



**The Granny Flat  
Revolution  
is here**

# The Revolution

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- Our NSW granny flat packages include **approval, supply, install** and **professional project co-ordination** in the one price.
- **We guarantee our price** following an initial site inspection – no hidden extras.
- Our building contract provides for liquidated damages of \$250 per week if your granny flat is not completed in 10 weeks.
- We supply materials for our designs Australia wide.
- **Our materials include everything** to allow you to complete the granny flat ready for occupation – not just the walls, floor and ceiling.
- If you can find a comparable granny flat for a lower price **we will beat it by 5%**.

**NOTE:** we also provide services around Australia.

# Who We Are

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**Positive Renovations** is an investment property company that focuses on increasing rental returns and capital value of existing residential properties. We do this through providing renovation co-ordination services and construction of secondary dwellings such as granny flats.



**Rick Stapleton**  
**Managing Director - Positive Renovations**

Rick has extensive experience in project managing small to medium development projects in Queensland and New South Wales. Rick has previously worked at UBS Warburg as an Associate Director in corporate finance and at SHSL as Finance Director.

# Introduction

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**Positive Renovations** (Positive) is an experienced team of property professionals who have developed a range of granny flat packages with up to 20%+ return on investment. We use the best most experienced approvals team in NSW to obtain fast and efficient approvals for construction in as little as 4 weeks. We only work with licensed builders who have many years experience in building small homes and are proven reliable. We have worked together with our builders to lower the price of construction to make granny flats more affordable for you. Our six designs come in a range of one and two bed configurations to fit comfortably on your property.

## **What is a Granny Flat?**

A Granny Flat is a self contained unit which is constructed on your existing property as a secondary dwelling. It can be attached however it is more common to be detached. In NSW an approved granny flat and the existing home can be rented to separate tenants. For regular lots the granny flat tenant can access their unit down one side of the home and the rear yard is divided using fencing to keep the tenants separate. For corner allotments the granny flat is constructed so that the tenant has its own street access and driveway and the property is divided with a fence in between the two dwellings.

## **Benefits of a Granny Flat**

NSW Affordable Housing SEPP allows the granny flat to be rented out to a third party tenant. It also provides for quick approval time of 10 days (once lodged with council or private certifier) if they qualify as complying development. The Granny Flat provides surplus income to the property owner through a dual income which almost doubles the income for your property. Your property will increase in value and be more saleable. You will receive additional depreciation benefits.

# Granny Flat Returns

- Based on rent of \$290 per week the two bedroom London (37m<sup>2</sup>) shows a gross annual return of 20.7% on the outlay cost of \$73,000 returning surplus cash of \$163 per week in additional income.

One Bedroom New York (28m <sup>2</sup> )			Two Bedroom London (37m <sup>2</sup> )		
Weekly rent	% ROI	Weekly surplus income*	Weekly rent	% ROI	Weekly surplus income*
\$210	16.1	\$96	\$260	18.5	\$135
\$220	16.8	\$105	\$270	19.2	\$144
\$230	17.6	\$115	\$280	19.9	\$154
\$240	18.4	\$124	\$290	20.7	\$163

- This is based on a rental management fee of 7.5%, and a 100% interest only loan at 7.5% per annum.

# Minimum Lot Requirements

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**The Affordable Housing SEPP provides minimum lot requirements in NSW for a granny flat:**

- Property must be a minimum 450m<sup>2</sup> in area
- Property must be zoned residential
- Have a 12 metre width at the building line of the proposed detached granny flat. If your property does not meet this requirement you could apply for an attached granny flat

**To approve your granny flat as a complying development you will need to meet additional requirements:**

- Maintain a 3.0m setback from the rear and 0.9m from side boundaries
- Maximum 60m<sup>2</sup> internal area for your granny flat
- Maintain a distance of 3.0m from any existing trees that are over 4m in height
- Maximum 40% site coverage
- Minimum 25m<sup>2</sup> private open space at entrance to the granny flat
- No restrictions on flooding, contamination, fire, or heritage

**Other considerations for choosing a suitable property:**

- Avoid properties with main sewers or easements running in close proximity to the proposed build zone
- Avoid steeply sloping lots
- Make sure you have separate side access for the granny flat tenant (corner lots preferable)

# Our Services – We do it all



## Property Selection

If you already have a property we will check that it meets the requirements for a granny flat. If you do not have a suitable property we can find a one for you or alternatively you can find your own.



## Approvals

We co-ordinate the approval of your granny flat in NSW as either a complying development or as a DA through council.



## Finance

We can organise the finance to purchase your property and obtain finance for the construction of your granny flat.



## Construction

We use only reliable licensed builders in NSW who have Home Owners Warranty Insurance and all other relevant insurances. The builder will construct your granny flat in accordance with the Program Schedule.



## Services Co-ordination

Utilising our BuilderTREND project management software you can log in to check the progress of your granny flat, at anytime.

# Property Selection



- Many aspects need to be considered when selecting a suitable property for a granny flat such as meeting the minimum requirements under the SEPP, local council requirements (setbacks, height, site coverage), the position of sewer main, easements and major trees and lastly privacy and access issues to mention a few. Our standards are high so that you get the best result.
- Positive Renovations check each property thoroughly to ensure they meet these requirements so that our granny flat designs can be approved as a complying development therefore avoiding a council development application.
- We are constantly looking for suitable granny flat properties. Out of every 100 properties we look at we narrow it down 10. Once we review the sales contract we typically eliminate 9 of those properties. We then offer the property to you through a buyers agency.
- Our buyers agency fee is \$8,995 + GST reducible to \$5,995 + GST if you purchase one of our granny flat packages.



# Approval



- The fastest way to get an approval for your granny flat is as a complying development. A complying development is an approval that complies with both the SEPP and local council guidelines. This can be approved by a private certifier and takes approximately 4 weeks.
- If your property does not meet these requirements then we can prepare and submit your granny flat as a development application with your local council. This may take 2-3 months depending on each council.
- Following our initial free online inspection our approvals team will firstly conduct a comprehensive onsite inspection of your property and order a recent planning certificate and sewerage diagram (if not provided). We can then provide you with an accurate build zone map, a guaranteed granny flat package price and confirmation that your granny flat can be approved as a either complying or as a development application.
- The approval of your granny flat is included in the package price however it will need to be paid upfront prior to construction commencing.
- The total cost is \$6,995 GST inclusive.

# Finance



- Positive Renovation utilises an extensive network of finance brokers who know and understand how to finance the construction of your granny flat.
- When purchasing your property you should be able to borrow 80-90% of the value of your property.
- When constructing your granny flat you should be able to borrow 80% of the building contract amount.
- If buying a new property you will need to provide 10-20% of the property value, stamp duty, any buyers agency fee (if applicable), the cost of the approvals (\$6,995) and 20% of the building contract amount.
- If you have an existing property you will need to provide the cost of the approval (\$6,995) and 20% of the building contract amount.

# Construction



- We will provide you with a draft building contract to obtain finance following the initial site inspection and a signed building contract once approval has been provided by the private certifier or council.
- Upon signing of the building contract you will be required to pay an initial 5% deposit. The builder will then provide you with the Home Owners Warranty certificate. Prior to construction commencement you will be required to pay an additional 15% deposit.
- Once construction reaches 20% your bank will finance the remaining cost of the granny flat as progress draws.
- The builder has 14 working days to commence construction following approval and a further 8 weeks to complete your granny flat.
- The building contract allows for liquidated damages of \$250 per week if the granny flat is not completed in 10 weeks.
- All builders are required to obtain Home Owners Warranty insurance and other required insurances prior to construction commencing.
- For your protection and comfort we utilise an independent building inspector to inspect the progress of your granny flat at lockup, fix-out and final completion stages.

# Service Co-ordination



- Positive Renovations utilises BuilderTREND project management software to store all of your project documentation, progress draws, photo updates, correspondence and project schedule.
- You can log into your project through a link on the Positive Renovation website at [www.positiverenovations.com.au](http://www.positiverenovations.com.au) where you can track how your granny flat is progressing.
- Email your project photos to your friends or publish them directly to Facebook.
- Access your project for 12 months following completion for tax and accounting records.

# Co-ordination Service

## What we do?

- Arrange our approvals team to inspect your property and provide a detailed on site inspection report. This report will include a 'build zone map' and will confirm whether your proposed granny flat can be approved as a complying development or requires a development application to be submitted to your local council authority.
- Call you to discuss your on-site inspection report to confirm you preferred design, position, and orientation of your proposed granny flat. We will also discuss with you any additional costs that you may incur in addition to the standard granny flat package price due to the following:
  - a) the need to submit a development application to council
  - b) the need to remove existing structures such as garages, garden sheds, footpaths, clotheslines, retaining walls, etc
  - c) the need to remove existing trees that are within 3m of the proposed position of the granny flat. Please note that if the tree/s are protected then this will require you to submit a development application to council for your granny flat
  - d) the need to install a storm water dispersion pit if your property slopes away from the road
- Provide you with a draft building contract for you to obtain finance for the construction of your granny flat
- Arrange our approvals team to prepare the application for the private certifier or council and lodgment (whichever is required)
- Provide you with the approval from the private certifier including all the approved plans. If council approval is required then we will follow up council on your behalf to provide you with updates (no more than every 4 weeks) on the progress of your approval
- Provide you with a signed building contract from a builder with approved plans and specification attached for you to sign
- Provide you with 3 colour schemes to choose from (Dune / Surf /Wood)
- Co-ordinate the provision of the Home Owners Warranty (HOW) certificate from the Builder to be provided to the private certifier
- Provide you with an estimated start date for construction to commence

- Provide you with a login to the BuilderTrend software program which will store all your project documentation, communication and photos
- Co-ordinate a building inspector to visit the site once a progress draw claim has been made by the Builder at Lockup, Fixout and Final Completion stages
- Approve the progress draw payment to be made into our account
- Pay the Builder upon satisfactory completion of each stage
- Co-ordinate the private certifier to inspect the site in accordance with the construction certificate
- Notify the Builder if they are falling behind the project schedule by more than 2 weeks
- Notify the Builder if they have breached any other term of the Building Contract which is brought to our attention either by yourself, the private certifier or the building inspector
- Terminate the Building Contract on your behalf (if required) and arrange another Builder to complete the Works
- Co-ordinate a building inspector to provide a final defects list to the Builder to be rectified prior to the final progress draw. We will discuss the defects list with and strongly advise that you inspect the property prior to the final stage payment
- Co-ordinate the private certifier to inspect the property and provide a final occupancy certificate

## What we don't do?

- Project Manage the works on a daily or weekly basis. We simply co-ordinate the various professionals such as the draftsman, engineer, private certifier, builder and building inspector to undertake works on your behalf. These various professionals have the appropriate insurances in place if they are negligent. Positive Renovations will only provide status updates at each progress draw once the building inspector has been to site.
- Provide you with weekly updates on the progression of your development application through council. We will provide one every 4 weeks or when required depending on requests for more information from council
- **Provide you with a signed building contract prior to approval from a private certifier or council**

# Granny Flat Pricing

Design	Dimensions	Roof design	Granny Flat Package *	Supply only elevated	Supply only slab
28m <sup>2</sup> – 1 bed	7.0m x 4.0m	Skillion	\$68,000	\$25,800	\$25,000
32m <sup>2</sup> – 1 bed	8.0m x 4.0m	Skillion	\$70,000		
37m <sup>2</sup> – 2 bed	6.9m x 5.4m	Skillion	\$73,000	\$30,200	\$28,100
42m <sup>2</sup> – 2 bed	7.9m x 5.4m	Skillion	\$78,000	\$34,100	\$31,000
42m <sup>2</sup> – 2 bed	12.0m x 3.5m	Skillion	\$78,000	\$34,300	\$31,100
60m <sup>2</sup> – 2 bed	9.6m x 6.2m	Pitched	\$85,000	\$42,500	\$37,100

- Our price covers service co-ordination, approval, kits, construction and certification. It does not include demolition of existing structures, removal of trees, sewer main encasement or council statutory charges.
- If you can find a comparable granny flat for a lower price we will beat it by 5%.

\* Guideline only Western Sydney. The price of a granny flat package varies depending on the installation price provided by a builder at the time of approval commencement. This varies from region to region and the availability of builders.

# Standard Inclusions

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## EXTERNAL

- Elevated design with bearers and joists.
- Up to 11.0m of electrical connection and separate electrical meter.
- Up to 25.0m of external water/stormwater connection.
- Up to 11.0m of external sewer connection.
- External clothesline.
- Hardiplank external cladding and colorbond roof, fascia and guttering.
- Double glazed aluminium powdercoated windows and doors.
- Up to 10m of fencing.

## INTERNAL

- Timber laminate flooring to living/kitchen areas, carpet to bedrooms and tiling to bathroom/laundry.
- Under bench electric oven, gas cook top and electric rangehood.
- Gas hotwater system.
- Reverse cycle air conditioner.
- Built in robes with shelving and hanging rails.
- 600mm vanity with 2 glass doors, 2 lamp heat fan, 45l laundry tub, laminated glass shower screen.
- 7 double and 2 single power points, tv aerial, phone line, 6 downlights, ceiling fans to bedrooms and smoke detector.
- 11 double and 1 single power point, tv aerial, phone line, 11 downlights, ceiling fans to bedrooms and smoke detector (60m<sup>2</sup> design only).

# Council Charges

- We can provide the following list of councils and applicable charges. These are subject to change as councils are always reviewing these.

Council	2 bedroom s94 charges (approx)	Council	2 bedroom s94 charges (approx)
Bankstown	Nil	Newcastle	Nil
Blacktown	\$3,500	Parramatta	Nil
Byron Bay	Nil	Penrith	\$10,000
Campbelltown	Nil		
Cessnock	\$3,500		
Gosford	Nil		
Lake Macquarie	\$10,300		

- The majority of councils do not charge section 94 contributions however you need to check with your local council to confirm whether any charges are payable.



# Process – Granny Flat Package

## 1 Contact Us

Phone or online enquiry and we will endeavour to contact you within 24 hours.

## 2 Free Initial Online Assessment

Provide us with your property address, planning certificate, sewerage diagram and title search and we will confirm in writing that your property meets the minimum SEPP requirements and it is likely to be approved as a complying development or requires a council development application.

## 3 Comprehensive Onsite Inspection

Once we confirm that your property is suitable and you would like to proceed we arrange for one of our experienced approval team members to inspect your property and conduct a comprehensive site analysis. We require payment of \$995 prior to inspection and if you proceed this forms part of the granny flat package price.

## 4 Approval

Our approvals team will prepare and submit your application to either our private certifier or your local council for approval. We will require payment of \$6,000 prior to commencement. The approval fee forms part of the granny flat package price. During this stage you will need to obtain finance.

## 5 Sign the building contract and pay the initial 5% deposit and we will provide you with your home owners warranty insurance certificate and a login to your personal project management software. Here you can select your granny flat colour options and review your project timetable. A further 15% deposit is required 7 days prior to construction commencing held in our account for future payment to the builder.

Once construction has reached each of these three stages we will send the building inspector on your behalf to ensure the works have been completed in accordance with the plans and the building code before payment is made.

## 6 Lockup Progress Payment

Once construction has reached lockup stage you will be required to make a 30% progress draw payment. We apply the 15% deposit held in our account towards this payment making it a total of 45%.

## 7 Fixout Progress Payment

Once construction has reached fixout stage you will be required to make a further 45% progress draw payment.

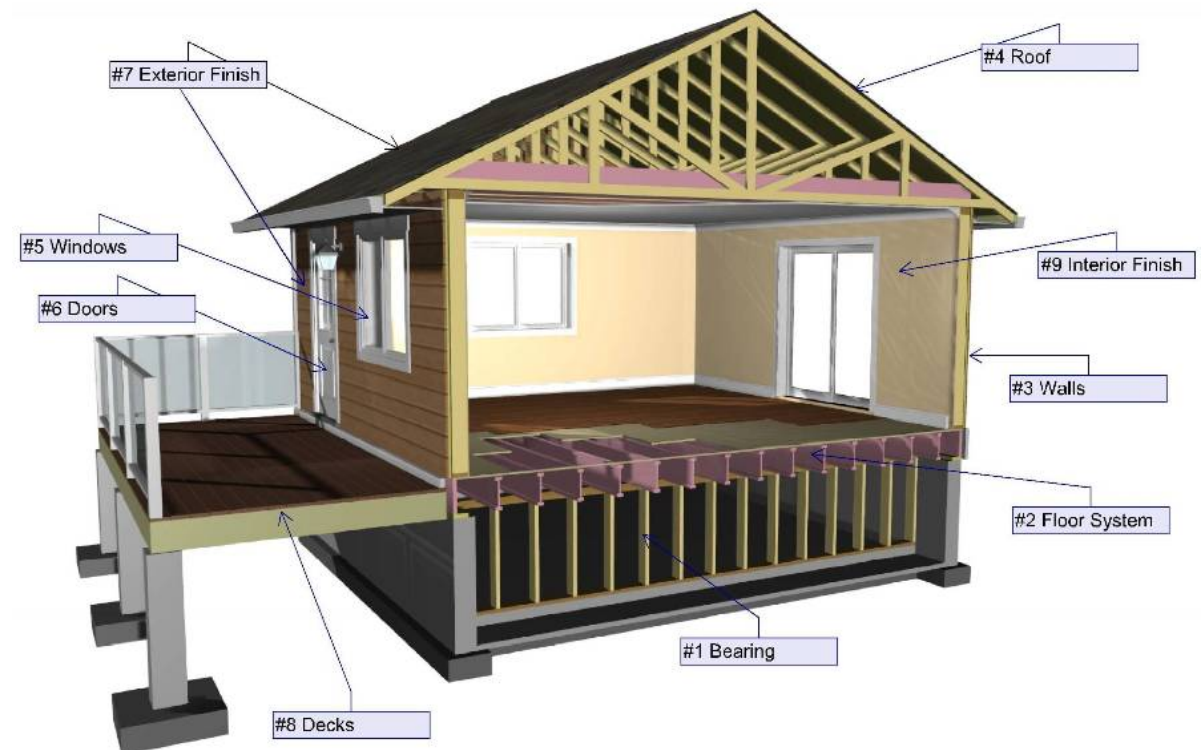
## 8 Completion Progress Payment

Once construction has reached completion stage you will be required to make a final 5% progress draw payment.

# Supply only

## Our kits require labour only to assemble

- Our supplied kits include absolutely everything required to assemble your granny flat including the kitchen, bathroom, reverse cycle a/c, hot water system, flooring, tiles, lights, vertical blinds, wiring, screws, clothesline, fencing and tile glue! We dare you to find anyone else that provides this.
- We supply double glazed windows and down lights as standard.
- Supply only elevated includes the floor system (with bearers and joystes and supporting metal poles) upwards. Ask us about our innovative mega anchor system which we can supply on request which requires no concrete or excavation.
- Supply only slab includes everything above the floor system including the floor coverings.
- We deliver the materials to site in 2 deliveries being I/ lockup and II/ fix out.
- For a full list of standard inclusions please visit <http://www.positiverenovations.com.au>



# Process – Supply Only

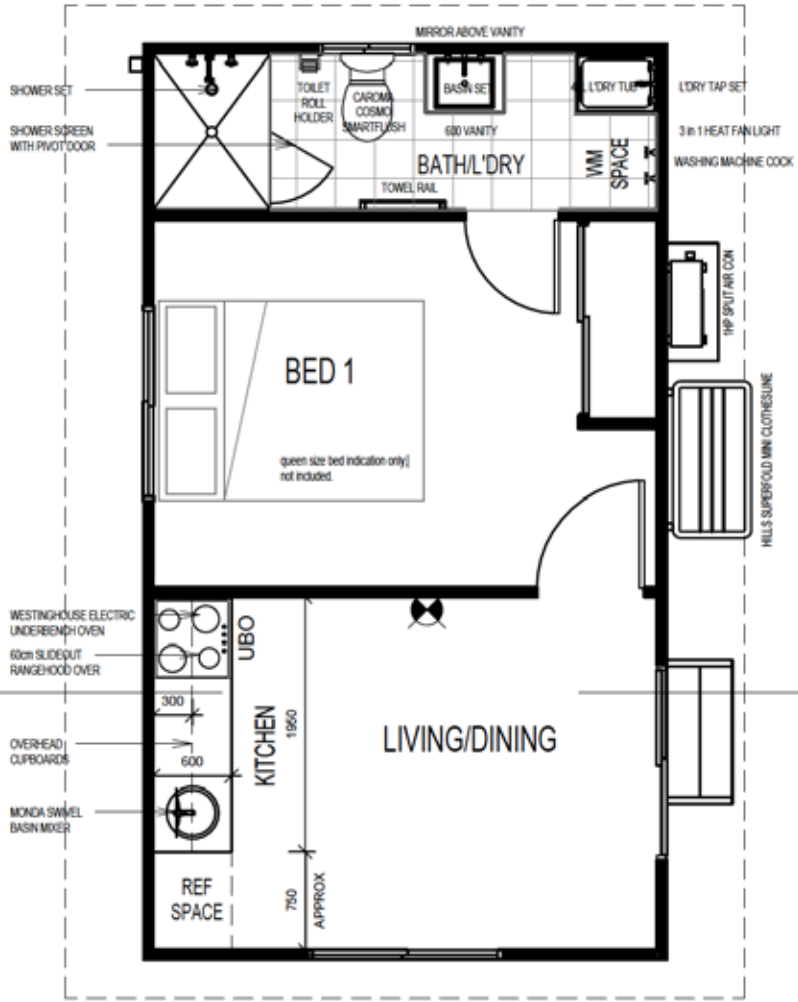
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- 1 Contact Us**  
Phone or online enquiry and we will endeavour to contact you within 24 hours.
- 2 Download and complete our Online Order Form**  
You can select to deliver the materials in two stages. We suggest lockup and fixout stage or if you prefer all at once .
- 3 We will confirm your order via email.**  
You will be required to make full payment prior to delivery of each stage.
- 4** Lockup stage will be delivered within 21 days of payment and fixout stage within 7 days of payment.

# The New York



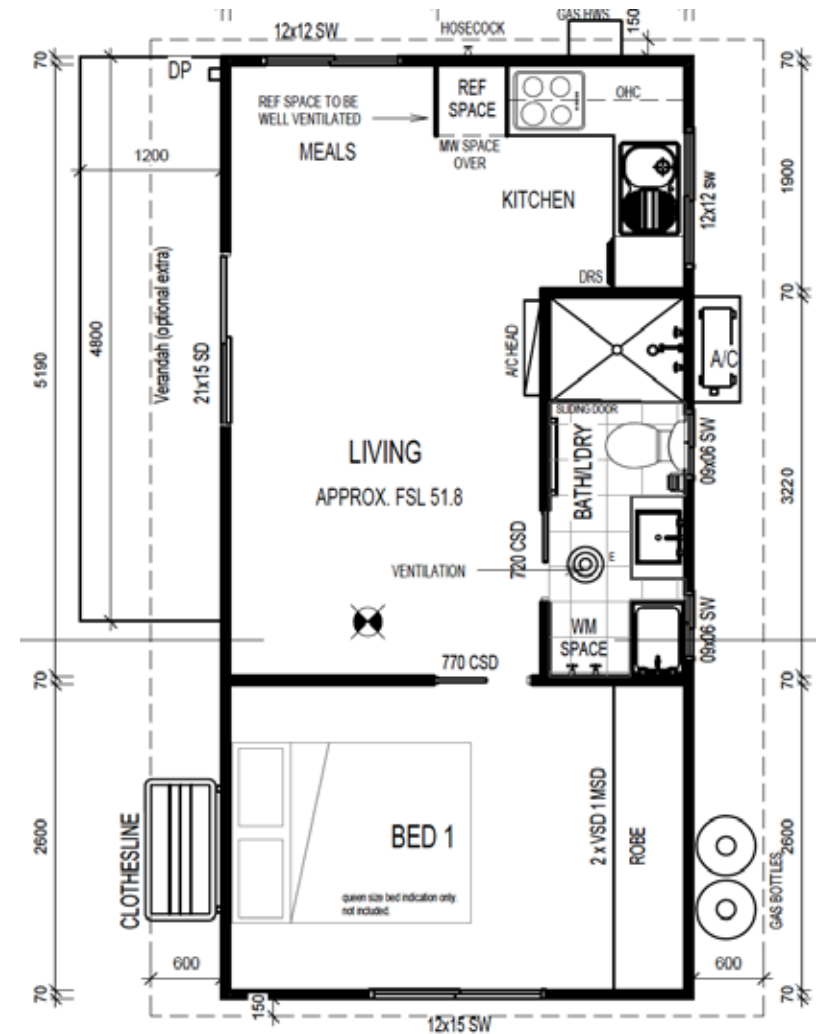
**The New York 1 bedroom**  
 Area: 7.0m x 4.0m – 28m<sup>2</sup>  
 Roof: Skillion



# The Manhattan



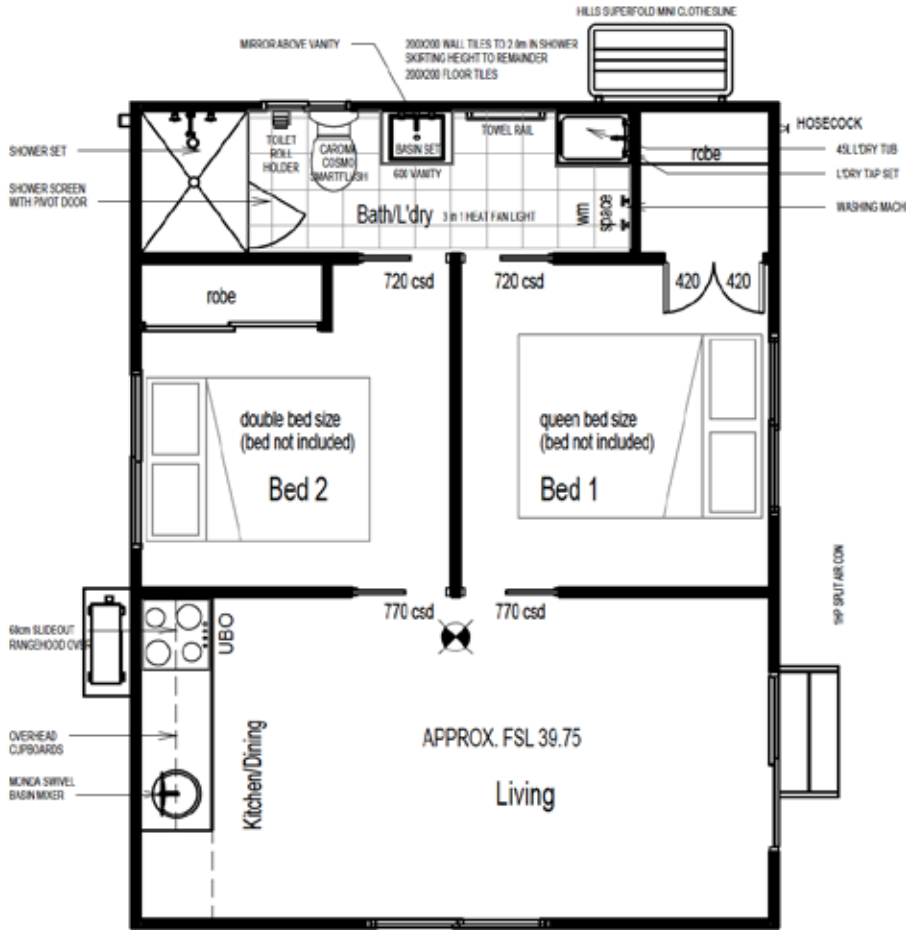
**The Manhattan 1 bedroom**  
 Area: 8.0m x 4.0m - 32m<sup>2</sup>  
 Roof: **Skilion**



# The London



**The London 2 bedrooms**  
 Area: 6.9m x 5.4m - 37m<sup>2</sup>  
 Roof: Skillion



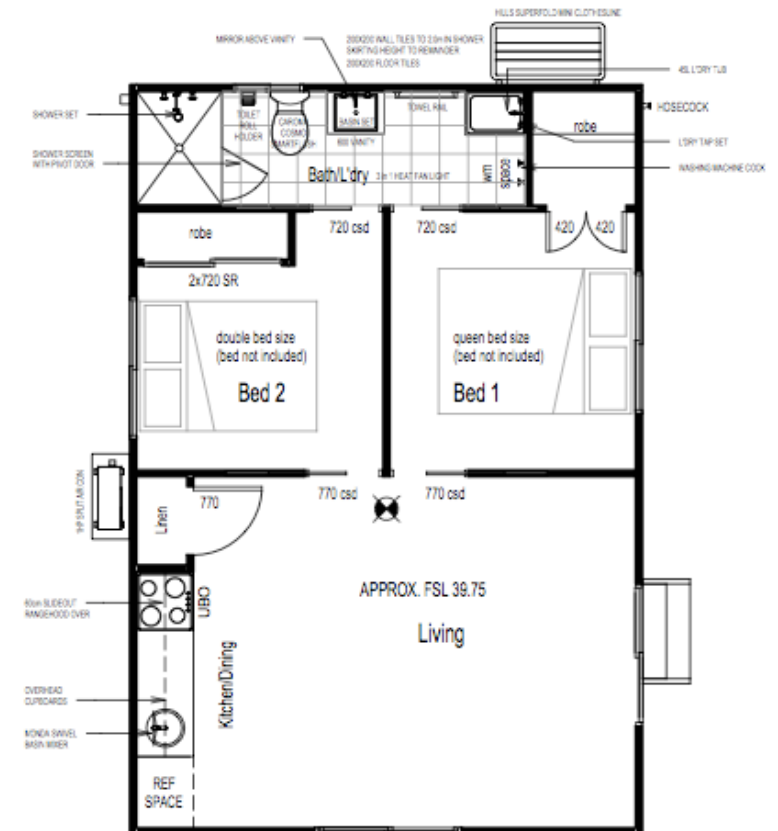
# The Oxford



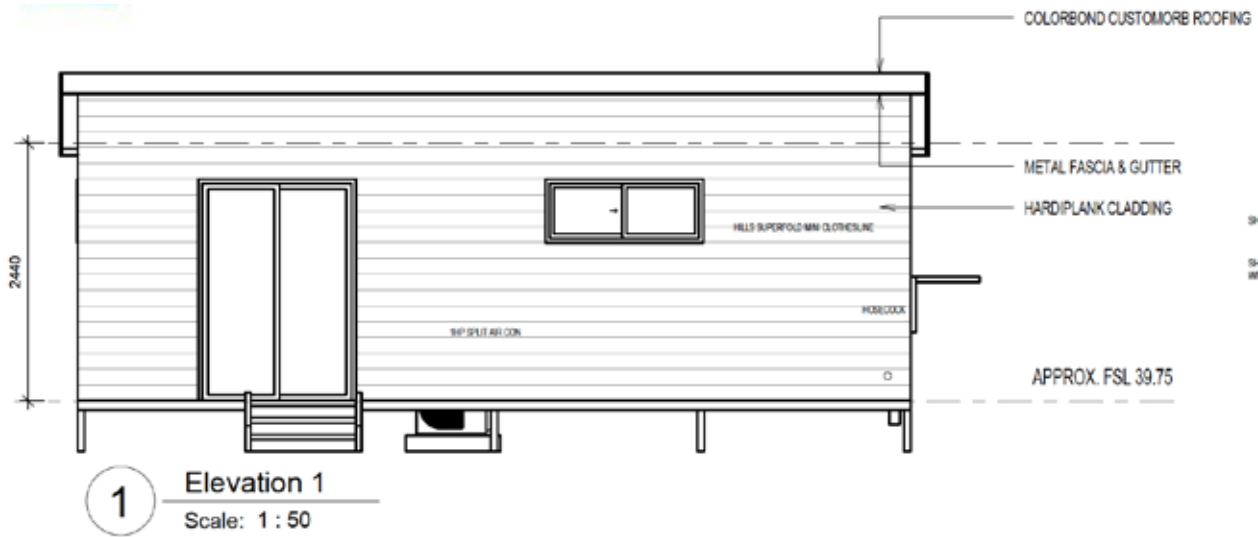
## The Oxford 2 bedrooms

Area: 7.9m x 5.4m – 42m<sup>2</sup>

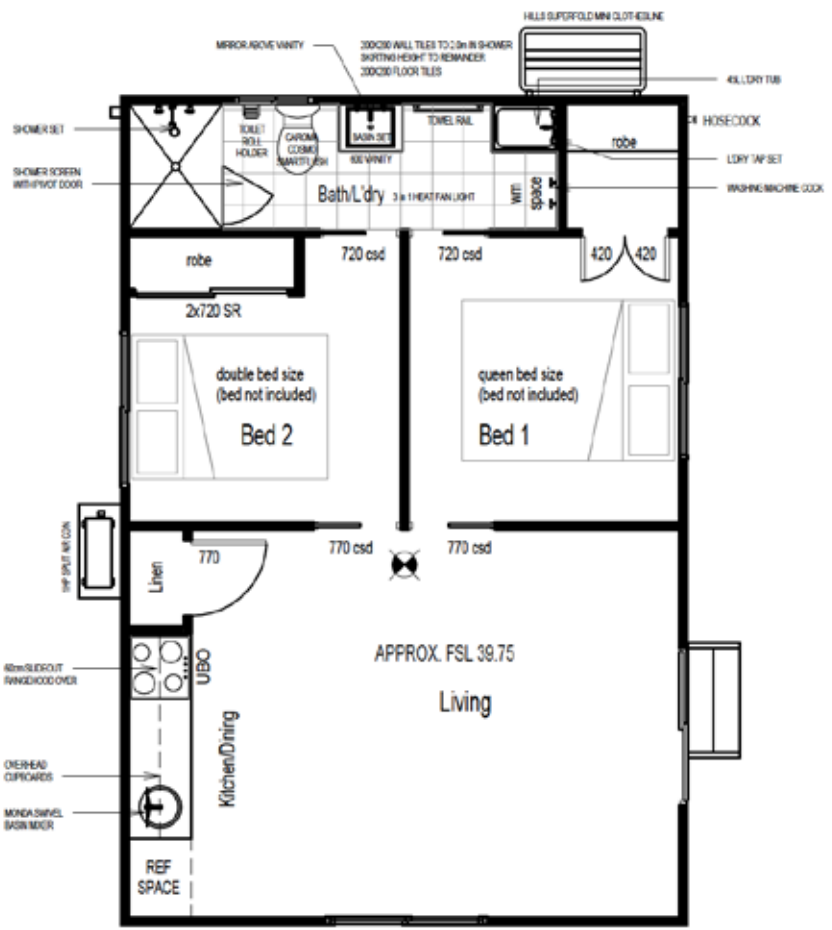
Roof: Skillion



# The Cambridge



**The Cambridge 2 bedrooms**  
 Area: **12.0m x 3.5m - 42m<sup>2</sup>**  
 Roof: **Skilion**





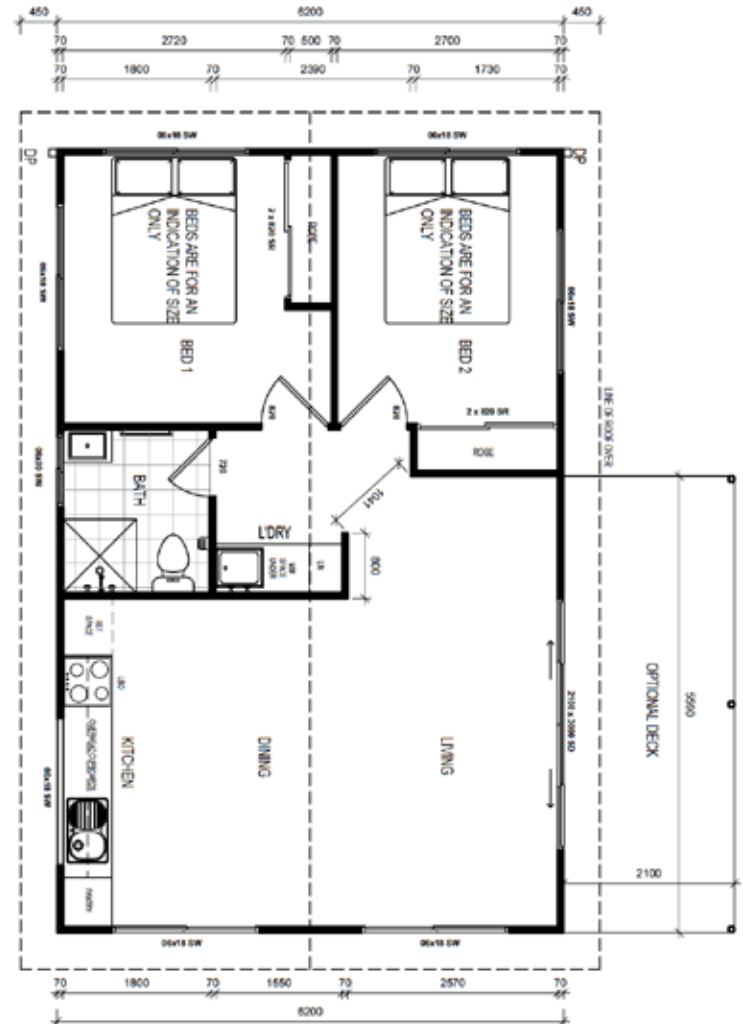
# The Geneva



## The Geneva 2 bedrooms

Area: 9.60m x 6.2m – 60m<sup>2</sup>

Roof: Pitched



# Granny Flat Buyers Guide

## 1. Comparing various granny flat quotes

- you need to compare apples with apples
- does the price include approvals?
- does the price include project management?
- does the price include airconditioning, fencing, tv antenna, built-in wardrobes, fencing, blinds, water heater, flyscreen and letterbox?
- does the price include a laundry?
- does the price include a separate electrical meter in the house power box? This is required under NSW law if an agent is managing your rental
- Positive granny flat packages include everything

## 2. Purchasing a granny flat as a kit only

- Sounds like a great way to save money HOWEVER
- Does it comply with Australian standards? Many kits are imported from China and have not been manufactured to Australian standards and you will not get an occupation certificate.
- Does the kit include all fixout items such as toilet, vanity, laundry tub, tapware, kitchen, air conditioner, oven etc?
- If it does then you still need to double this price (as rule of thumb) to get a builder to put it together on site including foundation and services connected!

## 3. Converting an existing garage into a granny flat

- This will need to be done through a development application to council
- Can be very expensive due to non complying setbacks, ceiling height, unknown slab strength etc and may not be approved
- If you convert it without approval then real estate agents will not rent it out for you
- You will lose valuable storage or parking space for the house tenant

## 4. Building your own granny flat kit as an owner builder

- Great way to save money especially if you have the skills

- You will still need to get licensed trades to complete wet areas, electrical and plumbing work
- Keep in mind that you will need to do an owner builder course and still obtain HOW insurance
- You are liable for HOW insurance for 7 years even if you sell your property

## 5. Buying a completed granny flat from ebay or the trading post

- Does it come with all engineering certificates and meet Australian standards?
- It is likely you are buying an expensive shed
- granny flats need to be built on site to be approved as a granny flat under NSW State legislation
- prefabricated granny flats will not comply with BASIX requirements unless it is specifically built for your property
- Real estate estate agents will not rent out a granny flat for you that is not approved

## 6. Buying a house with an existing granny flat

- Beware the granny flat is unlikely to be approved
- Approved granny flat properties are rarely sold due to high cashflow
- Real estate agents will not rent out the granny flat for you
- You are liable to the tenant if the granny flat burns down

## 7. Obtaining approval for your granny flat by yourself

- This is not as easy as you think
- When I first tried this for one of my first clients it took 3-4 months! I have heard it taking a lot longer than this if council gets involved.
- There are lot of consultants which need to be instructed in the correct order depending on your property
- Positive uses a specialist approval team that completes this process in 4-5 weeks saving you time, money and frustration.

## 8. The bigger the granny flat the better

- Under NSW State legislation you can build up to 60m2 so why not build the maximum size?
- The additional rental gain from building a 60m2 granny flat as opposed to a 40m2 granny flat is minimal
- You will generally not receive more rent for the granny flat than the house
- The bigger the granny flat the smaller the backyard for the house
- A lot of backyards are not big enough for a 60m2 granny flat
- All these options need to be considered before automatically assuming 60m2 is the optimal size

## 9. Brick and tile granny flats are better

- They certainly cost more and will NOT get you any more rental income for your granny flat

## 10. Three bedroom granny flats

- As a general rule you will not receive any more rent for the granny flat than the house
- A 2 bedroom granny flat in Western Sydney rents for \$250-280 per week and houses for approximately \$300 per week
- The additional cost of a 3 bedroom 60m2 granny flat would only result in an extra \$20-30 per week of rental income

## 11. Section 94 Council Contributions

- These are expensive and need to be paid before you receive an approval for your granny flat
- They vary from \$2,500 to over \$10,000 and can depend on the number of bedrooms and build price
- Most councils provide exemptions to these contributions however they are not openly communicated
- Positive's approval team understands these council regulations and will prepare your application to avoid these if possible



## Contact Us

Phone: **(02) 9037 4668**

Email: **[grannyflats@positiverealestate.com.au](mailto:grannyflats@positiverealestate.com.au)**

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