



Provisional Costs Demystified

What exactly are Provisional costs?

Provisional costs is a broad term used widely within the building industry and many are often left wondering what exactly are the provisional costs that builders refer to when you decide to build your home.

This report is going to demystify the building industry jargon and outline the 10 most common “provisional costs” you may encounter depending on what and where you decide to build your home.

The following costs and information are indicative site construction costs that are known as Provisional costs in the building contract. These costs vary according to layout of the house design and building site contours, but will serve as a guide so you know what provisional costs your builder may be including in your contract.

Provisional costs for a building site may include some or all of the following 10 most common items

1. Old house demolition

If you have a block with an old home that needs to be removed prior to building your dream home, this is a provisional cost item and is an “extra” cost on top of your price to build your home. You should have an allowance of \$15,000 - \$25,000 depending on the size and complexity of the removal process required.

2. Excavation

The excavation of a site varies greatly. This is due to the location of the site. Sites vary from being a flat block to a steep site that would need a lot of levelling or filling before any construction could commence. This preparation work is again a provisional cost and depending on the house design and gradient of the block, this can be a very expensive cost that can cause a severe over run in your budget if rock or clay is found or unexpected issues are encountered during the process as extra time or machinery may be required. This is definitely something to take into consideration BEFORE buying your block of land as sometimes a cheaper sloping block can turn out to be more expensive than a flatter block in the long term.

Some blocks may also require retaining walls if the site is steep

At Preston & Sons, we pride ourselves on offering solutions such as different construction methods to tackle this challenge and minimise costs: i.e. (Slab or bearers and joist) as well as suggesting design choices requiring as little excavation as possible to keep this cost as low as possible for our customers.



3. Site Access and roads

When a building site is situated in a rural area often existing roads are not available. This often results in the need for road building for access to the site as part of the building process and requires road base material that would be compacted for suitable thoroughfare.

At Preston & Sons, we always include a sub base road for entry to sites so access will be available throughout the project, however if bitumen sealing is wanted Preston and Sons can arrange for this at the end of construction.

4. Power

If purchasing new land, the power that is available to the site should be assessed and deemed suitable/unsuitable for the new buildings.

The level 3 ASP www.powercountry.com.au is the authority on power loading and will require an 'application for connection of load' submission to Integral energy.

The main Goal alongside the Basix report is to reduce energy consumption as much as possible and reduce the chance of a power upgrade requirement. If a power upgrade report is needed then a "electrical supply report" is needed which usually costs around \$1500.

5. Data/phone connections

If a phone line exists to the boundary of the site Telstra will install the cable required to the first point in the site free of charge if a trench is dug.

If high speed ADSL is a requirement the exchange will need to be assessed.

6. Water

Depending on where your block is located, some rural sites do not have access to mains water. For these rural blocks Preston and Sons can arrange for the installation of water tanks, either in ground concrete tanks or above ground poly/colorbond tanks to provide the required amount of water storage.

The pricing for water tanks vary depending on the amount of water tanks, material type and sizing. A Concrete in ground tank that holds 140,000 Litres costs approx. \$20,000.

7. Rural Dams

Water supply for livestock is often a desired part of a rural building process and easily accommodated with Preston & Sons highly qualified excavation team. If an average size dam is required on your site, our team can complete it for you for around \$8000.

8. Sewage Treatment

While most areas have access to local council sewerage systems, in the rural areas where town sewer is not available Council will require a sewage effluent system to be installed. If in a Sydney catchment area (which is most of Kangaroo Valley) a specialised system will



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be required. Most systems will be a transference aerated in ground tank design. These are filtered systems that disperse the clean waste into sub-filtered trenches below the building site. While different size homes will require different sized systems and costs vary appropriately, system suitable for a 3 bedroom home costs approximately \$12000

9. Fencing

Fencing is not something that many people think about when building and it can easily be arranged at the time of building your home so that you have a totally completed and fully usable home.

Regardless of whether you require rural fencing on your property for animal barrier or aesthetic purposes, Preston and Sons can organise a quote for the required fenced areas from local fencing contractors for you and manage the installation, so you don't have to worry about anything!.

10. Outdoor living

There are many options that fall under the broad category of outdoor living.

At Preston & Sons we understand that Aussies love the outdoors and pools, BBQ's, landscaping, cabana's, and shelters are one of our specialities and can be easily included as part of your new home.

Provisional Costs are basically site preparation requirements plus any Add-ons or extras you desire over and above your home

At Preston & Sons it is all about creating the ideal solution for your individual needs and creating a stress free building experience for you.

If you choose to build with us, you can choose your extras such as fencing, stylish outdoor areas, pool or shelters and we can take care of it all for you so you don't have to do a thing!

If you would like to discuss your individual needs and how you can have the benefit of award winning builders taking care of all your building needs, call Richard on 0401 738 958.