



*Knock Down Rebuild
Is It Right For You?*

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WHAT IS A KNOCK DOWN REBUILD?

A knock down rebuild is the process of demolishing an established house and rebuilding a new one. When the home you live in no longer suits your needs (or is falling apart at the seams), a knock down rebuild offers you an exciting and cost effective way to get the house of your dreams in the location you love.

There are many benefits to knock down rebuild, such as:

- Designing a layout that suits your wants and needs
- Creating an interior that matches your tastes (rather than trying to re-work someone else's)
- Brand new plumbing and electrical work
- Incorporation of solar, insulation and water saving measures
- The benefits of living in an established suburb, which often includes larger blocks, wider roads, better proximity to amenities and an open, leafy topography
- Remaining close to schools
- Keeping the same neighbours
- No stamp duty or real estate commissions
- Generally cheaper, more effective and more rewarding than a large-scale renovation
- Overall property value increases significantly
- A 40—50 year lifespan for a new home



SHOULD I RENOVATE INSTEAD?

There are certain circumstances where a renovation may be more appropriate for you than a knock down rebuild.

If your home is structurally sound, you like the layout and only want to make small changes (i.e. re-doing a kitchen or bathroom), then a renovation could be the way to go.

However, if your home is tired and old and you want to make significant changes, then a renovation is rarely the most cost effective option.

Here are some things to consider about renovating:

- Are you compromising your heart's desire to create something that really matches your desired living space?
- Are you sacrificing the opportunity to achieve better light, views, energy efficiency and structure?
- How many changes do you want to make? Are you going to be able to live in the house while the changes are made?
- Do you plan to DIY? If so, consider the fact that what often starts out as a great idea can take years to complete. And you need to deal with the ongoing mess of living in the middle of a renovation project, amongst building materials and a ton of dust. You need to consider if in the future, you decide to sell, that owner builder works will not be included under the QBCC Warranty Scheme. It will be stated on your Title of Land that renovations have been undertaken by owner builder. This can have a very detrimental affect on prospective purchases.
- Consider the time spent getting quotes, managing tradespeople, paying for rubbish removal, skip fees and more.
- What is your budget? Extensive renovations can cost upwards of \$200k.



WHAT ABOUT BUILDING IN A NEW SUBURB?

When you're desperate for a new home, buying a house and land package in a new area can seem like a great idea.

And there are certain circumstances when it is the right choice — such as if you love the new area, want to move away from your current area, and are ready to adopt a new lifestyle.

However, people can jump hastily into building in new areas, only because they are keen to have a new house. They don't consider the possibility of staying where they are and rebuilding, and this can lead to regrets.

Before you jump into a house and land package, consider the following:

- New areas often have smaller blocks
- You need to pay stamp duty on land
- It can be hard to find a block you like that hasn't already been bought by a builder (so you can't get the builder you want)
- The topography is not established, so it can look barren for years to come
- Tradespeople are constantly coming and going
- It's difficult to know what views you will have, as larger scale developments like townhouses (and even double storey properties) might not begin until after you've moved in
- Constant noise and dust from building
- Local shops, parks, playgrounds and schools can take a long time to get built

WHAT DO I NEED TO KNOW ABOUT KNOCK DOWN REBUILD?

A knock down rebuild is an exciting and rewarding experience. Before you make your decision, it can be helpful to know a little more about the finer details in the knock down rebuild process...

LAND VIABILITY

There are certain circumstances where a knock down rebuild on your current property is not a viable option.

For example, if you live in a heritage-listed house, the house cannot be knocked down. Also, your block (or even your block's location) may not suit your desired rebuild.

Generally, a 600-800m² block will comfortably accommodate a large single-storey home. There are rules and regulations that govern the overall design (such as the ratio of home size to block size, amount of open space, tree protection zones, easements, etc), but Swan & Sons can assess whether your current block is a viable option for the design you want in a free site inspection.

If your property is not suitable, you can also contract Swan & Sons to source an appropriate property for you, in your desired location.

DEMOLITION COSTS

Demolition costs range from between \$30k — \$50k in QLD, depending on the size of the house and the level of toxic material such as asbestos.

PRICING

The price range of a Swan & Sons home typically falls between \$550k — \$1.1 million.

This price includes a completely custom design by our phenomenal team of architectural designers, a build managed personally by the company owners and constructed by exceptional tradespeople, and a home completed to the highest quality, on-time (guaranteed), with a 12 month maintenance period and 10 year structural warranty.

FINANCING

The most common way to finance a knock down rebuild is by re-mortgaging your property and drawing on equity to provide the amount of money you need. Some banks will consider the equity you would achieve after the build is complete, but you will need to discuss this with your chosen lender.

Keep in mind that you still need to pay back your initial mortgage, so you must be able to prove that you can pay your current mortgage amount, plus the cost of the build.

Knock Down Rebuild Is It Right For You?



The general calculation looks like this:

FUTURE VALUATION
— **20% BUILD DEPOSIT**
— **EXISTING BORROWINGS**
= **\$ LEFT FOR YOUR BUILD**

A construction loan is the best type of loan for a knock down rebuild, as the bank releases funds only when certain stages of the build are complete, and you pay interest-only on the amount you have used until the house is finished.

The bank may need a copy of your building plans prior to approving the loan, as they rarely accept a building estimate up-front, and will have their own valuers determine if the resulting property value is equal to the construction cost.

FINDING A PLACE TO LIVE DURING THE BUILD

Some people are able to stay with family or friends during a knock down rebuild, but the majority will move into a rental property for 6 -12 months.

This sounds painful, but consider it equal to the juggling act of trying to sell your existing home while purchasing a new one, or trying to accommodate for ongoing renovations within your living space.

This way, you get to go away and come back to a brand new place — one that already feels like home.

TIME

Every construction is different, so it is hard to give a proper estimate. Broadly speaking, you should expect a timeframe of 6-18 months.

Time spent obviously depends on the size and type of the home, design phase, level of difficulty in demolition, environmental impacts (i.e. rain) during the build and more.

But with Swan & Sons you can be confident that we'll finish when we say we will — or we'll cover your rent until we do.

DEVELOPMENT APPLICATIONS

Many knock down rebuilds are exempt from requiring a development application.

However if your block falls outside the criteria for exemption, rest assured Swan & Sons are highly experienced in all aspects of required applications and paperwork.

You'll barely need to lift a finger!

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HOW DO I MAKE MY DECISION?

To sum up, a knock down rebuild can be a highly rewarding, exciting and cost effective way to get the home of your dreams in the area you love.

But take the time to consider all of your options, and take advantage of Swan & Sons Homes' free consultation to help you understand whether a knock down rebuild is appropriate for your block of land or desired location.

Keep in mind it is not a cheap and fast option. Rather, it is an option that takes the necessary time and money to create something that you can call your forever home, or a profitable investment for your future.

And when considering your options for a knock down rebuild builder, remember that large building companies with project homes may seem like an affordable option. However the base price you may be quoted almost never includes the deluxe features you find in their display homes. In some cases, you'll need to add tens or hundreds of thousands of dollars to the base price to come up with the end result you desire.

Finally, you'll want to make sure that your builder offers a reasonable warranty period, such as Swan & Sons — who offer an exceptional 12 month maintenance and 10 year structural warranty on their builds.

Call now for a FREE Project Assessment
David 0409 054 983

WHERE DO I GO FROM HERE?



IF YOU'RE READY TO DISCUSS KNOCK DOWN REBUILD AS A VIABLE OPTION FOR YOUR DREAM HOME, CONSIDER SWAN & SONS PROCESS:

INITIAL MEETING

Contact us for a free initial consultation and discussion about your needs and aspirations. We'll discuss the possibilities for your new home and explain our services and building process.

SITE INSPECTION

An obligation-free onsite meeting allows us to make a preliminary assessment of your land characteristics, such as slope, orientation, views and planning requirements.

INITIAL DESIGN

A Preliminary Agreement allows us to organise a site survey, soil testing, planning report and concept design on your behalf (for a moderate fee). These are yours to keep. We will also provide you with an estimate build cost.

PLANNING

We review the concept plan and costing against your objectives and budget, and take you through the options for fixtures and finishes. We will work with you to incorporate your design and lifestyle requirements into your home. When you are satisfied with the design, we will finalise documentation including working drawings, engineering design, energy assessments and planning approvals.

TENDER

Our tender will include a comprehensive schedule of fittings and finishes, a realistic timeframe for completion, a copy of the building contract and a tender price itemised by the main cost categories.

APPROVAL

Once you have signed the building contract, we can organise building approvals and commence demolition and construction.

BUILDING

We will ensure you are part of the process from concept to completion, and we can organise regular on-site walkthroughs of the project.

If you change your mind about something or it is not quite what you were expecting, we can work with you to try and incorporate the change. We will manage the construction to meet the material and workmanship standards we are committed to achieving.

MOVING-IN

The most exciting part of the build is moving day. Before we handover the keys, we will make sure you are happy with every single aspect. We will do a walkthrough and give you a bespoke Home Owner's Manual with instruction books, servicing and cleaning advice so that you can maintain the quality and value of your investment.

SMOOTH SAILING

We will be there to attend to any maintenance issues you have after 90 days, and again 12 months after completion. Satisfied clients are our best advocates and we'd love to have you recommending us after having gone through the experience yourself.

**Call Swan & Sons today
on 0409 054 983.**