determine location
- If there is a sewer pipe and its in the location of the granny flat footprint, then we can build over it by Encasing it. Usually this is a \$5,000-\$10,000 exercise. If we are building near it and not over it, only a pegout could be required at a cost of \$1,100

Trees

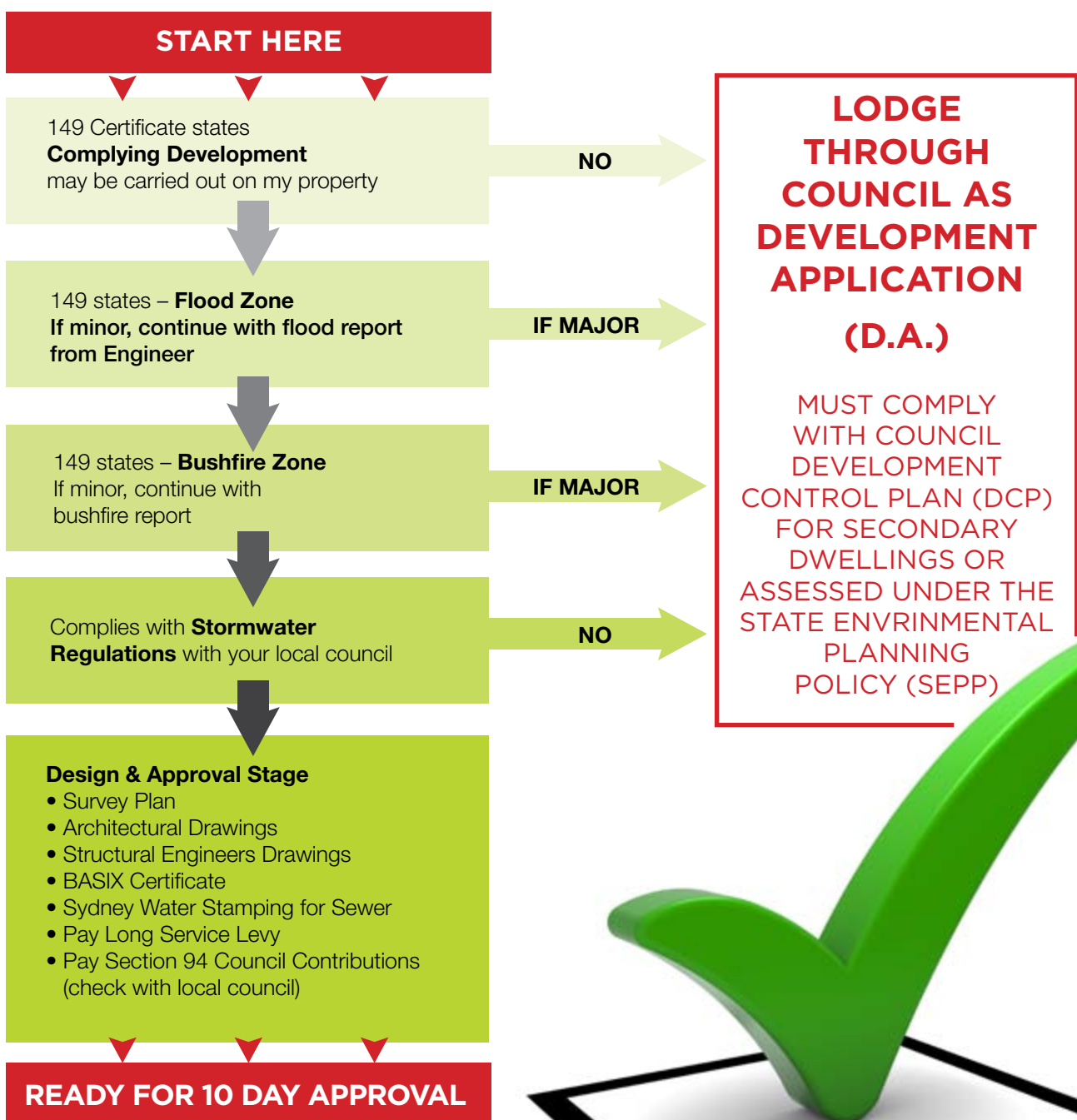
- To remove a tree over 6m or on Councils Protected List, a DA submission is required

Granny Flat Approval Map

COMPLYING DEVELOPMENT OR DA?

Most granny flats in NSW will be assessed under Complying Development meaning that a granny flat may be approved within 10 days by an accredited certifier if it meets the Complying Development provisions in the Affordable Rental Housing State Environmental Planning Policy 2009 (AHSEPP2009).

If your proposal does not meet the Complying Development provisions, you may lodge a DA application with council.



Next Steps

WHAT NEXT? YOUR FIRST STEPS

At Granny Flats Australia, our team of experts are always ready to help you with every step... Education, Preliminary Research, **Design, Approval and Construction.**

In order to help you effectively, please gather the following information and forward to projects@grannyflatsaustralia.com.au for a preliminary assessment and full quote:

1

ORDER A 149 (2) CERTIFICATE FROM YOUR COUNCIL BY FAX OR OVER THE COUNTER. THIS COSTS \$53

2

ORDER A SEWER DIAGRAM. THIS CAN BE OBTAINED FROM A 'REECE PLUMBING' OUTLET OR BY VISITING WWW.ESPREEN.COM > CREATE USER NAME & PASSWORD/LOGIN > LAND SEARCHES > NSW > SELECT SEWER SERVICE DIAGRAM

3

DOES YOUR LAND FALL AWAY FROM THE ROAD OR IS IT HIGHER THAN THE ROAD?

4

ARE THERE ANY TREES IN YOUR BACK YARD (OR NEIGHBOURS BACK YARD) THAT ARE OVER 6M?

5

CALL US TO CHAT ABOUT YOUR PROPERTY. EMAIL YOUR 149 CERTIFICATE, SEWER DIAGRAM AND INFORMATION ABOUT THE FALL OF YOUR LAND AND TREES. THEN WE'LL COMPLETE AN ASSESSMENT, ARRANGE A SITE VISIT AND GIVE YOU A FULL QUOTATION

6

REGISTER TO VISIT OUR GRANNY FLAT 'OPEN HOME' HELD EVERY TWO-THREE WEEKS AROUND SYDNEY

WANT TO SEE A REAL GRANNY FLAT?

Seeing a finished product in its natural surroundings will provide you with a true appreciation of the size and quality of our homes.

We invite you to inspect completed projects to truly appreciate our high standard of finishes and construction. During your inspection you will receive floor plans and pricing of the home and you will have the opportunity to meet and chat with Granny Flats Australia Experts onsite.

REGISTER FOR YOUR INVITATION AT WWW.GRANNYFLATSAUSTRALIA.COM.AU/OPENHOMES



Our Easy Process

DESIGN

WEEKS 1-2

We are passionate about functional designs, and with a maximum area of 60m² to play with, we will take the time to understand your needs and ensure the design works.

We have over 60 designs to choose from or we can custom design for you.

Once the design is finalised, materials are selected from our standard range and detailed costings will be provided.



APPROVAL

WEEKS 3-4

We will prepare and lodge all the applications necessary for the approval of your granny flat.

A Building contract is prepared and signed. Home Owners Warranty is applied for.

Internal construction planning for commencement of works.



CONSTRUCTION

WEEKS 5-14

We will build the home in your backyard with minimum disturbance to you, and in accordance with your selected materials, colours and design.

Initial weeks involve site establishment and installation of foundations, framing, windows, gutters, fascias, eaves and external cladding.

Then insulation to the ceiling and walls is installed, waterproofing, kitchen, tiling and plumbing installation.

Final weeks involve showerscreen and wardrobe fitout, painting, electrical fitout, final clean and final hand over of project to the owner.

The above time frame is typical and may vary, subject to weather conditions, availability of materials, complexity of the project, site conditions and other unexpected delays.



Our Easy Process

STEP 1

A representative from Granny Flats Australia will inspect your property, and provide you with a Preliminary Tender for your consideration. A Preliminary Tender is the cost to build one of our standard designs on your block, plus any site costs and connection of services.

STEP 2

If the preliminary costs are within your budget and you wish to move forward, a Design Fee (\$3,300) is payable.

A Design Fee covers all the detailed architectural drawings to suit your block, including a BASIX Certificate and basic site contour levels to determine the fall of the block. During this stage, you are given an opportunity to make some changes to one of our standard designs, in order to arrive to suitable tailored solution for you.

STEP 3:

Once the design is agreed upon, you will be called in for a Materials Selection session. Meet with our interior designer who will guide you through all your options of colours and materials for your new home.

STEP 4:

Once your design and materials selections are complete, we will then provide a Detailed Tender.

A Detailed Tender is the final pricing for your project, incorporating the design changes and your selected materials, and this will form the basis of the final Contract Price.

STEP 5:

Upon your approval of the final costings, an Approvals Fee (\$3,300) is payable.

This fee covers the Structural Engineering Design, Stormwater Engineering Certification, Sydney Water Approval, Lodgement of your application to the Private Certifier or Council for approval.

STEP 6:

Upon receipt of all approvals from the Private Certifier or Council, a Building Contract will then be prepared.

A Building Contract is required to be signed prior to works commencing on site. We use a 'Plain English' Building Contract from the Department of Fair Trading.

STEP 7:

With a signed Building Contract, we will then apply for a Home Owners Warranty Insurance Policy.

We must provide you with this policy before we can accept any deposit from you.

Once a deposit has been paid, construction of your new home can commence.

As we will be working in your backyard, we will take great pride in our work and respectfully treat your property with care.

DESIGN

[WEEKS 1-2]

WEEK 1 (AFTER APPROVAL OF OUR PRELIMINARY TENDER)

- Surveyor sent to prepare contour layout of your site
- Preliminary site plan and floor plan presented for your comments and approval

WEEK 2

- Amendments represented to you for further comments and approval
- Detailed construction drawings are prepared for your final approval
- BASIX Certificate prepared
- Materials are selected from our standard range
- Detailed costings will then be prepared based on the final plans

DESIGN NOTES

The design process can vary from project to project, and will depend on how many changes are required, and how long it takes to get the design perfect.

The design process is based on a Complying Development Approval.

If the site is not suitable for Complying Development, then a further 2 weeks will be added to the design process, as the application will need to be lodged through your local Council, hence requiring additional documentation to be prepared.

‘We have over 60 standard designs to choose from OR we can custom design and build just for you!’

APPROVAL

[WEEKS 3-4]

WEEK 3

- Plans are sent to Sydney Water for Stamping
- Plans sent to Structural Engineer for structural design of slab
- Plans sent to Hydraulic Engineer for certification
- Sydney Water approvals received
- Hydraulic Engineering plans received
- Structural Engineering Plans received
- Plans lodged to Private Certifier for Approval
- Long Service Levy payment made

WEEK 4

- Plans approved by Private Certifier
- If required by your local council, any contributions or bonds will need to be paid
- Building Contract is prepared
- Building Contract signed by both parties
- Home Owner's Warranty Insurance Policy is applied for by builder
- Internal Construction Planning by builder for commencement of works

APPROVALS NOTES

The approval process is based on a Complying Development Approval. If the site is not suitable for Complying Development, then a further 4-6 weeks will be added to the approvals process, as the application will need to be lodged through your local Council.

CONSTRUCTION

[WEEKS 5-14]

WEEK 5

- Site Establishment- Set up temporary fencing, toilet, signage, bins
- Site Levelling
- Connection of Stormwater & Sewer Services

WEEK 6

- Form and pour concrete slab
- Termite Protection to external perimeter of slab

WEEK 7

- Timber wall & roof framing including window installation
- Installation of colorbond gutters & fascia, eaves, concrete roof tiles, external cladding

WEEK 8

- Internal plumbing and electrical rough-in

WEEK 9

- External wall & ceiling insulation and linings
- Waterproofing of bathrooms

WEEK 10

- Kitchen Installation
- Floor & wall tiling to bathroom, including floor tiling where selected

WEEK 11

- Plumbing fitout to bathroom and kitchen
- Internal joiner for installation of doors, skirting and architraves

WEEK 12

- Shower screen & wardrobes fit-out
- Internal and external painting

WEEK 13

- Electrical fit-out, including power connection
- General touch-up and thorough internal and external clean

WEEK 14

- Hand over project to owner

The above time frame and is typical and may vary on all projects, subject to weather conditions, availability of materials, complexity of the project, site conditions and other unexpected delays.

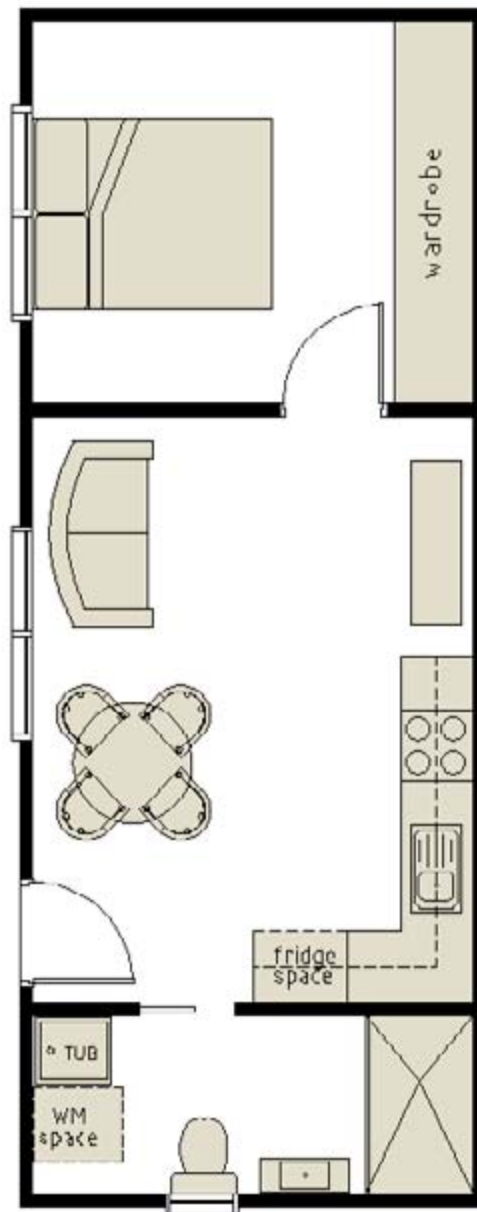
one bedroom range



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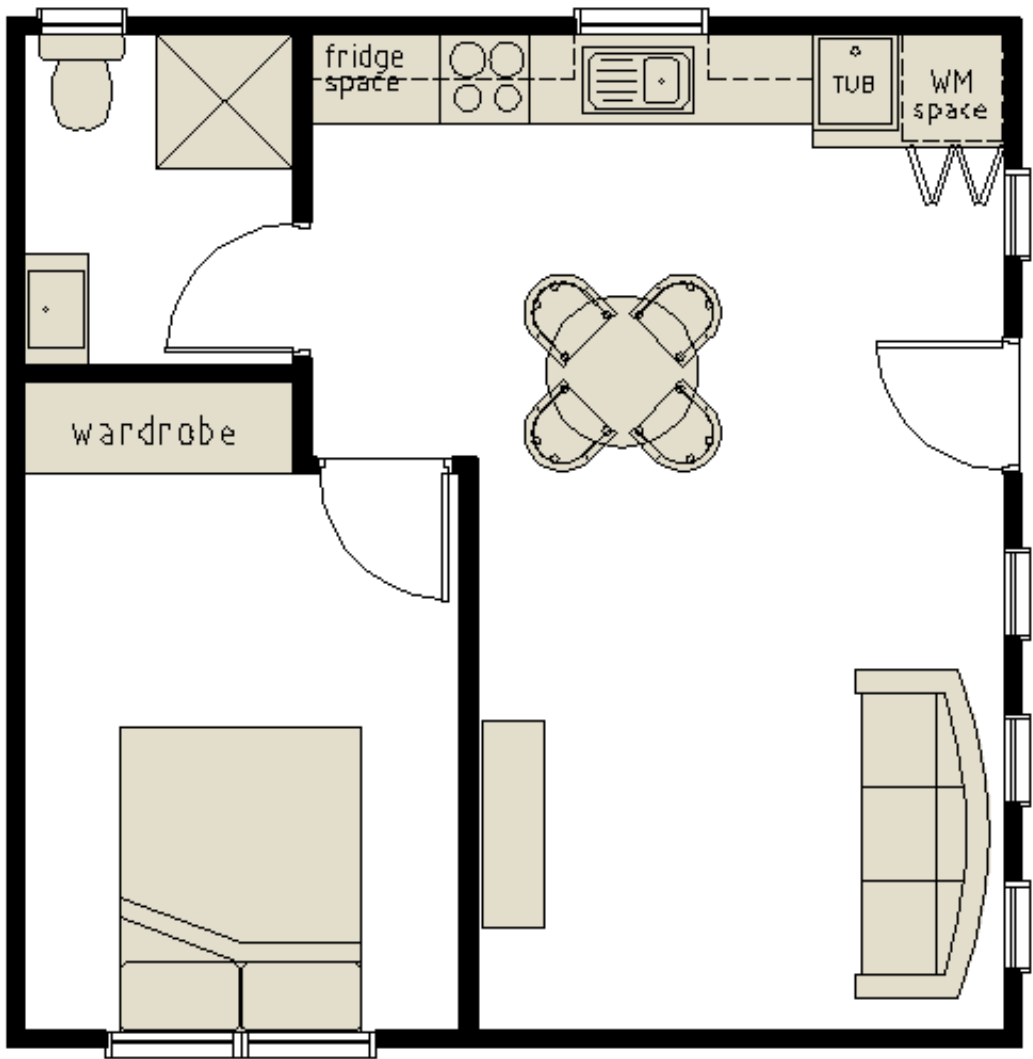
The Compacto

Dimensions **10.0m x 3.9m**
Area **39.00 m²**



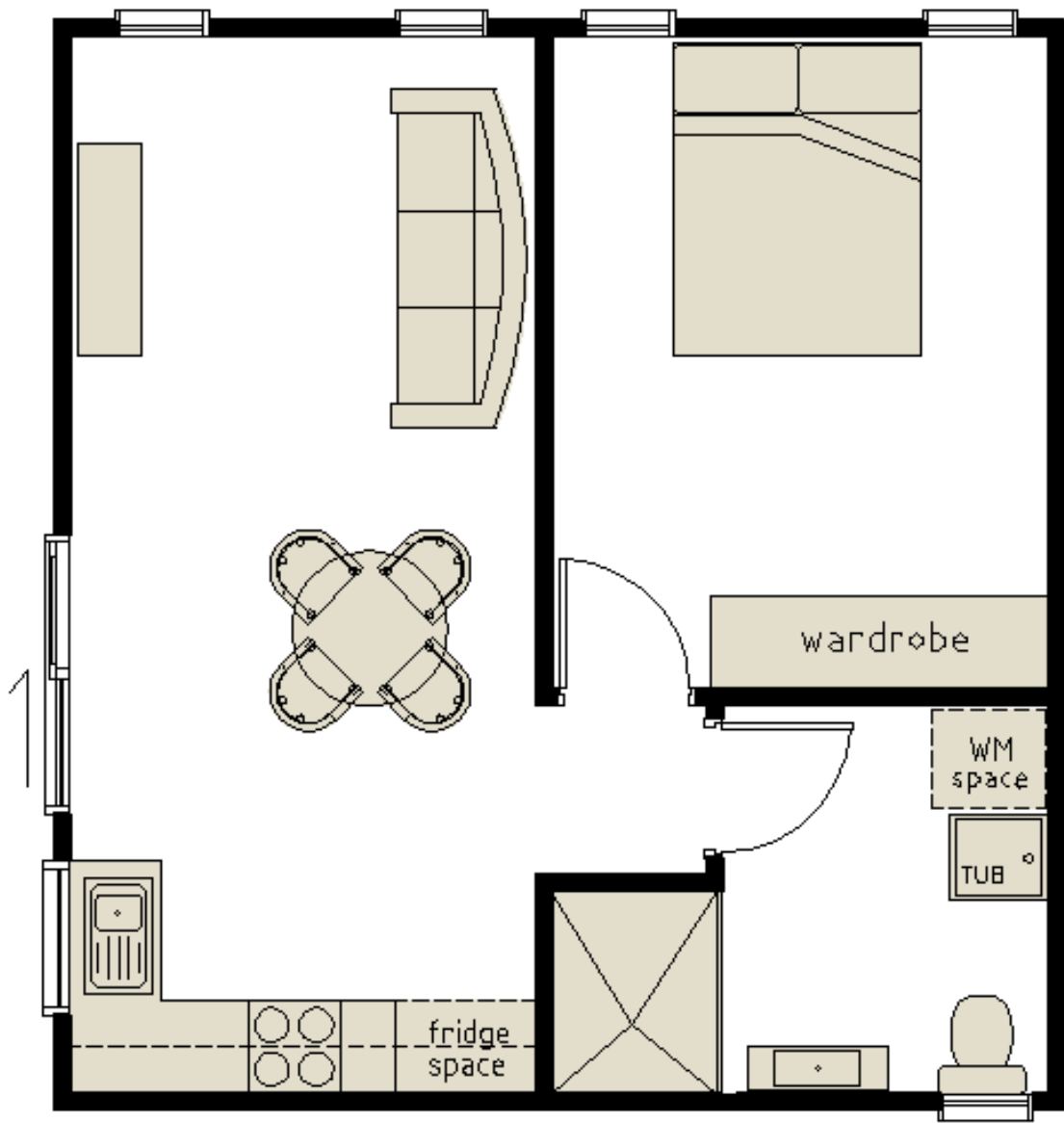
The Bachelor

Dimensions **6.8m x 6.7m**
Area **45.50 m²**



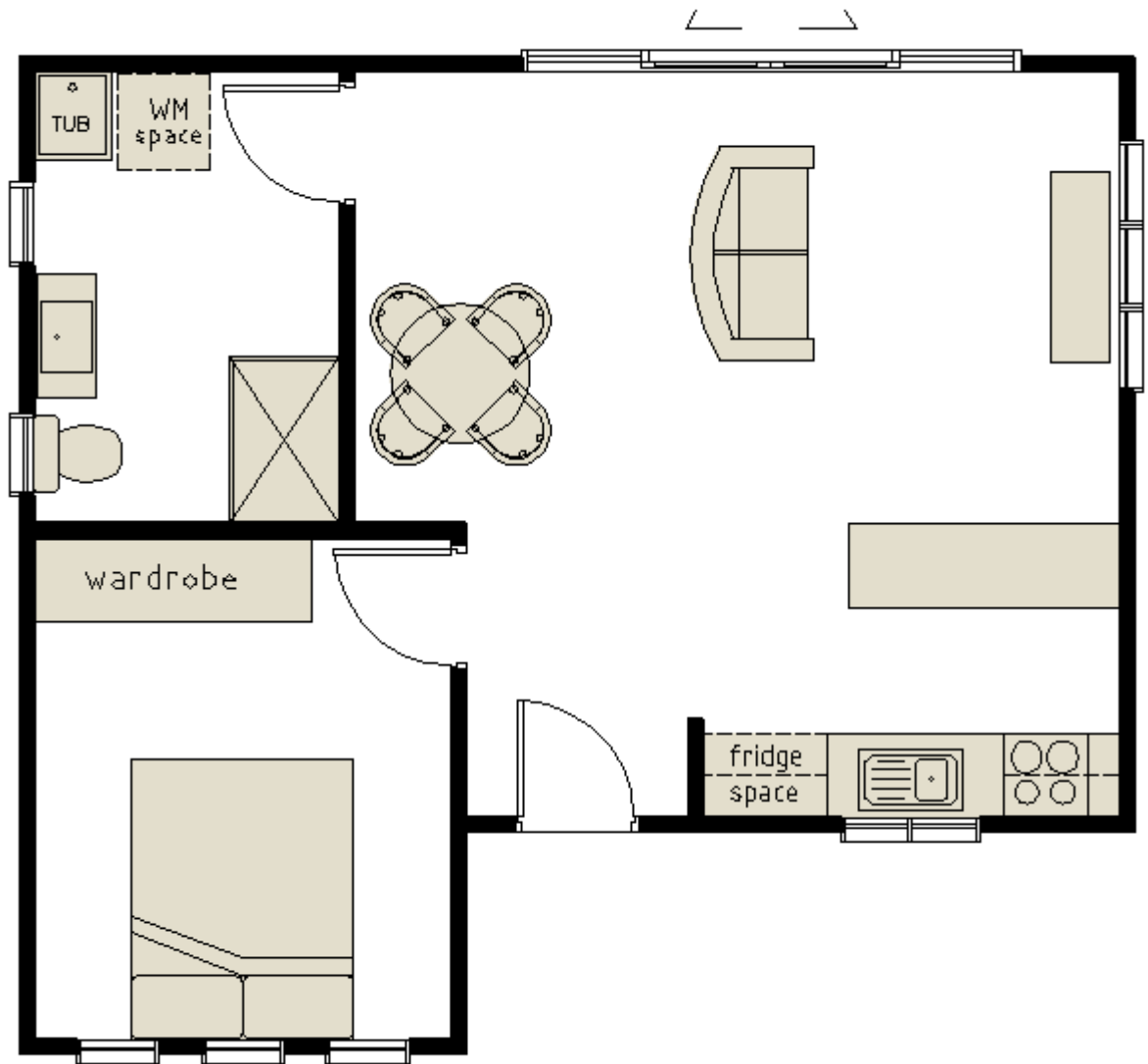
The Gardenia

Dimensions **7.0m x 6.5m**
Area **45.50 m²**



The Oxford

Dimensions **7.1m x 8.0m**
Area **49.50 m²**



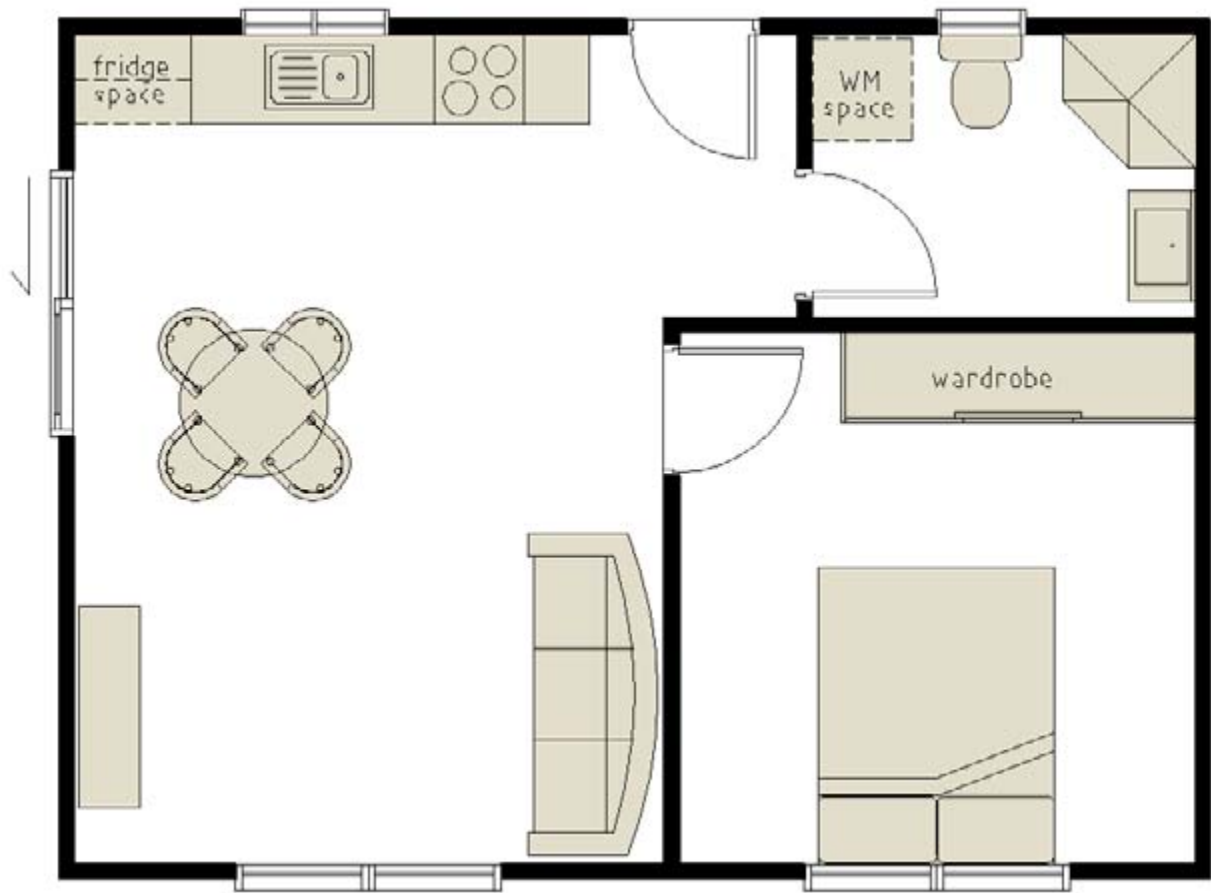
The Octavia

Dimensions **6.0m x 9.3m**
Area **55.80 m²**



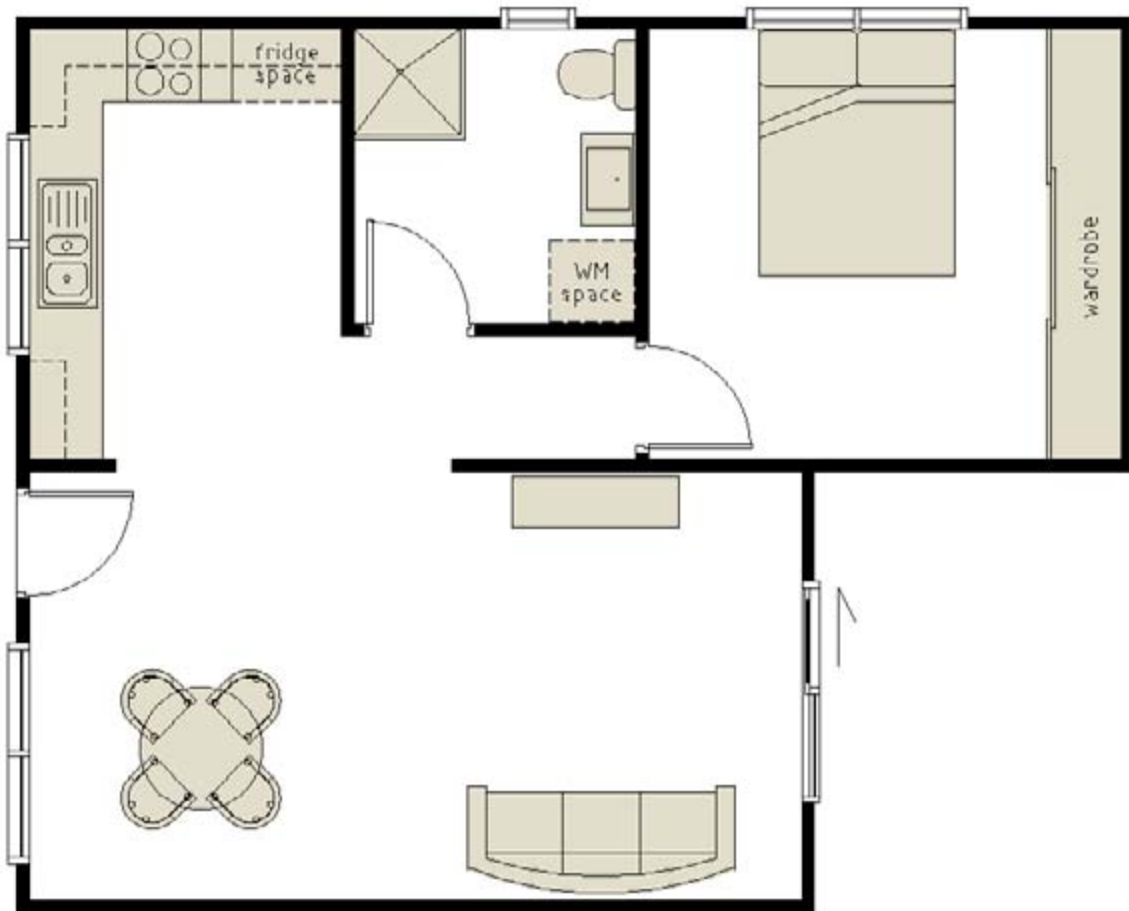
The Alpha

Dimensions **7.8m x 5.8m**
Area **45.20 m²**



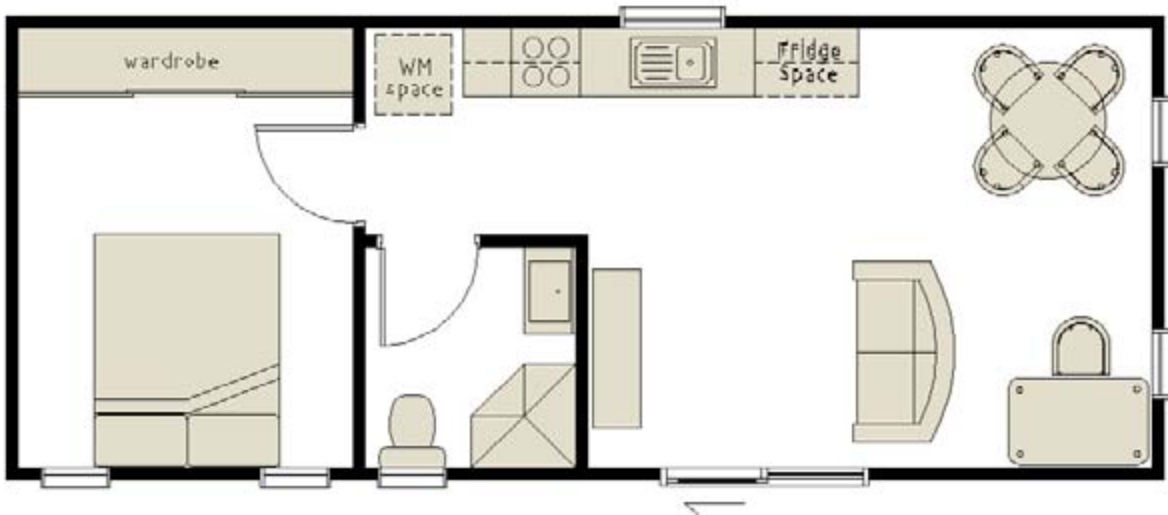
The Jackson

Dimensions **7.3m x 9.1m**
Area **57.00 m²**



The Jackaroo

Dimensions **4.0m x 10.0m**
Area **40.00 m²**



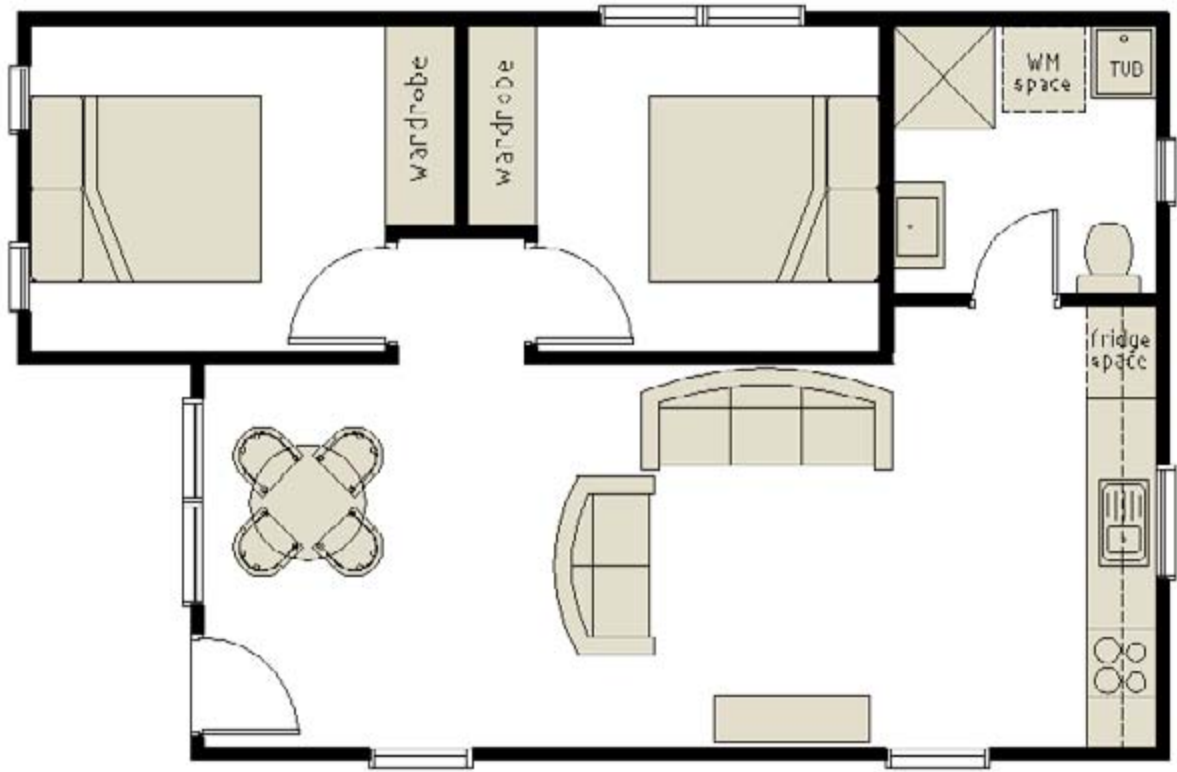
two bedroom range



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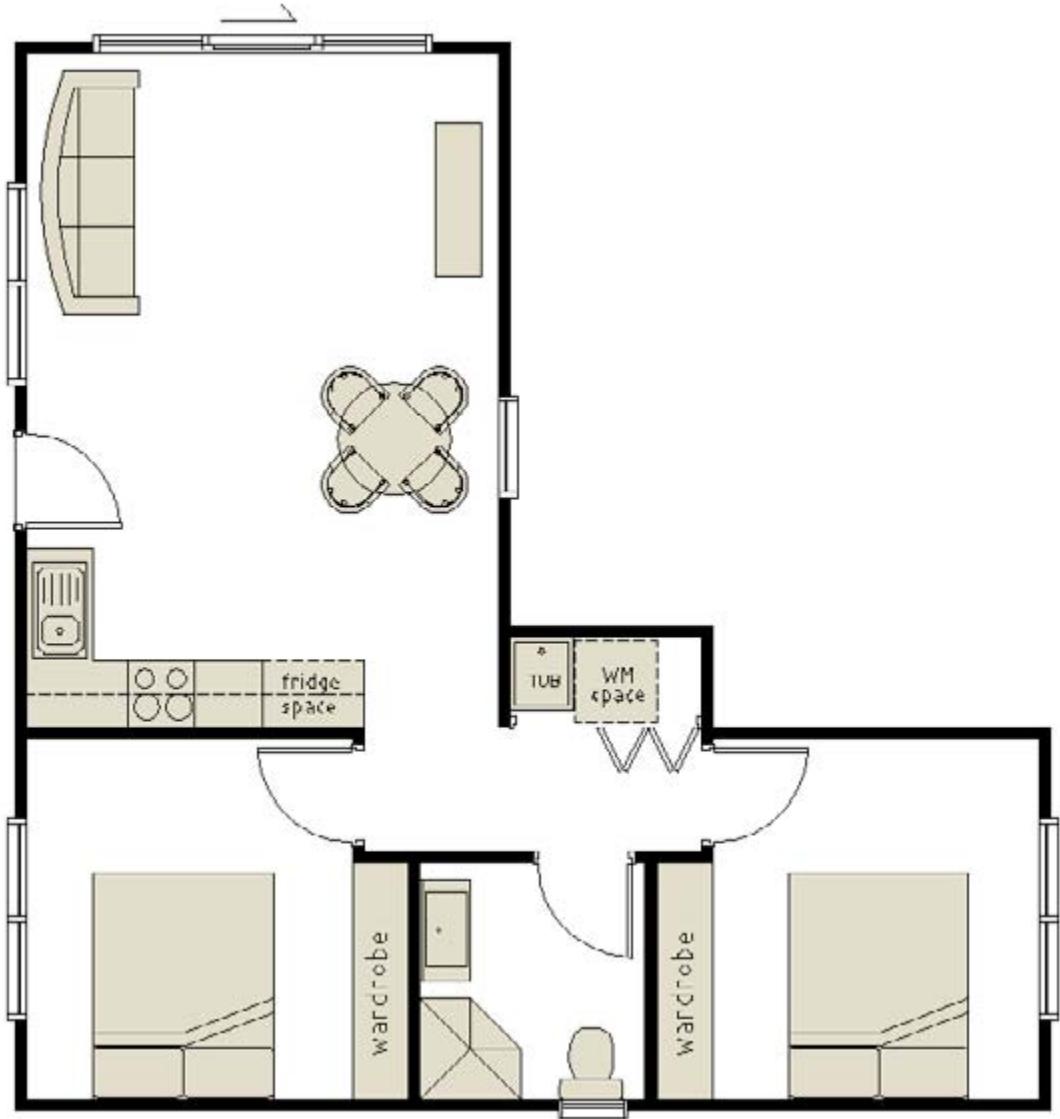
The Calais

Dimensions **6.5m x 10.0m**
Area **72.20 m²**
(including porch)



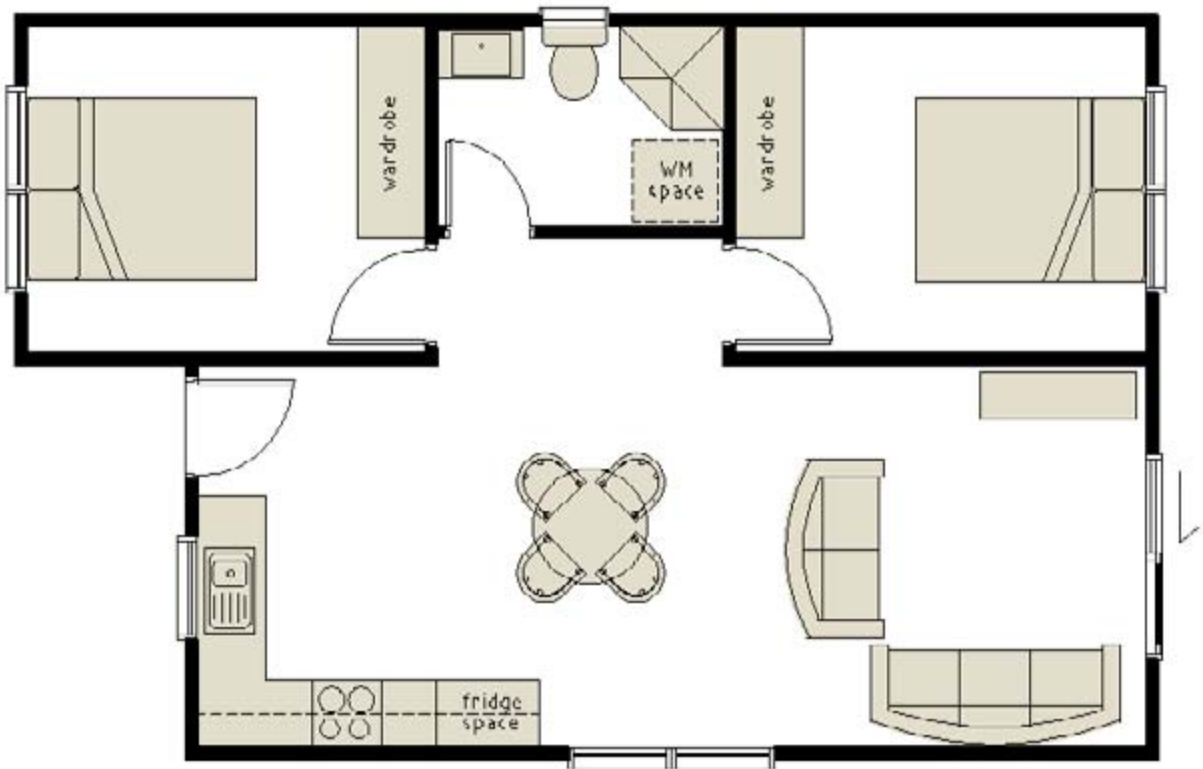
The Maximus

Dimensions **9.5m x 9.2m**
Area **59.90 m²**



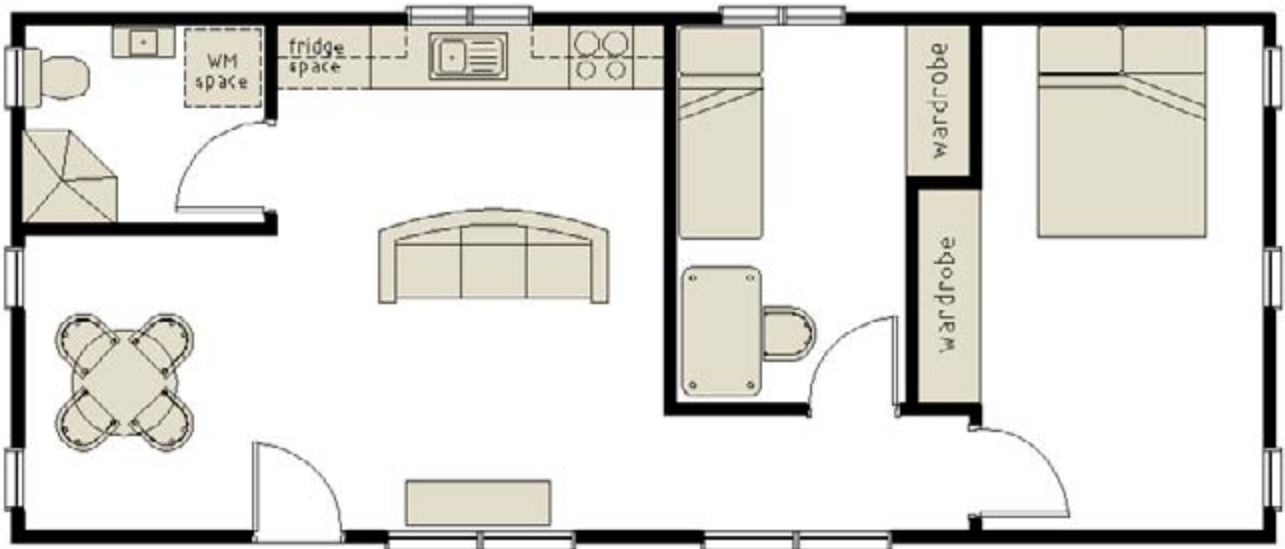
The Belmont

Dimensions **6.5m x 10.0m**
Area **60.00 m²**



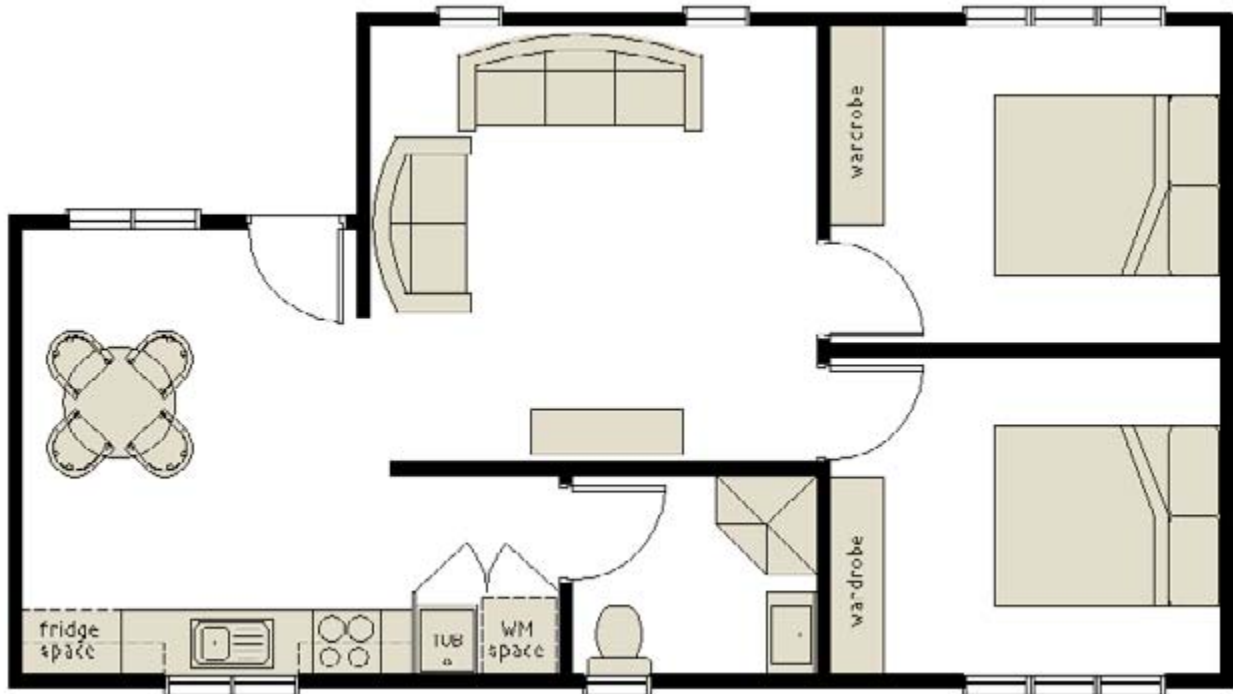
The Alpine

Dimensions **5.0m x 12.0m**
Area **60.00 m²**



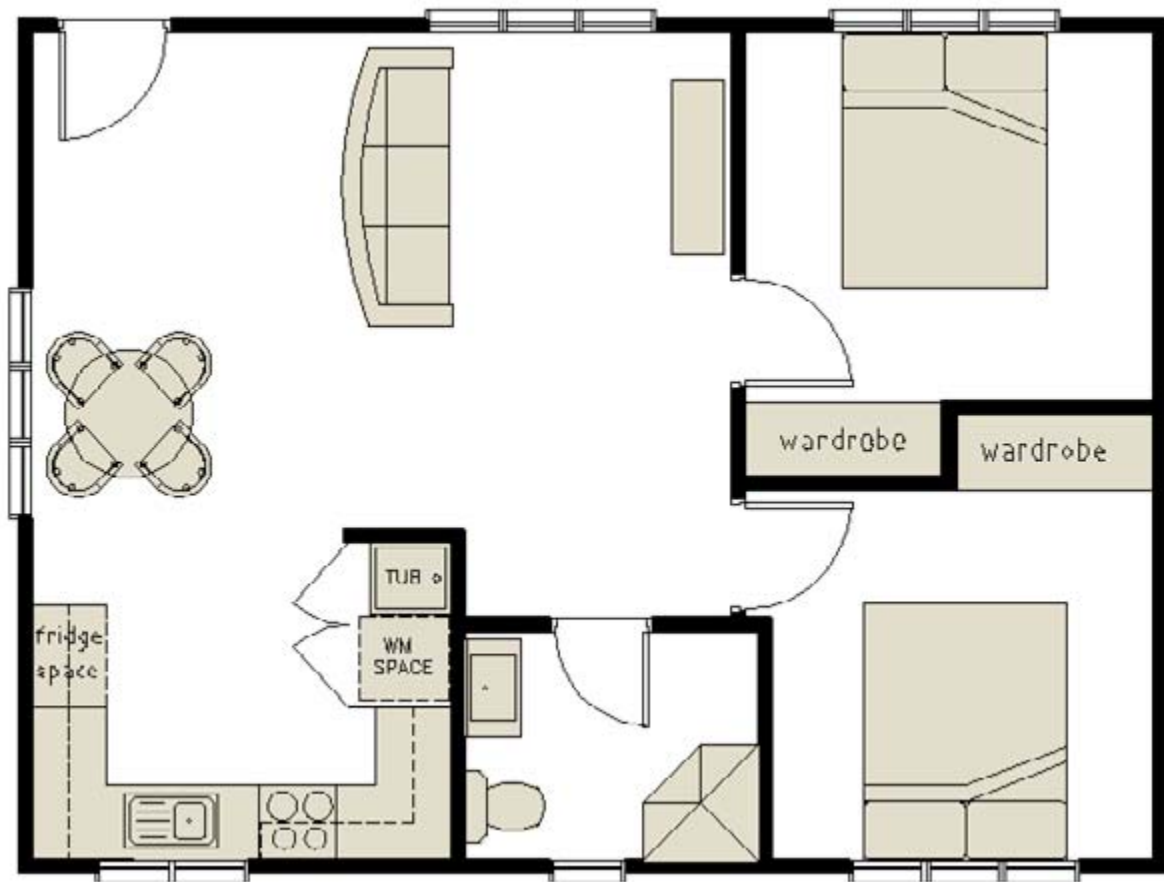
The Executive

Dimensions **6.0m x 10.9m**
Area **59.80 m²**



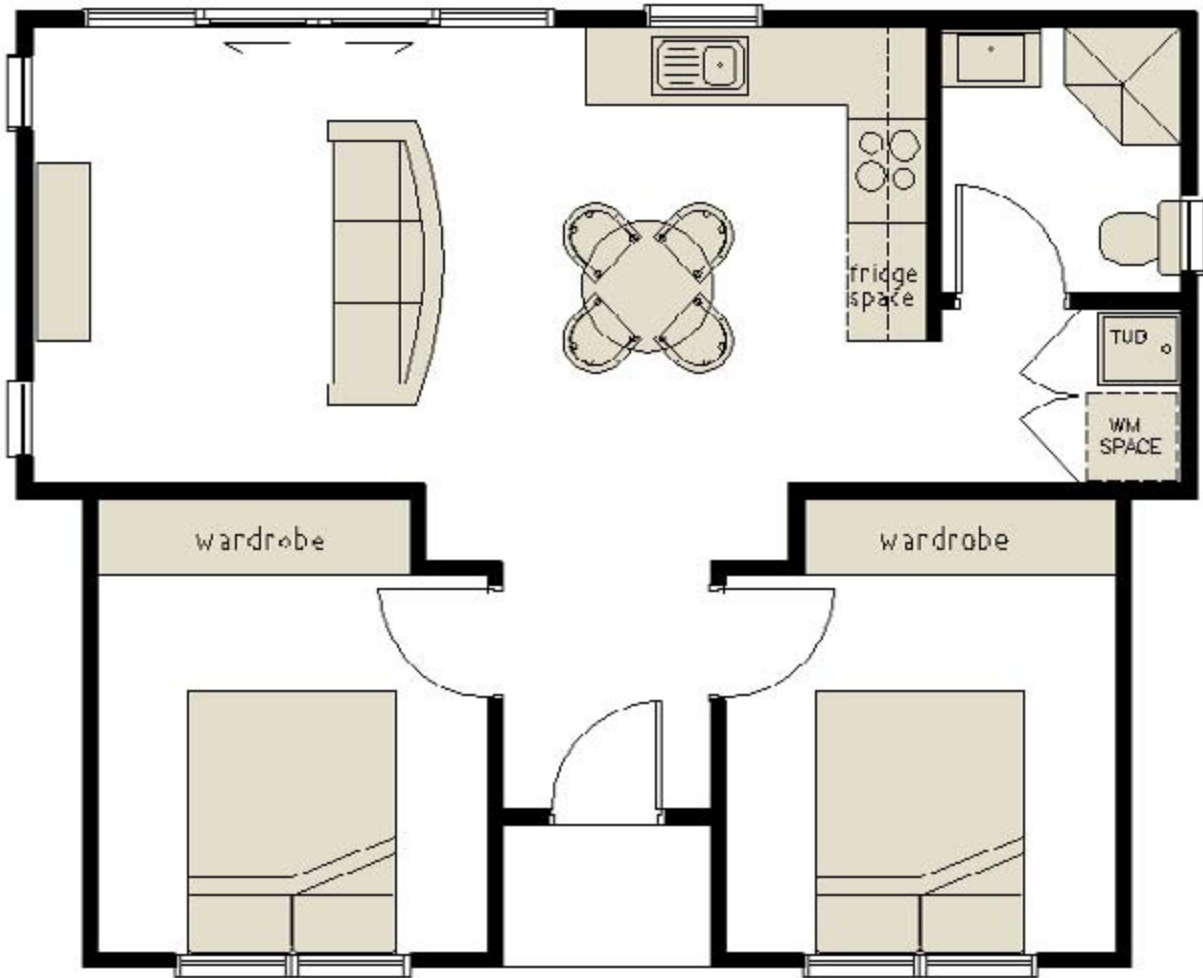
The Ranger

Dimensions **6.7m x 9.0 m**
Area **60.00 m²**



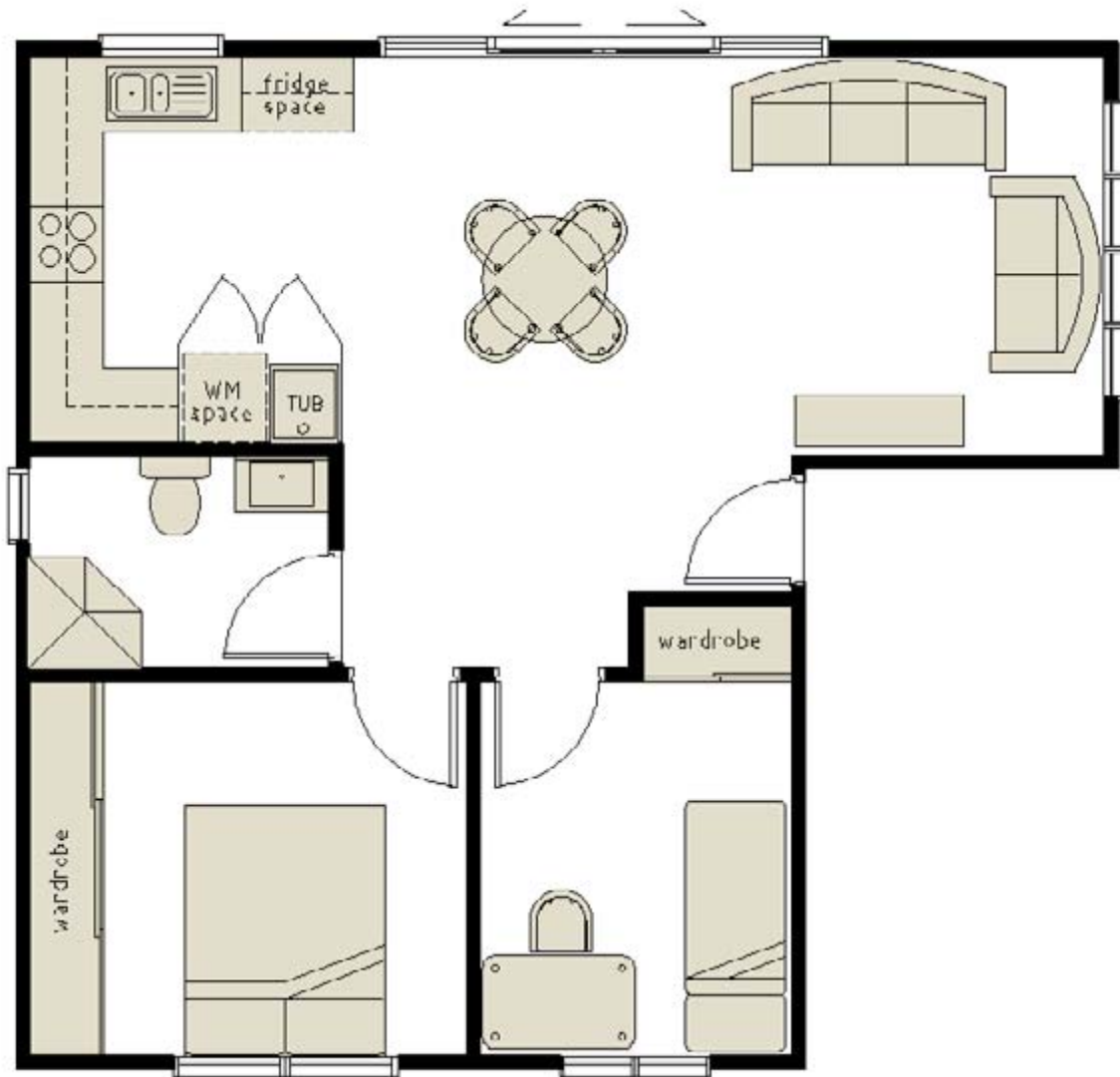
The Waratah

Dimensions **7.3m x 9.0 m**
Area **60.00 m²**



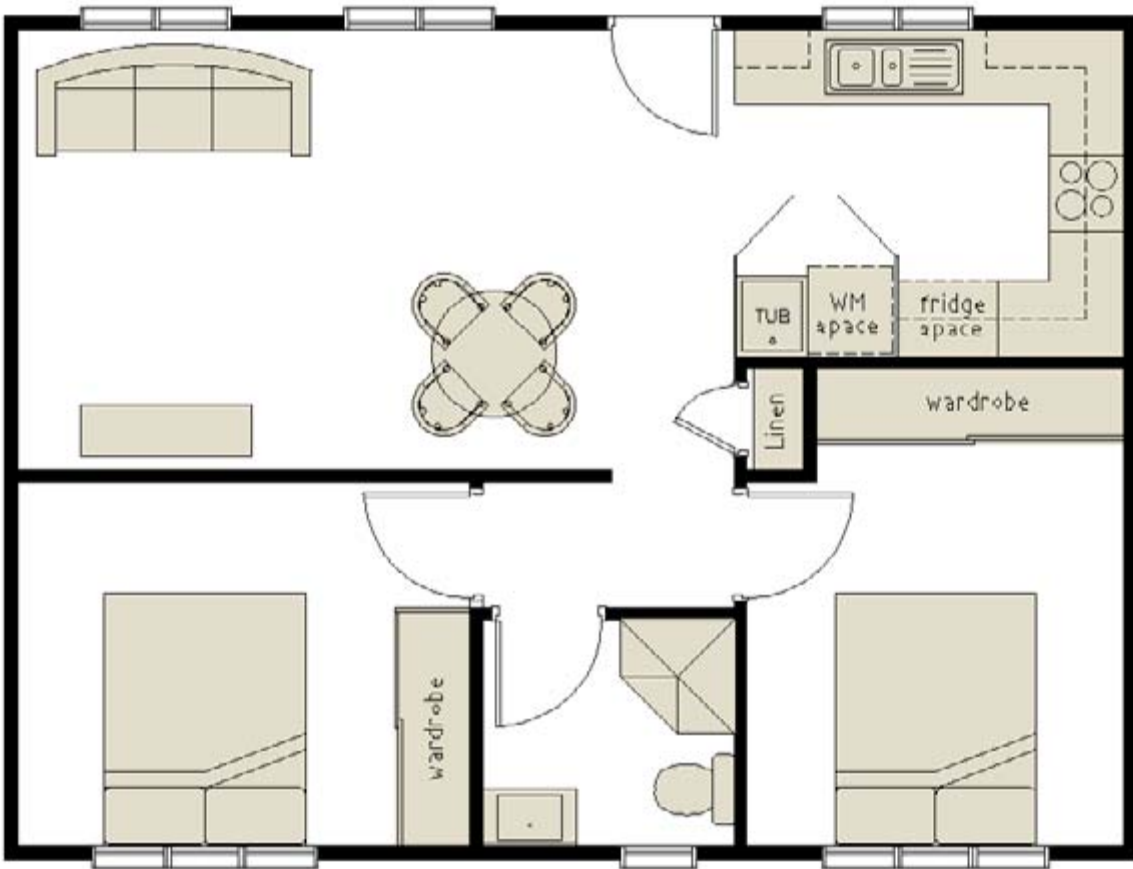
The Grande

Dimensions **8.2m x 8.8m**
Area **60.00 m²**



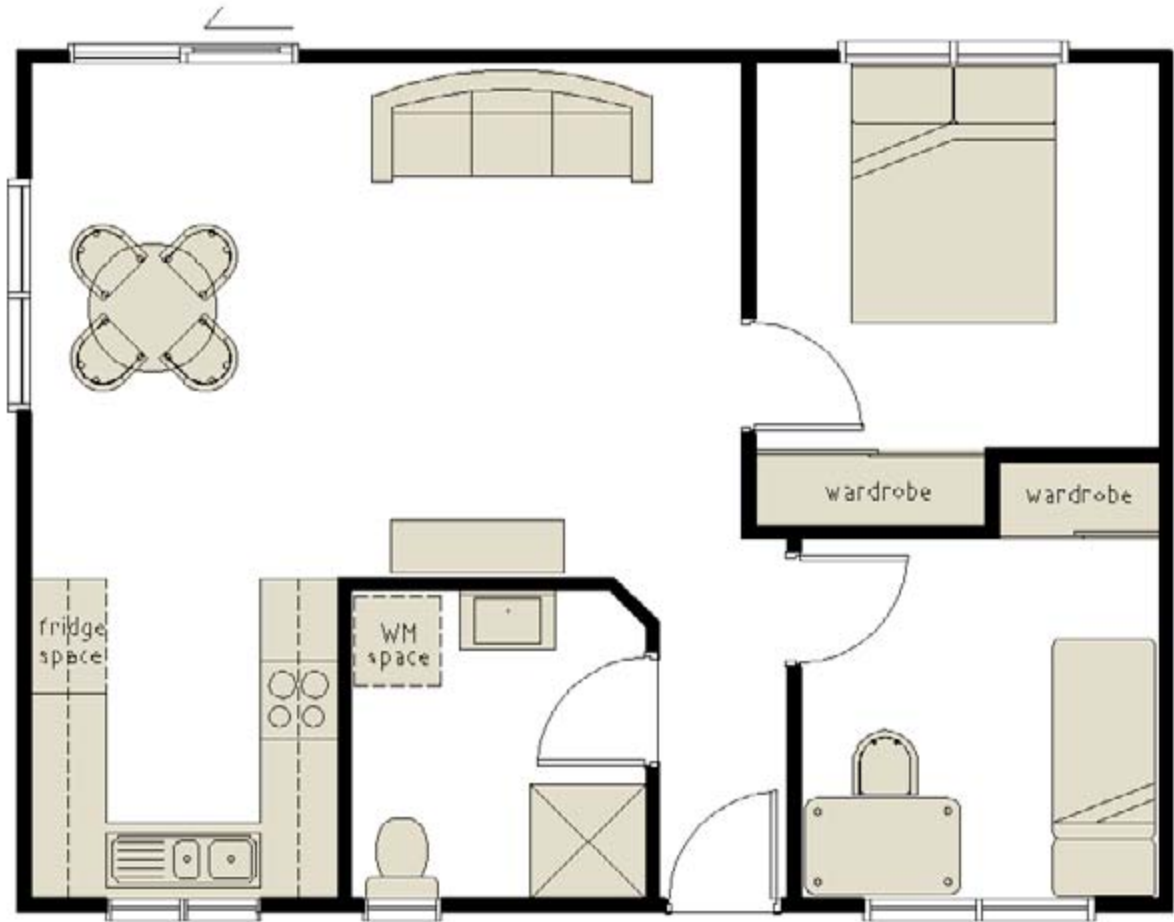
The Royale

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



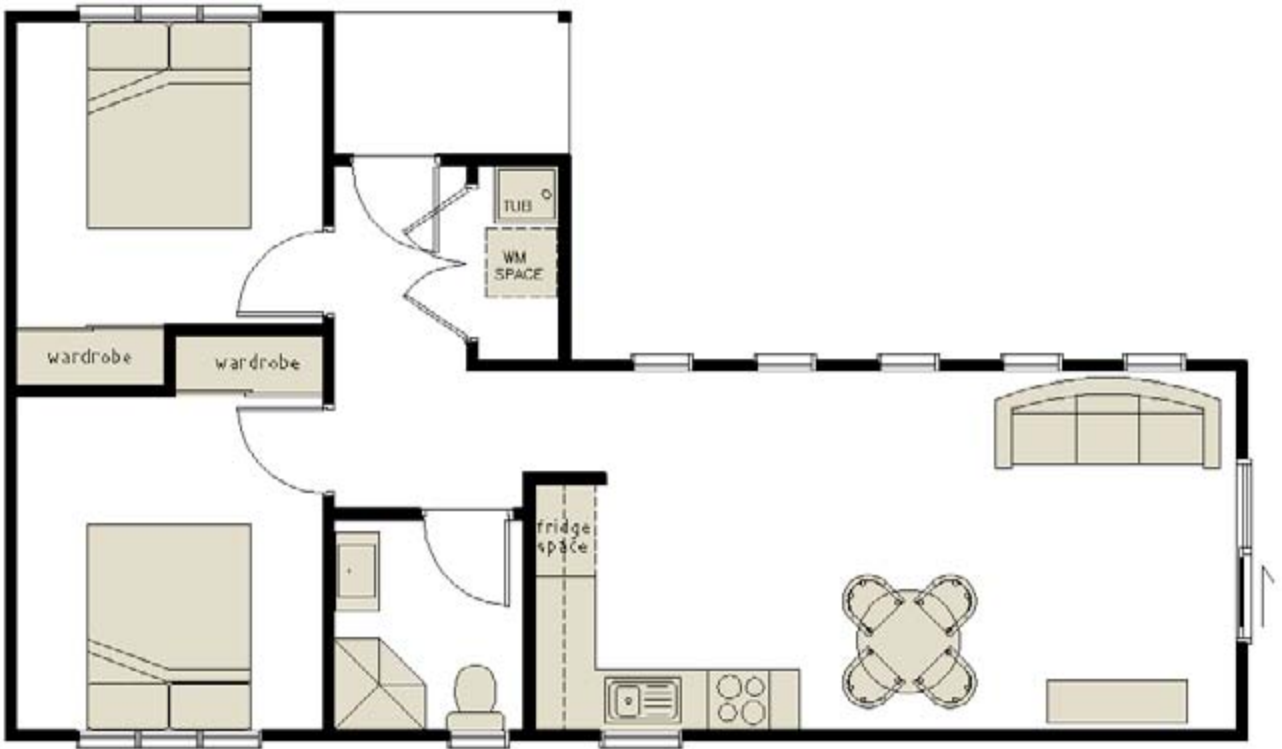
The Gala

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



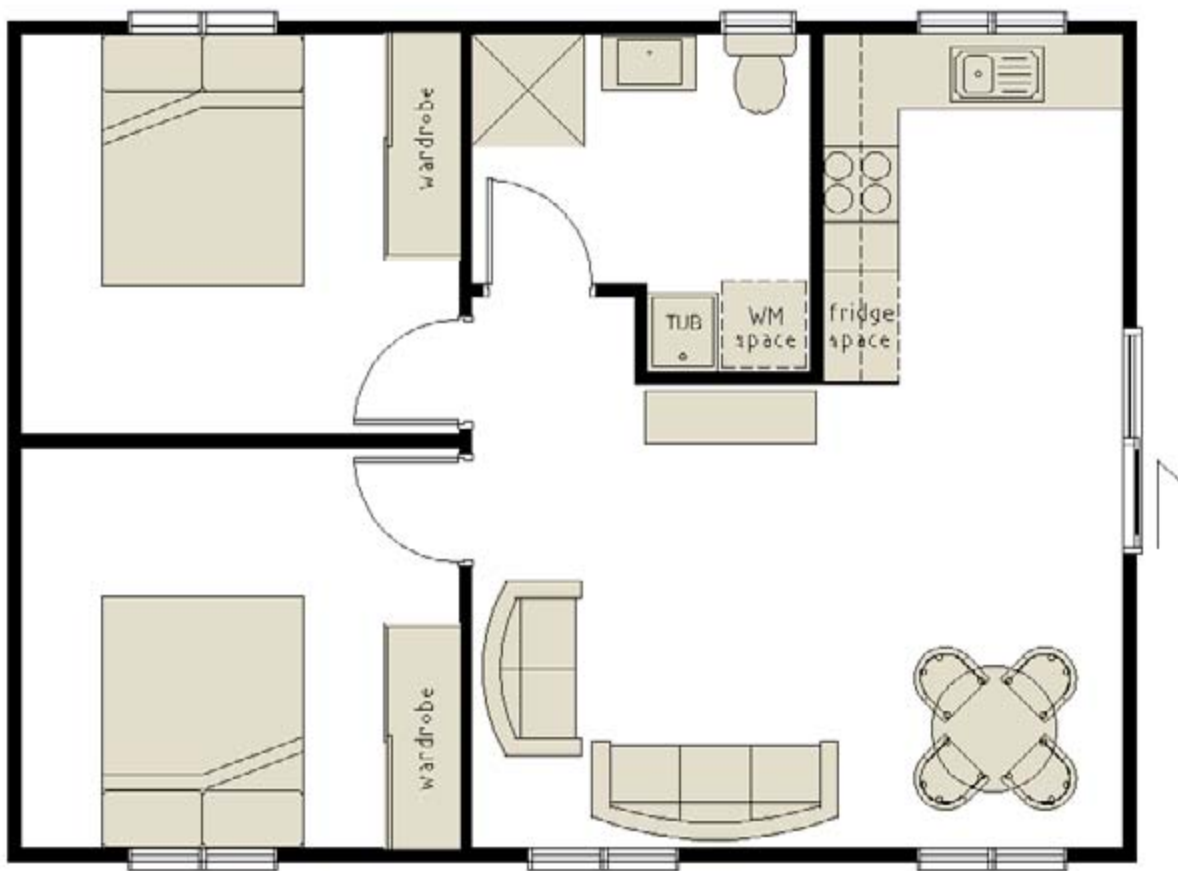
The Blackwood

Dimensions **7.1m x 12.1m**
Area **60.00 m²**



The Master

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



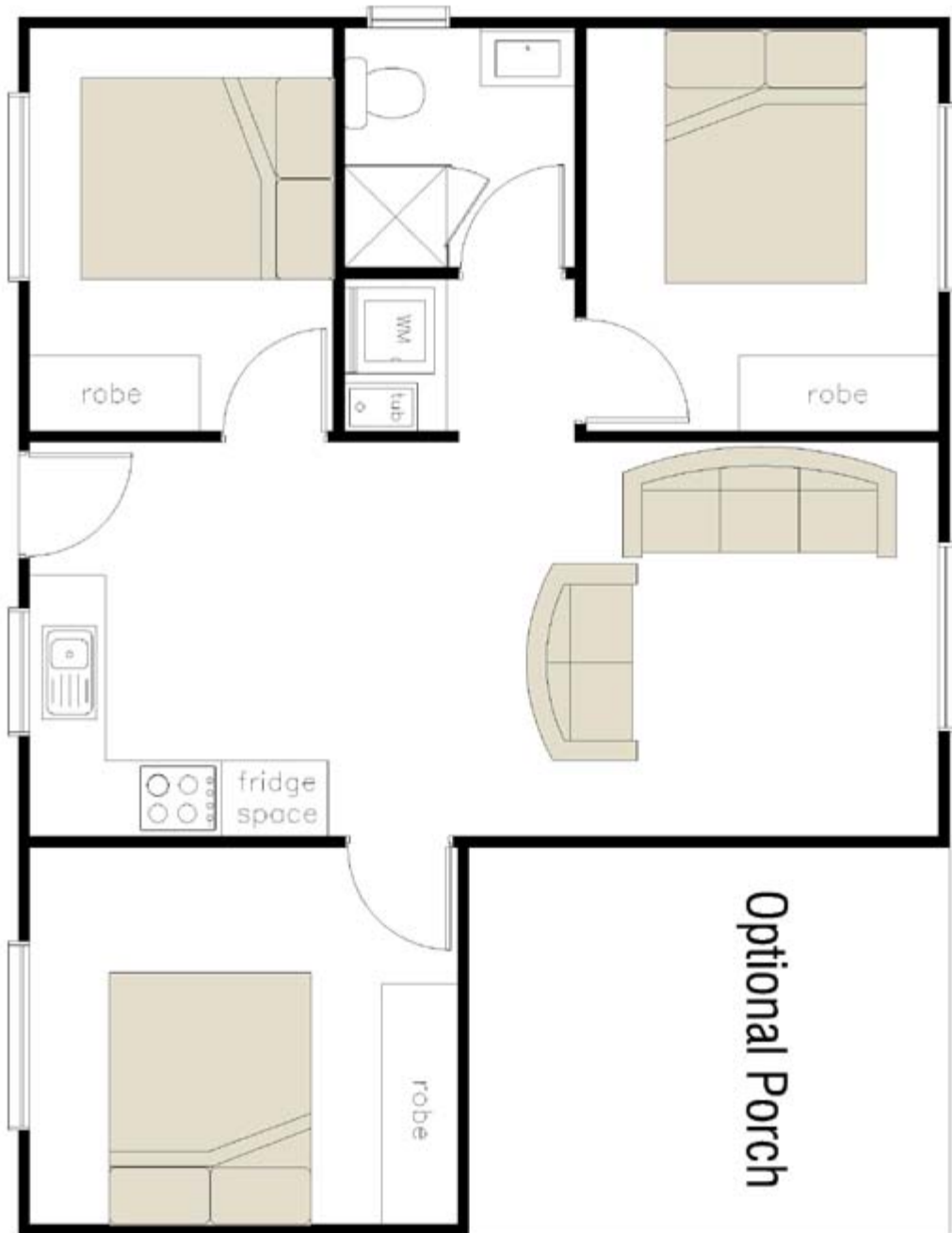
three bedroom range



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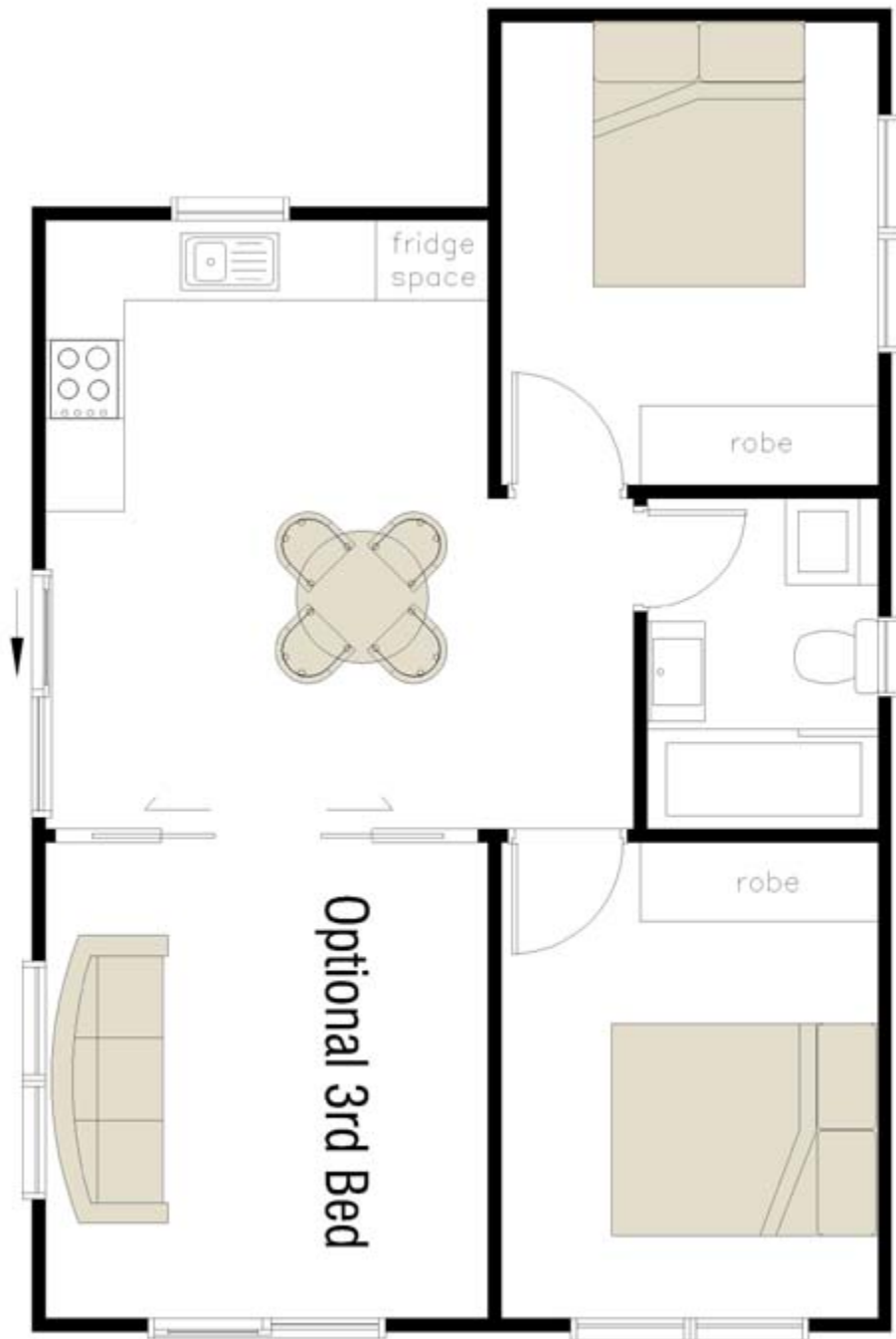
Alexandria

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



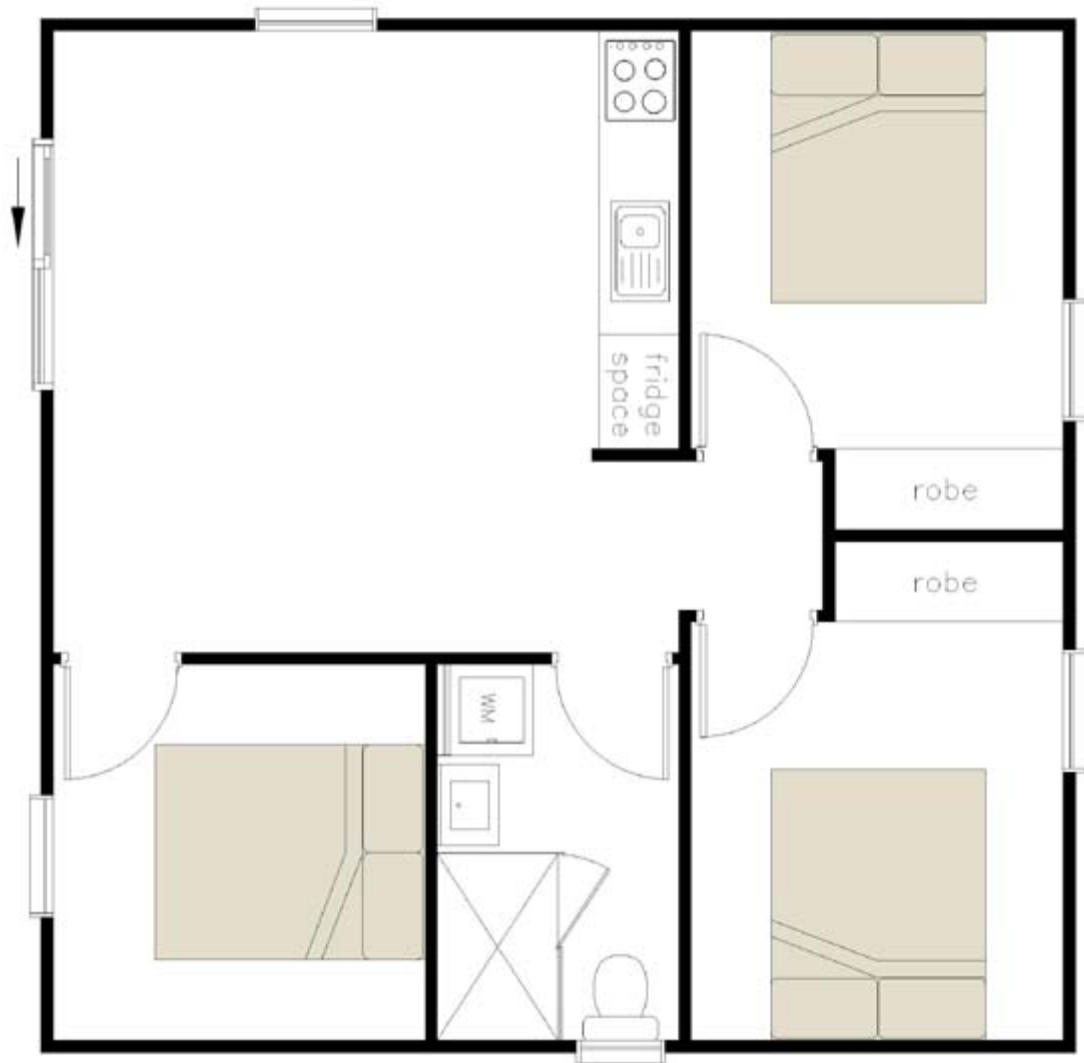
Georgia

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



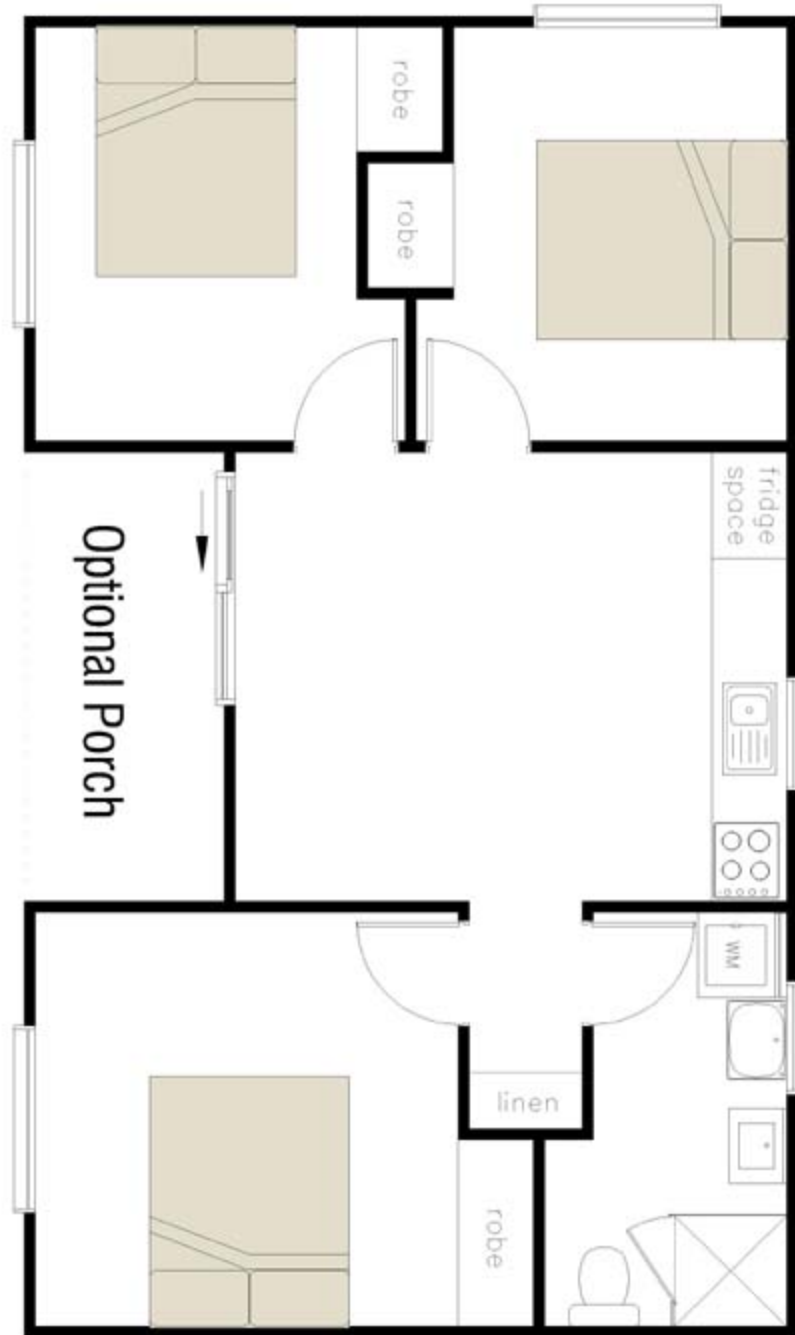
Julian

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



Chelsea

Dimensions **6.7m x 9.0m**
Area **60.00 m²**



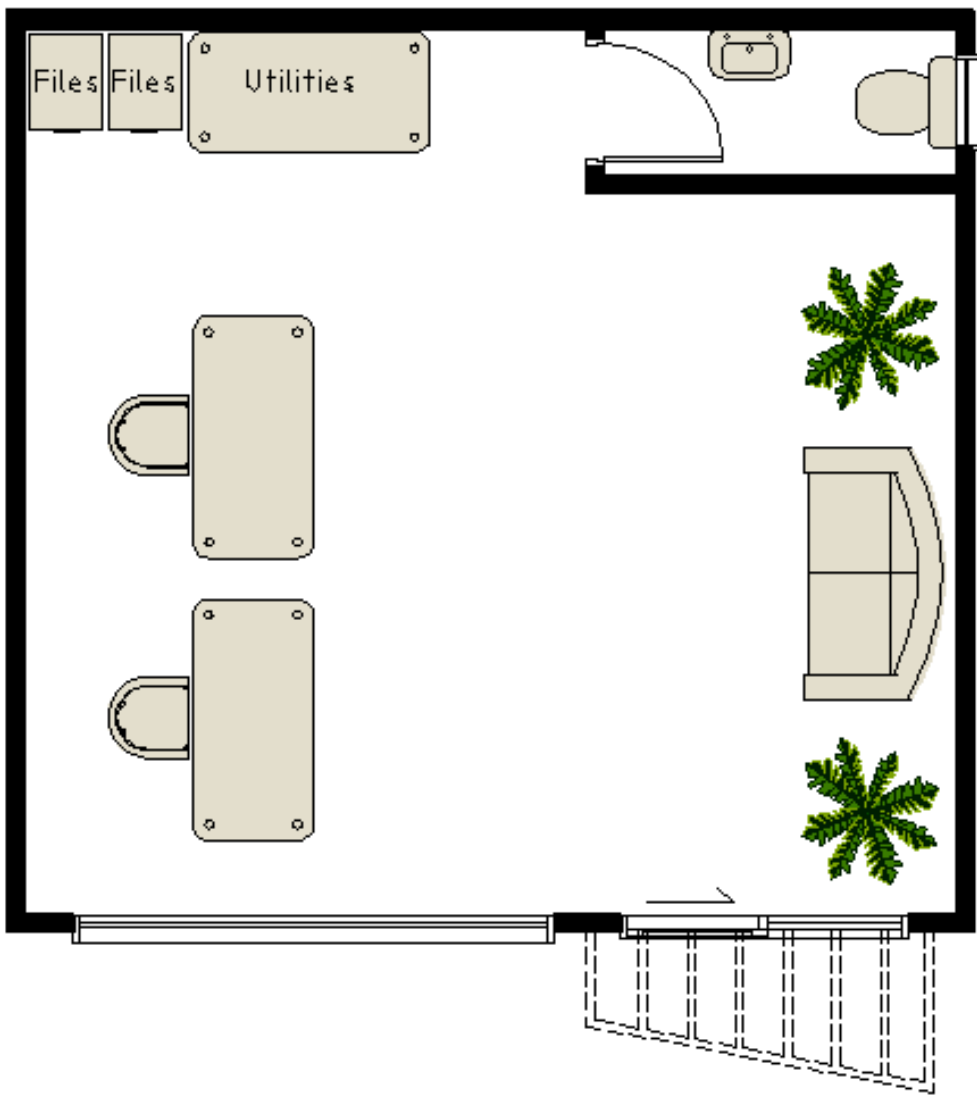
Multi purpose room range



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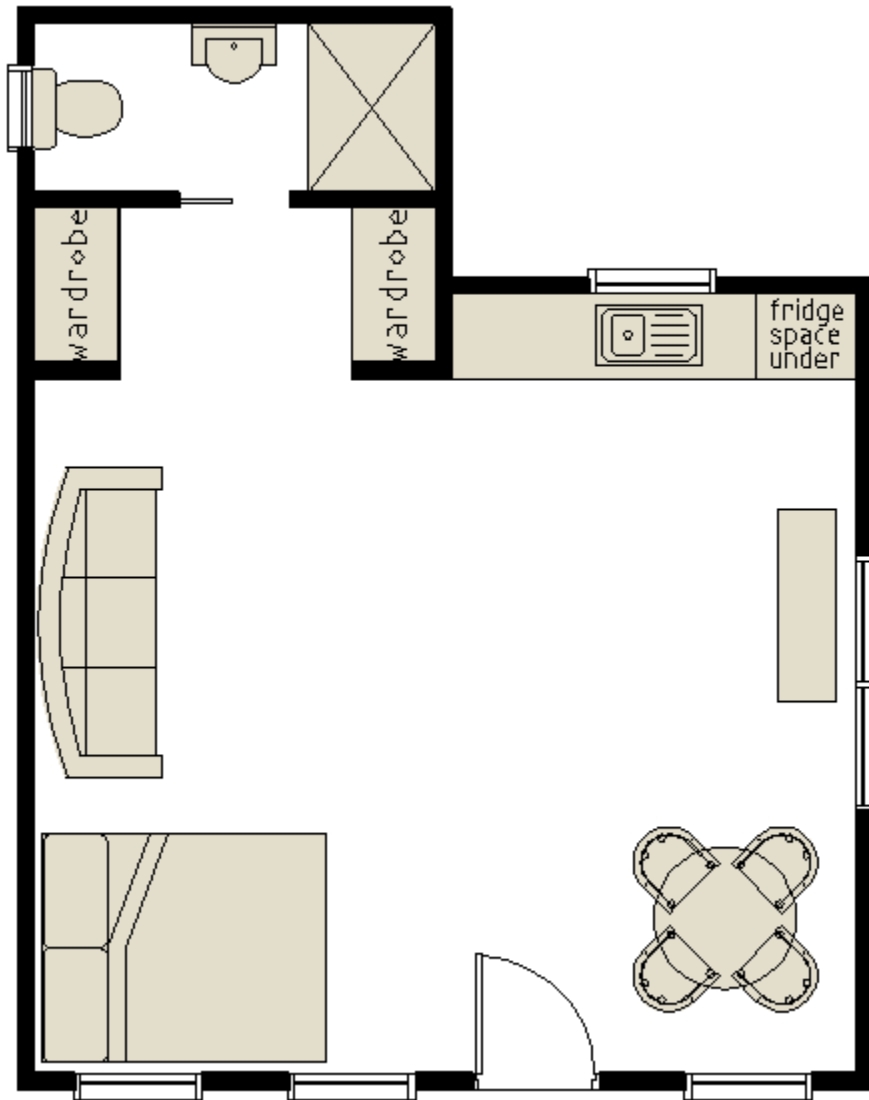
The Modena

Dimensions **5.7m x 6.0 m**
Area **34.20 m²**



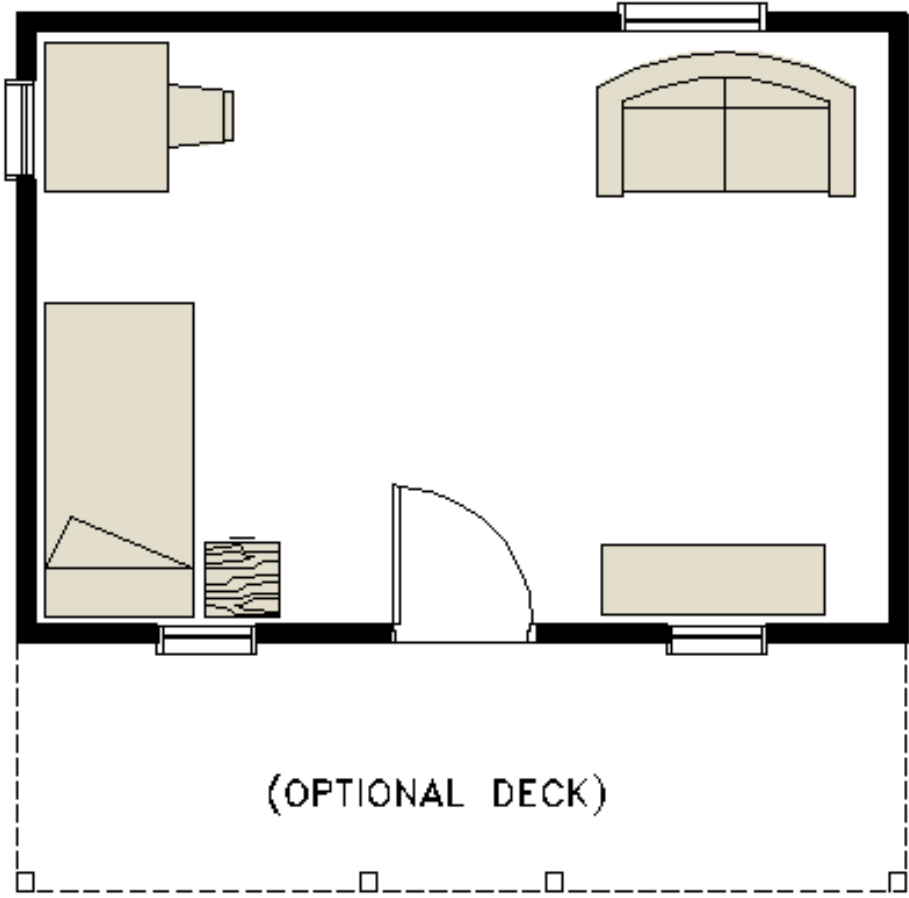
The Delta

Dimensions **7.6m x 6.0m**
Area **40.00 m²**



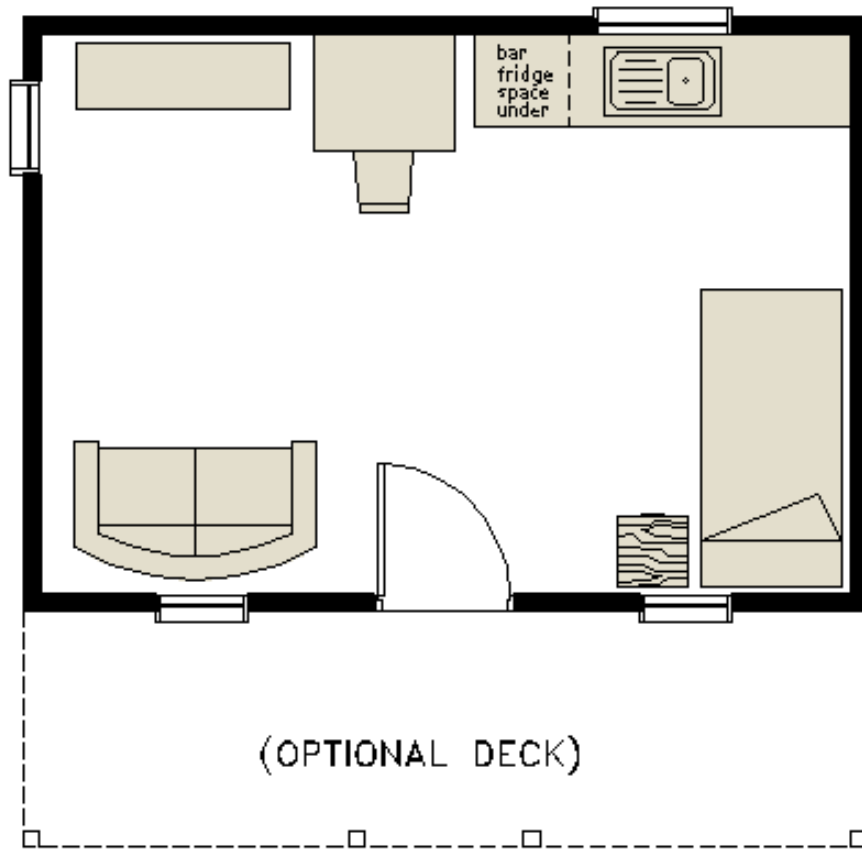
The Matilda I

Dimensions **3.8m x 5.4 m**
Area **20.50 m²**



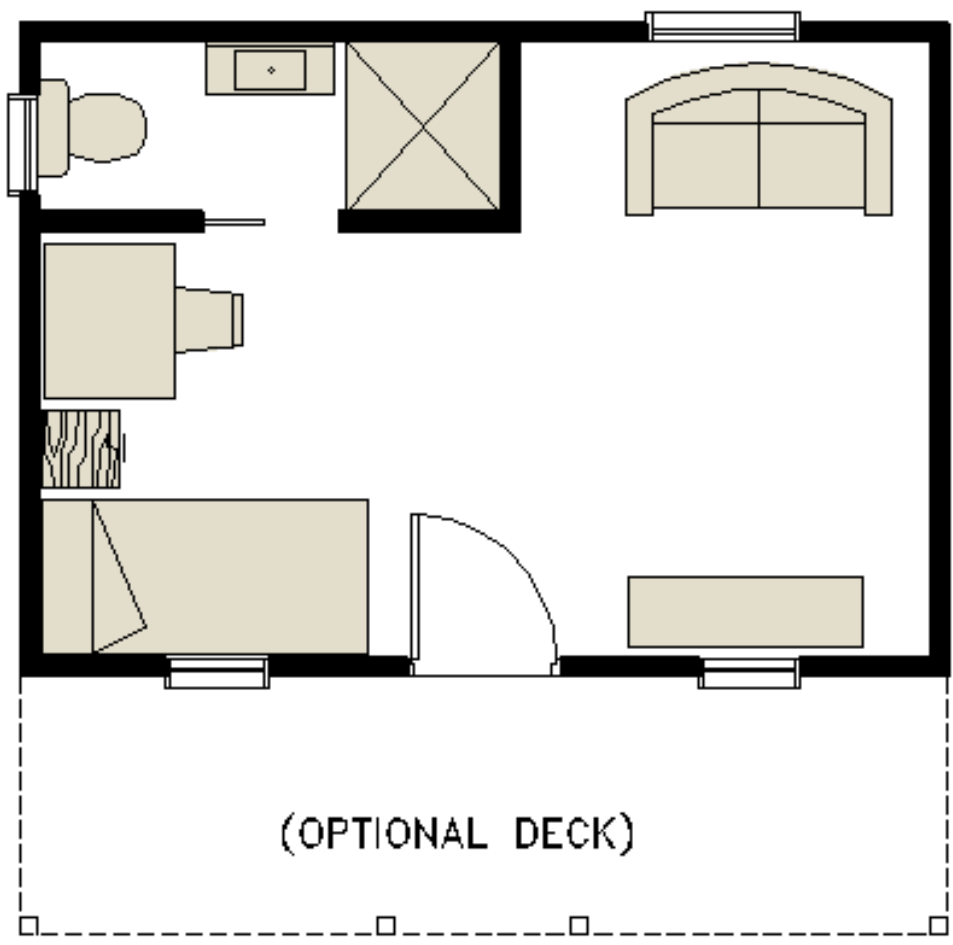
The Matilda II

Dimensions **3.8m x 5.4 m**
Area **20.50 m²**



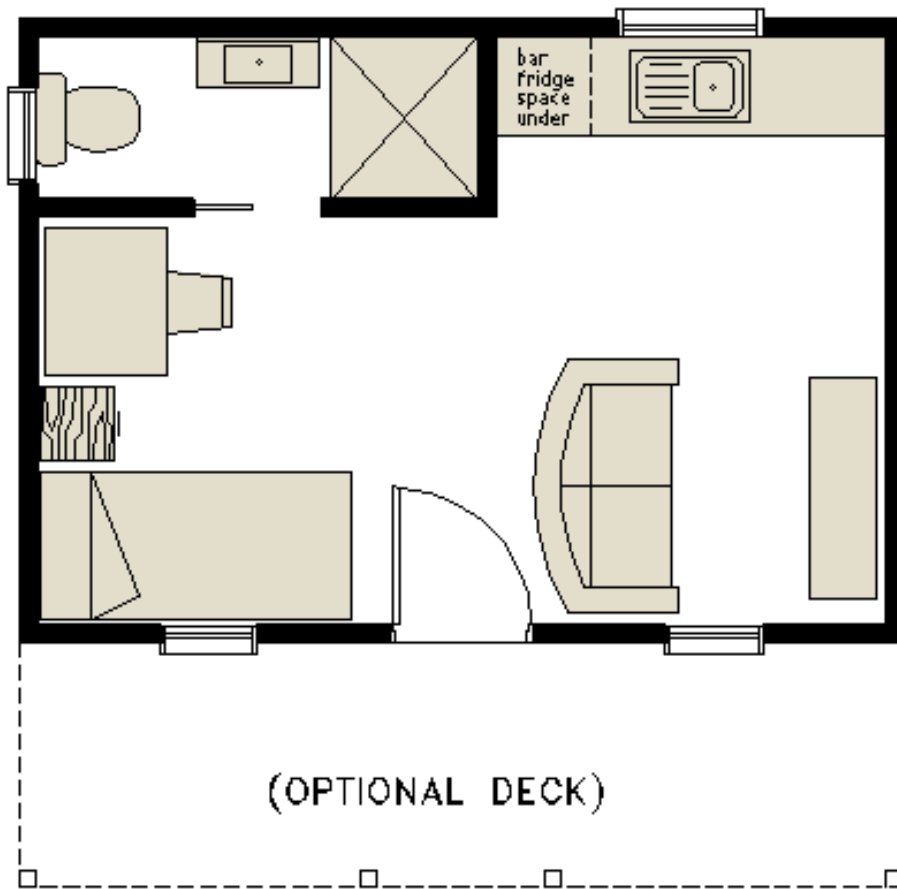
The Matilda III

Dimensions **3.8m x 5.4 m**
Area **20.50 m²**



The Matilda IV

Dimensions **3.8m x 5.4 m**
Area **20.50 m²**



Inclusions

OUR READY TO MOVE IN HOMES!

DESIGN & APPROVAL

- Choice of over 60 designs or we can custom design for you
- Bathroom and Kitchen elevations
- Electrical plans showing every light and power point
- Site plan showing Granny Flat on property
- Elevation – showing every side of Granny Flat
- Custom Engineering plans
- Stormwater Compliance Certificate (if property is lower than the road, extra costs apply)
- BASIX Certificate
- Sydney Water Stamping (excluding pegout if required)
- Occupation Certificate

CONNECTION OF SERVICES UP TO 10 METRES

- Connection of Power to main house – separate circuit
- Connection of Phone line to main dwelling
- Connection of Sewer to existing sewer
- Connection of Stormwater to existing point
- Basic site level
- Connection of Water & Water Flow Meter

EXTERNAL

- Slab on ground or elevated bearers and joists
- Vinyl Cladding (Upgrade to brick/render)
- Windows x 6 (choice of colours)
- Colorbond fascias, gutters and downpipes
- Roof tiles (concrete, choice of colours)
- TV Aerial
- Gas LPG Hot Water System (Electrical/Natural Gas Optional)

INTERNAL

- Kitchen including Westinghouse cooktop, oven & rangehood, 3 metres of kitchen cupboards including overhead cabinets
- Bathroom including floor tiles wall tiles (1.2m) and shower tiles (1.8m)
- Vanity, toilet, shower and all accessories in bathroom
- Power Points throughout, TV antenna
- Laminate flooring throughout or tiles (to kitchen/living/dining) and carpet in bedrooms
- All door hardware, light fittings, wardrobes and blinds to all windows



Ready to move in!

Property Obstacles & What To Look Out For

When purchasing a property, it is very important to check a few items listed below. Further to that to be assured that you will have no issues, it is best to consult with a Town Planner to do a full assessment on the property.

149 (2) PLANNING CERTIFICATE

A Complying Development Approval starts with an assessment of your 149 certificate as the zoning of your property determines if we can get approval through the Affordable Housing SEPP (Private Certifier), rather than going through a full DA approval (Local Council).

Items that need to be checked when viewing a 149 certificate are generally the items below, but are not limited to these items. That is where a Town Planner's report is generally preferred to ensure that all items are covered and viewed properly.

What we are looking for in 149:

- Property Zoning (Residential Zone)
- Complying Development heading saying "Yes"
- Bushfire Zoning
- Flood Zoning
- Tree Preservation Orders
- Conservation Areas

STORMWATER

One of the major obstacles on any Granny Flat proposal is to ensure that the stormwater works. It is best to find a property that is:

- 1) Higher than the street
- 2) If lower than the street, make sure it has an easement
- 3) A corner block is commonly good no matter what the fall is

If the property is lower than the Street you have to check with your local Council to ensure that they allow absorption pits or charge systems, otherwise the granny flat approval can be complex.

TREES

Another setback in designing a granny flat comes down to tree positions. If there is a tree over 6m, we have to position the granny flat 3m away from the tree (subject to its root system).

If the tree is under 6m, generally removal of that tree is possible, however it is very important to check with council first.

GENERAL SETBACKS AND FLOOR AREAS

This is covered in our Getting Started Page

SEWER

Usually, there is no problem with making the sewer work on most sites. The only obstacles come when Sydney Water's Main sewer is running through the middle of the property and has to be encased. This usually is not a deal breaker but can add between \$5000-\$10,000 per project. When a Sydney Water Mains sewer is running in the middle of the property, or within 3 m of where the granny flat is being built, you will generally require a Sydney Water peg out. This is like a special survey for sewer position and will tell you exactly what your design parameters are.

SITE LEVEL

The site level affects construction of a granny flat especially if you are building slab on ground. Normally, the flatter the property the better it is for construction costing. The costs would generally go up substantially if the site has more than 600mm of fall where the granny flat will be positioned. Sometimes this is a little bit harder to work out by eye, and a full survey plan will determine this for you.

If there is a heavy site fall, it is usually cheaper to build using the bearers and joists construction method. This does not work too well if your intentions are to build in brick.

Council Contributions and Fees

Every Council charges a section 94 contribution fee. This is a fee that Council uses to assist with the cost of local facilities in the area you are building. Each council use a different method to work out how they charge this fee.

Some are determined by the construction costing of the granny flat, where others are determined by the number of bedrooms in the granny flat. **This fee is a one-off payment and can range from \$500 all the way to \$20,000. So be sure to call your local Council and ask about this fee prior to moving forward.**

Some Councils also ask for deposit bonds for damage to their kerb and gutter and footpath. This is usually paid by the owner and is refunded if no damage occurs during construction to Council's assets.

Most councils don't increase your land rates after you build a granny flat, however, if you ask for Council bins then your rates will be increased.

“call your local Council and ask about this fee prior to moving forward”

The Right Design for the Right Demographic

When deciding to build a granny flat, especially for investment purposes, it is very important to design the right granny flat for the demographic. It is not a case where one size fits all. Every suburb in each area is totally different and requires different designs.

Some areas require 60m² huge one bedroom granny flats rather than 2 bedrooms. In other areas, it is important to have the main bedroom bigger than the secondary bedroom.

It is best to research who the end user of the granny flat is to ensure that you design the right granny flat for the demographic. For example, a newlywed couple would prefer to have one master bedroom and a small second bedroom accompanied with a really big living area, compared to a large kitchen.

A lot of people get caught up in the design as though they were going to be living in the granny flat themselves. We find that in most cases, huge kitchens, although they look great, limit the spacing of furniture and could in turn affect the rent ability of the unit.

Also very important not to over capitalise in certain areas. The question is 'would spending extra money get me extra rent?'. Saying that, it is also important to match your external product with the neighbourhood. For example, if you live in a street where all the homes are brick homes and your home is brick also, it would be ideal to keep that going. However, if your suburb is surrounded by cladding and the main dwelling is cladding, you possibly would be over capitalising if building a brick veneer granny flat.



Fixed Price Contract - Site Due Diligence By The Builder

It has become quite humorous that people are giving a quote over the phone for a granny flat. Never move forward with anybody who has not given you a quotation based on visiting your property. **Every property is totally different and has different obstacles.**

The site inspection undertaken by your granny flat builder is the most important part of your whole granny flat journey. If they have not assessed your property correctly, the famous VARIATION will occur. That is why you need to ensure that you are using a reputable company with at least 4 to 5 years experience in this industry.

There are many builders that are now building granny flats that have never built in people's backyard before. The sites that they are used to building on generally do not have any obstacles as they are vacant properties. When building a granny flat in somebody's backyard, we must look at numerous obstacles and unforeseen expenses that not many builders are aware of. Things like ground conditions, underground services, tight access and dealing with the front occupant of the main house without causing disturbance. Also the calibre of tradesman used is totally different. The trades and contractors must be respectable and treat those backyards if they were their own. Many tradesmen don't have this background and are used to working on sites that don't have these restrictions.

Your builder must give you a fixed price quotation based on a site investigation, not by pricing on an internet site or just on a brochure.

We spend about an hour on a project on site just to give a quotation and a further two hours in the office ensure and we have covered all aspects of that development to ensure no variations occur unless they are requested by the owner.

We have seen many cases where the granny flat builders are building over old pools that have been filled in that they did not even know were there causing major issues to engineering and the building later.



Connection Of Services

Sewer, Stormwater, Electricity, Water, Gas, Telco

The connection of services is one of the most important part of building a granny flat. Although most companies don't focus or promote this when talking about pricing it is the most important, as a granny flat is nothing without the services being connected. Each project is totally different and must be looked at individually.

STORMWATER

Stormwater is one of the major issues when it comes to approval. This is due to the fact that stormwater must comply with Council regulations. This is the only part of a Complying Development Approval that reverts back to Council's local Control Plans.

As mentioned earlier, if your property is higher than the street, usually it is a much easier journey to connect the stormwater to the back of the existing dwelling or to a new kerb outlet on the street.

If your property is lower than the street, it is great if you have a Stormwater Easement, as you can connect directly to it. If you don't have a Stormwater Easement, then we must check with your local Council to see if they allow an Absorption Trench. If they don't allow an Absorption Trench, it could be very difficult to get approval for your granny flat. An absorption trench could add a substantial cost to your granny flat, subject to what Council's requirements are. Sometimes Council require you to ask a neighbour for an easement first prior to absorption trench approval. This usually comes at a cost and you must offer your neighbour fair market value of the property you are asking for an easement for.

Some Councils allow you to charge water, which means that water will go uphill through pressure. Although many councils don't like this, it sometimes is the last resort.

SEWER

Sewer affected sights, in majority of cases, have a solution. It is important to view the Sewer Diagram as part of the granny flat Due Diligence to ensure that the costing is correct.

There is a cost increase when you are building within close proximity to Sydney Water's sewer. This is usually the thick black line on a sewer diagram.

ZONE OF INFLUENCE

The zone of influence is a 'protection zone' around the Sydney Water Sewer Main. Prior to getting approval for a granny flat a site plan showing the position of the granny flat must be stamped by Sydney Water to confirm that the Sydney Water Sewer is not affected by the granny flat construction. Sydney Water have a formula to work out the zone of influence.. Generally they determine roughly how deep the sewer is and then multiply that by two. For example, if their diagrams show that the sewer is approximately 1m deep, they will multiply that by two, equalling 2m. Therefore the 'Zone of Influence' is 2m surrounding both sides of the pipe.

So if the granny flat location is within 2 m of the sewer Sydney Water will ask for a 'pegout' to determine exactly where the sewer is located.

You will be able to build up to 600mm to the sewer, however, to do this you will need extra engineering and a site inspection by Sydney Water during construction.

SEWER ENCASEMENT

Sometimes we are left with no option but to build over the sewer as there is no room in a backyard otherwise. This entails sewer encasement. This involves digging up the main sewer, and often replacing it with PVC piping, and then pouring concrete over and to protect it. This can only be done by a Sydney Water accredited contractor and usually cost between \$5000-\$10,000.

Connection Of Services (Cont)

ELECTRICITY

The great thing about building a granny flat is that it can be separately metered. This allows the occupant of the granny flat to get a separate electricity bill. In order to get this we must make an application to the energy provider, and open up a new account to generate a new meter.

A separate quotation needs to be given as every property has different requirements based on the electricity feed coming in from the street and the condition of the meterboard that is already there. Example, if the main board is asbestos, it needs to be replaced to meet today's standards. Also, many times the main line coming in from the street is not powerful enough to handle the second dwelling, hence that cable needs to be upgraded as well.

WATER

Most granny flats are provided with flow water meters. This enables you to read the amount of water going from the main house to the granny flat. You must keep in mind that this does not allow you to charge water usage. It is only a measuring tool for you to see how much water is being used by the granny flat occupant.

If you require independent metering for your granny flat, an application can be made to Sydney Water for a separate meter to be located at the front of the dwelling. This will enable separate billing for water usage.

Many Landlords go with the first option, and pay the water bill directly, and just wear the cost, although for extra \$2000-\$3000, some investors prefer to have it separately metered and that way each property is totally independent.

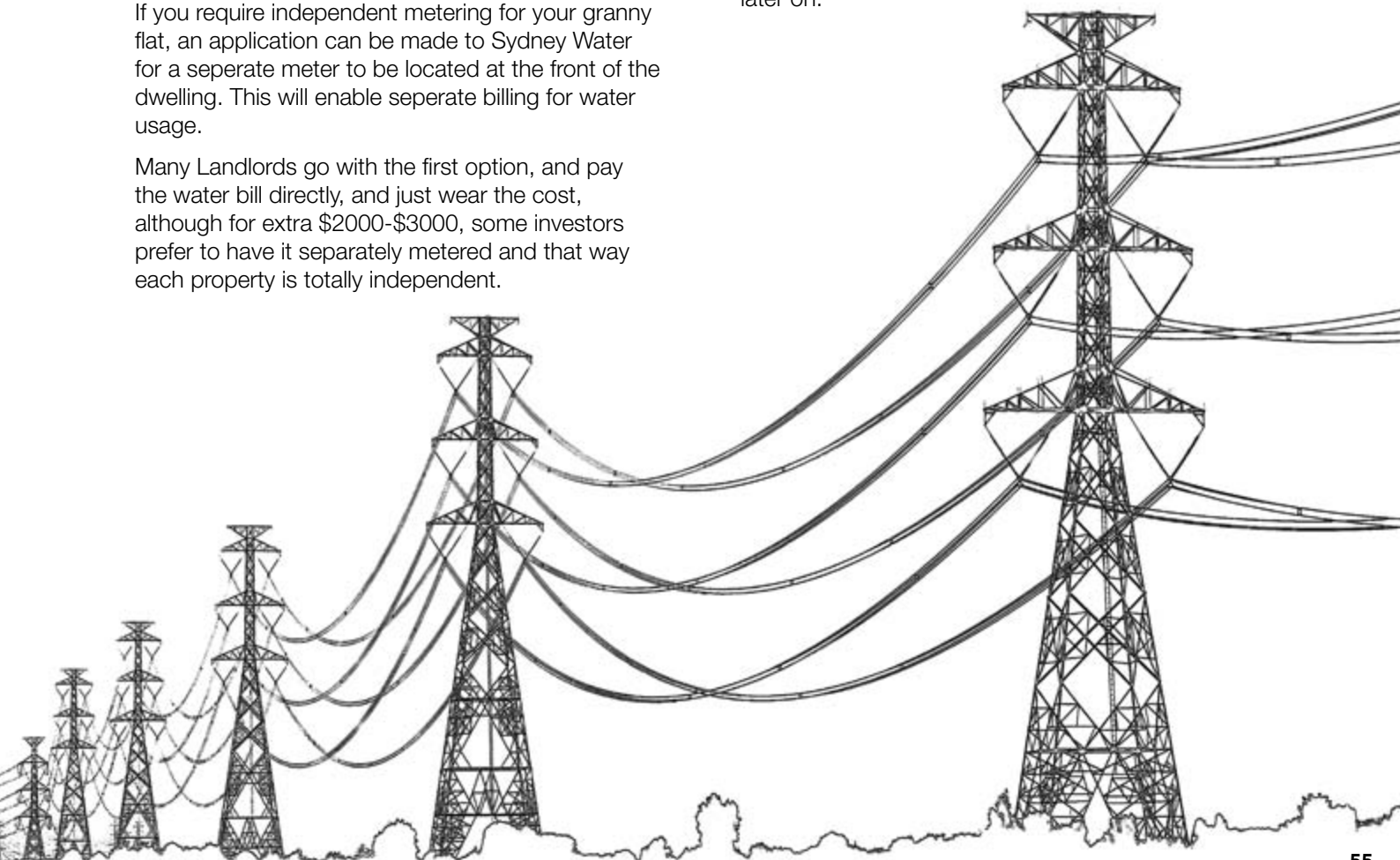
GAS

Where there is natural gas on property, we can also apply for a separate gas meter where you will be billed directly to the granny flat. This once again creates independence from the granny flat to the main dwelling. This is a fairly simple process and entails opening up a new account, and giving the gas company the plumber details. The gas company will then contact the plumber and provide him with the gas meter for installation.

TELCO IE PHONE LINES INTERNET.

With the amount of technology available today, it is best to run an empty conduit from the front of the main dwelling to the granny flat. This enables the occupier to connect the services they like with ease. Especially with the National Broadband Network (NBN) being released, an empty conduit would allow easy connection to the granny flat.

Most tenants end up getting a wireless service regardless, and they don't want to be paying for fixed connections especially for phone lines. Having the provision there is an asset for the future and costs are minimal compared to trying to do it later on.



Concrete Slab vs Bearers & Joists

A lot of people are confused as to what the best method of construction is. Where possible, slab on ground gives better thermal quality, a lot of structural benefits and finishing benefits. Example, being able to tile straight onto.

Generally, slab or bearers and joists are very similar in pricing. The major difference is when the property has a significant slope, that is where concrete slab is much more expensive. On that note, a concrete slab enables you to build straight onto the ground, whereas bearers and joists require that you have a minimum clearance for termite inspection, making the finish floor level higher than what would be with the slab.

If your intention is to build in brick, you will definitely need to build a concrete slab base rather than bearers and joists.



Conventional Construction vs Kit Homes

The proof is in the pudding when it comes to making this comparison. Many banks, valuers, real estate agents and people directly involved in the industry will tell you that Conventional Construction always rents better and values better.

A lot of banks will not lend money against a kit home until it is complete. This makes it difficult to fund as a client will need to have the whole amount to pay for construction, compared to getting a Construction Loan. Also with Kit Homes, you are limited with design, finishes and the ability to make changes as they are fixed and often made overseas and imported. You need to be very careful if you choose this path and ensure that all Australian compliances are met, particularly ensuring glass windows and shower screens meet our building code of Australia requirements.

Also check your warranty, and who the warranty is from. You also want to check that you are provided with a Home Owners Warranty Insurance Policy, as some builders use this as a way not to provide the relevant insurance.



Quality Control

It is very important that you visit at least three granny flats that have been built by the builder you choose. Make sure they are real granny flats, not just display homes. That will show you the real quality. Ask if you can speak to some previous clients and ask about their journey with that company as well.

It is important to use a builder that has quality control procedures in place. Ensure that you get full details as to what material the builder is using, and where they buy their products from to ensure that the warranty is coming from a reputable company. There are so many variances in price from sink mixers to floor tiles, and usually the finishes make a big difference to the price.



Builders Checklist

The past year has seen about 10 granny flat companies open up with no experience. A lot of these are ex-unit builders that are not busy and need to fill in their time between jobs. It is very important not to get caught up on the price wars, and focus on a builder that can deliver your product for you on budget and on time.

The following is a guide that you should use when choosing a builder, and if you cannot tick all the below, you must ask yourself some serious questions.

1. COMPANY REGISTERED AT LEAST 4 YEARS

Log on to ASIC's website <http://www.asic.gov.au/search> and check how long the company has been registered for. This will determine if a company is telling you the truth or not. A lot of companies market that they have 50 years experience yet they have only been open for two years. They do this by adding up the experience of all their team which is totally misleading.

2. DEPARTMENT OF FAIR TRADING CHECK

Call the Department of Fair Trading and see if the builder has any complaints against their name or any outstanding issues that need to be resolved prior to making your decision. This is very important to ensure that you are not falling into a critical trap.

3. HOME OWNERS WARRANTY OVER 6.5 MILLION DOLLARS

Ask your builder to provide you with a copy of their Annual Home Owner's Warranty Legibility. Make sure that it is over \$6.5 million to ensure that they can put their money where their mouth is. A lot of builders promote that they build hundreds of granny flats a year, yet they only have \$3 million Home Owners Warranty, meaning they can only do about 20 granny flats per year although they are marketing more. Make sure you view the Annual Policy not the Project Policy.

4. CONTRACTS

Make sure the builder is using the Department of Fair Trading contract as we find that this is more favourable towards the consumer rather than to the builder. Also make sure that you never give the builder more than 5% deposit as this breaches the Department of Fair Trading policy.

5. MAKE SURE THAT THE DESIGNING COMPANY IS ALSO THE LICENSED BUILDING COMPANY

There are numerous companies out there that just do drafting and have no idea about construction but are now merging with building companies to provide a one-stop shop. This is very dangerous as the designer cannot give you running costs of the construction as they are designing it, so after it is designed the price could go up by 20% due to poor construction knowledge.

6. YOUR BUILDER IS A GRANNY FLAT SPECIALIST

There is a big difference between using a normal building company and a granny flat specialist.

7. DOES YOUR BUILDER HAVE THE SAME TEAM OF TRADESMEN ON EVERY PROJECT?

It is important to use a builder that has the same tradesmen working with the company every day so you know it's a team effort not just a builder with subcontractors that are new to them. Who are you going to allow into your backyard... a **REPUTABLE & RESPECTFUL TEAM** or the **NEW KIDS ON THE BLOCK?**



GRANNY FLATS
- AUSTRALIA -

[YOUR BUILDERS CHECKLIST]

- IS THE BUILDING COMPANY REGISTERED (AS A COMPANY) FOR AT LEAST 4 YEARS?
- HAVE YOU CHECKED THEIR RECORD WITH THE DEPARTMENT OF FAIR TRADING?
- DO THEY HAVE AT LEAST \$6.5 MILLION HOME OWNERS WARRANTY ANNUAL POLICY?
- DO THEY USE DEPARTMENT OF FAIR TRADING BUILDING CONTRACT?
- IS THE DESIGNING COMPANY THE SAME AS THE BUILDING COMPANY?
- ARE THEY A GRANNY FLAT SPECIALIST?
- DO THEY HAVE A LICENSED ARCHITECT NOT JUST A DRAFTSMAN?
- DO THEY HAVE AN OFFICE WHERE YOU CAN MEET THEIR TEAM OR ARE THEY BACKYARD OPERATORS?
- ARE THEY BUILDING AT LEAST 10 PROJECTS AT ONCE? ASK FOR ADDRESSES.
- CAN YOU SEE EVIDENCE OF HAPPY CLIENTS?
- CAN THEY CUSTOM DESIGN FOR YOU?

As Seen On
**A CURRENT
AFFAIR**

Client Stories



GLEN ALPINE

We had been looking into a few different things that we could do on our block. When we found out about comply development, we got in touch with Granny Flats Australia. Cid was very helpful.

We did not want to go with a standard Granny Flat so GFA helped design what we wanted and helped with everything we needed to do for approvals, they where fantastic.

Their service was friendly and always with a smile, they where there for us 100%. What we ended up with at the end of it all was a fantastic modern two bedroom Granny Flat with all the best finishes you could want.

We would also like to add a very special thank you to Cid's father who helped with the final touches.

Overall we highly recommend Granny Flats Australia to anyone who is looking at building a Granny Flat.



ERMINGTON

I just wanted to say thanks for all your help on building the granny flat for me.

You guys could not have made it any simpler – as a result reducing my stress and increasing my life expectancy. I am absolutely stoked with the results and everyone I talk to is still shocked that you guys were able to complete a fully liveable 60sqm granny flat (which feels more like a 2 bedroom house) in 2 ½ months.

*I would not hesitate to recommend you to others or to use you again. **Ken***



GREYSTANES

We would like to express our thanks and gratitude to Granny Flats Australia for the professional manner undertaken in all aspects during the building of a granny flat for my aged parents.

The Granny Flat is situated directly behind our home and much care was taken to keep disruptions to a minimum, not an easy task. We were extremely impressed with all tradespeople both in workmanship and attitude. We were kept well informed during all stages of the construction and any queries were met in a timely manner. Of prime importance to Granny Flats Australia was the fact that my parents be comfortable in their new home and many concessions (at no extra cost to us) were made to this effect - rare indeed. The extra attention to detail was substantial and never ceased to amaze us. My parents are now enjoying the benefits of that forward planning.

*Granny Flats Australia is a thoroughly professional company with a high standard and we consider ourselves fortunate to have chosen them. Needless to say we hold them in high esteem and would not hesitate to use them again. **Janice***

