

Managing the Build Tender Process Delivering the best outcome

Beyond the initial purchase, the construction costs will be the most significant factor as to whether your project is profitable or not; or certainly whether it is as profitable as it should have been.

The other equally important component is having an understanding of what specification is being delivered for the price; as many builders have their standard specifications. These specifications can vary significantly from one another; and many have items either undocumented or vaguely documented both of which may result in variations.

Therefore, it is fundamental that a detailed tender process is undertaken - not only to get the best possible price, but also to ensure that the quality and specification are comparable.

The Tender Process

It is important to obtain quotes from similar builders who will ideally provide a fixed price on a full turn key solution; and that have a track record in delivering the type of project that is being quoted. It is also worthwhile seeing examples of builders work before including them in any tender.

When obtaining building quotes, here are some important considerations:

- Have you provided the builder with all documents required to provide a fixed price quote? Including working drawings, engineering, energy reports, cabinetry and tiling elevations, landscaping design, air conditioning layouts, schedule of materials?
- Is the documentation detailed enough to ensure that there are no gaps in the specification that could result in builders introducing their own products; and or charging variations?
- Does the quote reference the documentation that was provided and are all details transparent?
- Does the quote contain any provisional cost (PC) items? If so, this will increase the likelihood of variations during construction. Most PC items can be removed by providing sufficient documentation.

Why do Quotes Vary?

There can still be fundamental reasons why quotes vary greatly; including builder workloads, project appeal and location. Another significant factor is whether builders obtain enough market pricing or are too heavily dictated to by certain suppliers and trades which can push up their pricing.

It is not uncommon to have quotes varying by up to 10%; but generally a well run process will generate at least a few quotes that are very close to one another and that are worth consideration. Ultimately, the builders who tend to price poorly repeatedly will be seldom reconsidered for future jobs.

Post Tender to Build Contracts

Once you have received all quotes it is then vital to cross-reference; and to check final contracts and documentation thoroughly. There is also an important process to go through any final qualifications, make sure that approval conditions are allowed for; and that any potential cost savings are discussed.

Zybek has a structured process to obtain quotes including the provision of full documentation, a detailed schedule of materials and full selections. This enables builders to provide a fixed-price quote based on the exact same specification; and with limited opportunities for variations.

Why Zybek?

Zybek has managed hundreds of tenders; and keeps detailed metrics on how each builder performs based on style, size and location of construction; as well as key deliverables such as timeframes for overall delivery and resolving defects, number of defects and cost of variations. All of this feeds into a Builder Ranking Index (BRI) that rates Adelaide's builders, whereby different builders are better equipped for certain styles of projects.

These are crucial statistics in understanding who to put forward for any given tender, whereby it is important to have several builders who will be competitive. Of course, subjective criteria such as communication, reporting and client feedback also go a long way to determining which builders to use.

If you have a project that requires a quote either owner occupied or development then Zybek would be pleased to discuss potential builders that would be suitable based on our experiences.

Project Gallery

Completed Projects in 2016



Industry Article - Encroachments and Land Divisions

Boundary encroachments are fast becoming one of the more stressful responsibilities of property ownership, particularly with the densification of our inner suburbs. In years gone by it was common for property owners to replace old fencing or construct a shed without considering the location of the true property boundaries. Development consultants are often the property owners first contact when considering how to deal with a boundary encroachment.

Besides fencing and sheds, other types of encroachments can occur such as walls, concrete footings, eaves and gutters, pipes, balconies or even underground encroachments such as cellars. More extreme boundary encroachments also occur such as solid brick garages and even home extensions straddling boundaries - all of which can be prevented prior to construction by a boundary survey.

Today, most encroachments are identified by boundary survey either when sub-dividing land or during the construction of a new home or home extension. Fences are the most common form of encroachment as many were constructed by measuring from other fencing and without survey. Importantly, the position of the fence does not change the ownership of the land being encroached upon.

It is not always the case that an owner must remove an encroaching fence, wall or other structure on the neighbour's land. Some neighbours who occupy adjoining properties may have no concern if a wall straddles a boundary, although once aware of an encroachment the owner must disclose this fact when selling the property.

Once an encroachment is suspected, a boundary survey should be undertaken to identify the nature and extent of the encroachment. In the case where an encroachment must be rectified, there are a few options to consider:

- ▶ Transfer of portion of land being encroached by way of land division or lease which may also include compensation;
- ▶ Payment of compensation;
- ▶ Removal of the encroachment, and;
- ▶ Registration of easement(s) and compensation.

If the neighbours are not able to come to an amicable arrangement, mediation between both parties is often cheaper and quicker than taking the matter to court. As always, it is recommended to seek legal advice.

All land divisions prepared by a certified surveyor will depict the position and extent of the encroachments along the subject boundaries. It is common for fencing to be within a few centimetres of the true boundaries - this should not be cause for concern as moving a fence by small amounts is unnecessarily costly.

On land division plans the encroachment may be shown with an alpha identifier (such as "X") easement and the conveyancer will need to seek consent(s) from the adjoining owner. Encroachments onto public roads (such as overhanging balconies and roof canopies) are handled in a similar fashion with the addition of a license being granted from Council or relevant statutory authority.

Regardless of the nature of the encroachment, development consultants will continue to be integral in what can be a very stressful process for property owners. Please contact our office for an initial free consultation and advice.

David Stacey
Director - **Zaina Stacey Consultants**

On the Market

11C Grenache Ave, Modbury



5 Guilford Rd, Prospect



5/2 Old Creek Rd, Christies Beach



Each project is **full turn-key**

- Large format porcelain tiles
- Custom joinery throughout
- Stainless steel appliances
- Designer sanitaryware and tapware
- Fully tiled bathrooms
- LED downlights and feature pendants
- Reverse cycle air conditioning system
- Automatic panel glide garage doors
- Fully landscaped gardens

Further information about each project can be found on realestate.com.au.

Zybek in the Community

... BIG SUNDAY

Zybek Consulting and Management have introduced a new initiative to give back to Adelaide; and will be partnering with major events and charities that benefit the community.

About BIG SUNDAY

[BIG SUNDAY](#) is ordinary, everyday people combining together to contribute back to those in our community who are struggling to make ends meet, who are marginalised through isolation, poverty, disability or sickness. BIG SUNDAY acts to provide hope to hopeless situations through practical service. There are projects to suit everyone so jump on board and check out bigsunday.com.au.

The details of the events being sponsored by Zybek are below.

BIG SUNDAY
KIDS FUN RUN

CALLING ALL KIDS!
AGES 3-11

WE WOULD LOVE FOR YOU TO GET INVOLVED IN THE
2017 BIG SUNDAY KIDS FUN RUN

1:00PM
SUNDAY, FEBRUARY 19th
*Princess Elizabeth Park,
South Tee*

REGISTER VIA
BIGSUNDAY.ORG.AU

Donations

TO OFFER YOUR SUPPORT
DONATE ONLINE
WWW.BIGSUNDAY.ORG.AU
Donations / Project / Kids Fun Run

CASH DONATIONS
CAN BE COLLECTED ON THE DAY

Thank You

TO OUR 2017 MAJOR SPONSOR
ZYBEK CONSULTING

THIS SPONSORSHIP ALLOWS EVERY
DOLLAR RAISED TO BE DONATED
TOWARDS

**HOPE KIDS DAY CAMPS
AND TEAM KIDS**

Zybek on LinkedIn

Zybek is now providing regular updates via LinkedIn including details of completed projects, industry updates, development hotspots and market trends.

You can follow Zybek at [Zybek on Linked In](#).

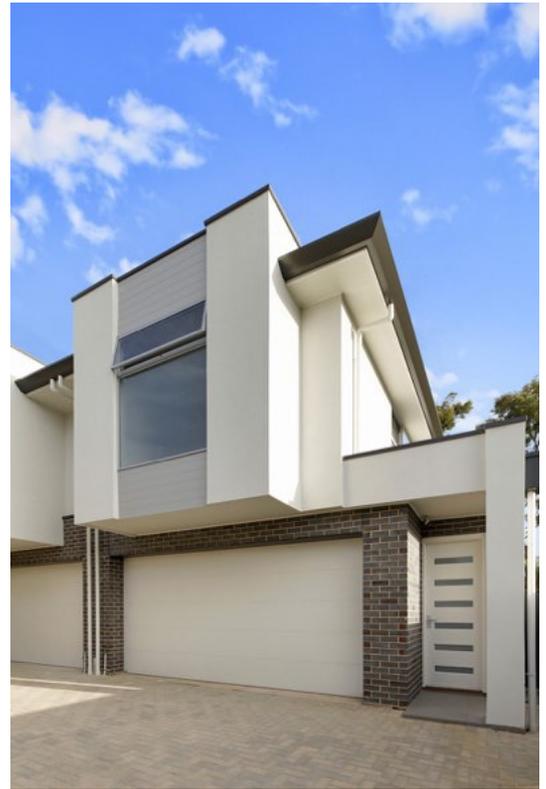


Client Testimonials

With our first property project we were initially nervous, but after meeting Simon Zybek and looking at his feasibility analysis we became very confident. We really appreciate his honesty and integrity, he didn't promise anything unrealistic and his feasibility covers all the areas in detail. He is very conservative which is appreciated, as it's always good to expect less and receive more at the end of the project.

Simon has been very professional and approachable throughout the project and provides all the guidance as and when requested. He follows a very systematic approach to manage the project which escalates the success. He provides the best service to his clients to ensure the cost is reduced as much as possible. He has very good knowledge of the property development industry and is a good negotiator and problem solver.

We are very pleased and happy with his service and therefore he is also managing our second project too. We highly recommend him as his fees are easily covered by the savings earned, due to his project management skills.



Ahmed, February 2017

This was our first development project and being from interstate, we just thought it would all be too daunting. This is before we found Simon.

We are very impressed with how smoothly the project was managed by Simon. He is professional, competent, highly organised and trustworthy. We could not have done it without you, Simon! Thank you!

Jane Zhang, February 2017

Zybek Services

Zybek is Adelaide's leading developer in offering a truly independent end-to-end solution for residential property developments. Zybek has built a team of trusted quality professionals that enable any residential development project to be managed from inception to completion; and has now managed over \$100 million worth of residential development projects within Adelaide. Recently completed projects can be viewed on our [website](#).

Zybek provides a personalised range of consulting and management services for all phases of property developments, including:

- ▶ Site acquisition
- ▶ Feasibility analysis
- ▶ Project management
- ▶ Approvals and divisions
- ▶ Construction quotes
- ▶ Sales management

A full description of the services is described on our [website](#).