

Bo and Kelly's tips for designing a building

> **Design to a budget**

Let the budget inform the design, not the other way around.

> **Lines on paper are cheaper than walls on site**

Understand the decisions that have been made in creating the plans. 3D perspectives help explain the detail. Changes are cheap and easy on paper, less so when the walls are being knocked over and rebuilt.

> **Every decision has a cost associated with it**

The earlier this decision is made, the less it will cost. Projects are never completed without alterations to the starting documentation and more changes mean more expense.

> **Get ahead of the project**

The earlier you engage your team, the better. Your planners, designers, builders and suppliers can provide vital early feedback that will save you thousands of dollars.



structural engineers and geotechnical engineers were engaged to produce the drawings, details and specifications that would move the project to the next step, and make it build-ready.

The council had issued the planning permit with conditions that were onerous and contradicted much of what it had earlier supported.

The planning process in Victoria requires that amended plans be prepared that satisfy each of the conditions before council will stamp the endorsed plans. We had more work to do.

Some of the conditions were difficult to address because, as with all design, every action has an equal and opposite reaction. A good example was the requirement to shift one of the garage walls 1.4 metres to the south. These types of conditions resulted in a reduction to the private open space and a re-working of the engineering drawings.

The involvement of Bo and Kelly at all times made the entire process simple and speedy, with the selection of fixtures and fittings taking place quickly.

Given the architectural merit of the initial designs, the detailed drawing phase at Wheeler Street was rapid, allowing a quick succession to the next step and allowing construction to commence in February 2012.

Along the way, some changes and modifications were made to the drawings to help the builder understand some of the more intricate details of the site design.

These changes were made with Bo and Kelly to maintain a collaborative approach and keep them involved in the decision making process.

Anyone who attempts to push the boundaries with development will inevitably endure setbacks along the way. My advice to new clients is always, 'Do your due diligence and understand what you're about to embark upon'.

If you're about to start a development project, ask your town planner, architect or draftsman what experience they have with your council, and do they understand what effect local policies will have on the development?

Unfortunately in our industry, there are too many snake oil salesmen seducing clients with low fees and no experience.

The delay to a project of going to VCAT currently averages

around eight months and throwing money at a problem doesn't guarantee a good result.

Always consider conceding on some minor points and listening to the concerns of objectors and council to avoid the time and costs of VCAT.

Finally, we were free to proceed.

// STEP 6: THE BUILD CONTRACT AND CONSTRUCTION

The demolition of the original dwelling took place in April 2011. The removal of the building and disconnection of the services allowed for a flat, build-ready site, once the official paperwork was complete.

During the development application process the builder was engaged to assist with the ongoing planning and to be on board with the decisions made during these early stages. By engaging a builder early on, we were able to obtain feedback on the building aspects; what might have been challenging or costly; so they could be modified prior to finalising the build documentation.

Bo and Kelly's project was due for completion in April 2013.

// STEP 7: REALISE THE INVESTMENT

At this final step, a local real estate agent prepares the properties for sale.

On completion, it's expected that Bo and Kelly could sell the three properties for a total of \$2,435,000, earning a profit of \$602,200. This profit represents a 32.8 per cent return.

// CONCLUSION

While the final outcome doesn't vary greatly from Bo and Kelly's initial plan, the pathway to happiness isn't always a smooth ride. They were committed from the start to educate themselves on the details and leave the technical aspects to the professionals. This collaborative approach makes the whole process so much more rewarding for everyone involved.

Bo and Kelly's parents are looking forward to residing in the rear townhouse, and Bo and Kelly are currently looking into their next investment.

We advise all of our clients to aim to follow the 'rule of three'. That is, if you buy a property for \$600,000 and spend \$600,000 on construction, then you should look for a profit of \$600,000. Of course, this is an ambitious goal, but a goal like this can help focus the design to meet the budget and financial targets.

Only around one in 20 'development sites' currently advertised for sale in Melbourne are financially viable and have good development potential. This is why we stress to clients like Bo and Kelly to carry out thorough due diligence and complete a property development assessment before going ahead with a purchase.

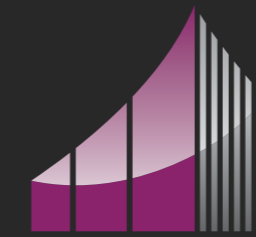
Bo and Kelly have learnt a lot from this experience: keep the building design as simple as possible; minimise design changes; and engage with the builder early and often – this ensures they have the opportunity to have input before construction begins.

All of these steps have resulted in Bo and Kelly achieving exactly what they set out to. **API**



BREECE GEVAUX

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