

Common Cost Considerations

An informational guide to the items that most commonly affect a residential construction budget — and the ones most often under-allowed or forgotten. Provided for general awareness to help you plan, not as a substitute for a detailed estimate prepared from your plans.

Site Conditions

Often the single biggest source of variation between two similar-looking jobs.

- Access — narrow, sloping, or battle-axe blocks can force crane, pump or hand-handling costs.
- Slope and fall — drives cut and fill, retaining, drop-edge beams or suspended floors.
- Soil classification (AS 2870 — classes A, S, M, H1, H2, E, P) — reactive or problem sites need deeper or engineered footings, raising cost well before anything is built.
- Rock — excavation in rock is slow and expensive and is easily under-allowed.
- Fill and compaction — imported fill, removal of unsuitable material and compaction testing.
- Bushfire (BAL rating) — higher ratings impose construction requirements that add cost.
- Flood / overland flow — may require raised floor levels or specific construction.

Demolition & Site Preparation

- Demolition of existing structures and disposal.
- Asbestos and hazardous materials — licensed removal is a specialist, regulated cost.
- Tree removal — may need an arborist and council consent.
- Disconnection of existing services.

Authority & Approval Costs

Statutory and certification costs that sit outside the physical build.

- Approval pathway — DA versus Complying Development (CDC), and certifier / PCA fees.
- Development contributions — local council levies under s7.11 or s7.12 (formerly s94 / s94A).
- BASIX commitments — water and energy targets that dictate tanks, glazing, insulation and fittings.
- Section 73 (Sydney Water) or relevant water authority requirements.
- Long Service Levy and any required bonds (footpath, damage).
- Mandatory inspections through the build.

Service Connections

- Distance to mains — long runs for water, sewer, power or gas add cost quickly.
- New versus existing connections.
- Stormwater — legal point of discharge and any on-site detention (OSD).
- NBN / telecommunications.
- Authority connection and headworks fees.

Allowances — Provisional Sums & Prime Cost Items

The most common reason a final figure differs from an early estimate.

- Prime Cost (PC) items — an allowance for a product not yet selected (tapware, tiles, appliances). The final cost is the actual selected price, not the allowance.
- Provisional sums — an allowance for work not yet fully defined; adjusted up or down on completion.
- Selecting finishes above the allowance is the usual cause of a budget moving — not an error in the estimate.
- Setting realistic allowances up front reduces surprises later.

Specification & Finishes Level

- Standard versus premium finishes can swing a budget dramatically for the same floor area.
- Stone versus laminate benchtops, tile grade, and joinery quality.
- Imported versus locally available products and lead times.
- Fixtures, fittings and appliance selections.

Variations & Scope Changes

- Client-initiated changes once work is under way.
- Latent conditions discovered on site (e.g. unexpected rock or services).
- Gaps or ambiguities in documentation.
- Keeping a written variation register helps everyone track cost impact.

Market & Timing Factors

- Material price escalation between estimate and construction.
- Trade availability and current lead times.
- Long-lead items such as windows, joinery and structural steel.
- Seasonal and wet-weather delays.

Preliminaries & Temporary Works

- Scaffolding, craneage and hoists.
- Site sheds, amenities and fencing.
- Site supervision and management.
- Temporary services during construction.

Professional & Statutory Fees

- Engineering — structural, civil and hydraulic.
- Surveyor.
- Certifier / Principal Certifying Authority.
- Energy assessor (BASIX certificate).
- Geotechnical report.
- Home Building Compensation (HBCF) cover for residential work above the threshold.

Risk & Contingency

- A contingency allowance for the unforeseen.
- GST.
- Insurances — contract works and public liability.
- Defects and maintenance obligations after completion.

Commonly Overlooked Items

A quick prompt list of items that are easy to leave out of an early budget.

- Sediment control, skip bins and final clean.
- Temporary fencing.
- Termite protection.
- Driveway and external concrete.
- Landscaping and turf.
- Letterbox, clothesline and paths (often BASIX-linked).
- Window furnishings.
- Floor coverings to every area.
- External painting.
- Authority and service connection fees.

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