



Estimated Development Cost (EDC)

Frequently Asked Questions

Estimates of the cost of proposed development are used in planning for various purposes, including for determining development approval pathways, calculating assessment fees and for applying development application (DA) requirements.

As per Part 1, clause 6 of the Environmental Planning & Assessment Regulation 2021 (the Regs), the EDC of a proposed development, means the estimated cost of carrying out the development, including the following:

- The design and erection of a building and associated infrastructure,
- The carrying out of a work,
- The demolition of a building or work,
- Fixed or mobile plant and equipment.

but does not include:

- Ongoing maintenance or use of the development,
- Amounts payable, or the cost of land dedicated, or other benefit provided, under a condition imposed under the Environmental Planning and Assessment Act 1979 (the Act), Division 7.1 (development contributions or a planning agreement) or 7.2 (affordable housing contributions). For calculating development costs related to contributions levies, the existing terms and methods outlined under Section 208 of the Regs apply,
- Costs relating to a part of the development that is the subject of a separate development consent or approval,
- Land costs, including costs of marketing and selling land,
- Costs of the ongoing maintenance or use of the development,
- Goods and services tax (GST).

Calculating Estimated Development Cost

To calculate the EDC for a development, applicants should seek appropriate professional guidance and utilise quantity surveying standards of practice.

The EDC of a proposed development must be based on a genuine estimate of the cost of carrying out the development. The following matters should be considered when deciding what costs to include as part of the EDC:

- Cost estimates should cover the full scope of works that the applicant is seeking consent or approval for within the application.
- When an estimate is prepared by someone, advice should be sought from the person preparing the application to clarify the full scope of the development for which approval is being sought.
- If the development has an ongoing use beyond completion, the cost estimate should include all costs necessary to bring the development to a point where it is ready for use but should not include the ongoing costs of operating or maintaining the development once the use commences. For example, a cost estimate for a proposed hotel accommodation development would capture all costs necessary to ready the development for use as a hotel, which would include construction of the building and preparation of the building for operation. However, the cost of operating the hotel, such as maintenance, utilities and replacement of plant and equipment over time should not be included.

- All costs necessary to operate at the maximum capacity or extent of the use described in the application should be included. For example, a cost estimate for the carrying out of an energy generation development would be based on the establishment costs to prepare the energy development for operating at its maximum intended capacity.

The definition for EDC excludes GST. However, cost estimates for all applications should identify three items:

- The EDC,
- The GST incurred as part of those costs, and
- The sum of the EDC plus GST.

This allows Council to correctly calculate fees for certain applications where EDC and GST are used to determine the final fee.

Preparation of an EDC

An EDC can be prepared by applying the following requirements.

1. Development costed up to \$100,000

For development that is the construction and/or fit out of a structure or building, with a cost less than \$100,000 the EDC should be:

- Estimated by the applicant, or
- A suitably qualified person,
 - o In this scenario, this means a builder who is licensed to undertake the proposed works, a registered architect, a qualified and accredited building designer, a quantity surveyor or a person who is licensed and has the relevant qualifications and proven experience in costing of development works at least to a similar scale and type as is proposed, and
- The EDC must be calculated based on a detailed estimate of cost based on individual components (Refer to Attachment A of the Planning Circular PS 24-002) and the methodology used to do this be submitted with the application.

The Planning Circular PS 24-002 methodology and is only recommended for construction and fit-out of structures costed under \$100,000. It is not an accepted format where an application proposes subdivision.

2. Development costed under \$3 million

For development costed under \$3 million, the EDC may be calculated based on:

- A detailed estimate of cost based on individual components (see Attachment A for an example), and
- Estimated by a suitably qualified person,
 - o In this scenario this means a person who is a builder licensed to undertake the proposed works, a registered architect, a qualified and accredited building designer, a quantity surveyor or a person who is licensed and has the relevant qualifications and proven experience in costing of development works at least to a similar scale and type as is proposed.
- The methodology used to do this be submitted with the application.

3. Development costed above \$3 million

Larger or more complex developments often incur a greater variety of costs in the planning and carrying out of the development. For development costed above \$3 million, the EDC report must:

- Be prepared using the AIQS practice standard for estimating development costs,
- Be prepared by a qualified Quantity Surveyor who is a member of a relevant professional body,
 - In this scenario, be prepared by the Australian Institute of Quantity Surveyors (AIQS) or Royal Institute of Chartered Surveyors (RICS).
- Based on cost estimates current as of that date and should be dated no earlier than 30 days prior to the application being submitted.
- Be prepared in the standard form of a quantity surveyor report available on the NSW Planning Portal and this methodology be submitted with the application.

Checking and Verifying EDC's

If the consent authority does not consider that the EDC specified in the application is genuine or accurate, the consent authority is required to take measures to check and verify whether the estimate is acceptable. This can occur when:

- The cost estimate for a development appears to be either too high or low compared to comparable developments,
- The cost estimate is within 10% of a cost threshold that would determine the consent authority for the proposed development,
- The proposed development is of a particularly high value or is an unusual development type.

In these instances, Council will seek further clarification from the applicant on how costs have been estimated, and may verify costs by:

- Requesting an updated EDC in line with the requirements outlined in this fact sheet,
- Request the applicant engage an independent quantity surveyor to undertake a peer review of the original cost estimate,
- Engaging an independent quantity surveyor, on a case-by-case basis, to review the cost estimate on behalf of the consent authority.

Is an EDC required for the lodgment of an application?

The EDC of a proposed development must be provided with the application for consent or approval. This enables the consent authority to confirm whether the proposed development is SSD or a local approval and consequently identify the relevant consent/approval authority for the development.

The EDC provided with the application is relevant to other assessment matters such as whether certain DA requirements apply (e.g. sustainability standards or design requirements). Additionally, the EDC is utilised for cost estimates for fee and lodgment purposes.

For DAs (other than SSD), the consent authority must, when determining the fee for a DA that is based on the EDC, use the EDC specified in the application unless, in the consent authority's opinion, the specified estimate is not genuine or accurate (section 251(2) of the Regs).

Under section 256(4) of the Regs, the fee for an application may consist of the sum of one or more fees for different matters. For instance, the sum may include different fees for different kinds of development within the same application (such as an application to subdivide land and erect a building on one or more lots created by the subdivision). The fee tables set out in Schedule 4 of the Regs specify the applicable fee(s).

While the definition for EDC excludes GST, for local applications, the fees are to be calculated by the consent authority using the sum of EDC and GST. Schedule 4 of the Regs sets out the instances when application fees are to be determined based on EDC plus GST. These include:

- Part 2, items 2.1 and 2.3 for DAs, and
- Part 4, item 4.4(b) and 4.5 for applications for certain modifications of consent, and
- Part 7, items 7.2, 7.3A and 7.4 for Review applications.

GST is also included in development cost calculations for other purposes in the Regs, including:

- Section 157(1)(b) for determining whether payment of security provisions apply to an application for a Complying Development Certificate, and
- Section 266 for when a consent authority calculates the amount to be set aside from paid DA fees (other than for SSD) for payment to the Planning Secretary for planning reform services.

If the application meets the requirements of lodgment, and on review and acceptance of the EDC, Council will calculate the fee estimate and load the estimate against the application in the NSW Planning Portal. The application will be formally lodged once the relevant fee payment has been processed by Council.

Additional Information

The following relevant links have been utilised in the preparation of this fact sheet.

Environmental Planning and Assessment Act 1979
<https://legislation.nsw.gov.au/view/html/inforce/current/act-1979-203>

Environmental Planning and assessment Regulation 2021
<https://legislation.nsw.gov.au/view/html/inforce/current/sl-2021-0759>

NSW Department of Planning, Housing and Infrastructure's Planning Circulars
<https://www.planning.nsw.gov.au/policy-and-legislation/planning-system-circulars/current-planning-system-circulars>

More information on calculating EDC is available on the NSW Department of Planning Housing and Infrastructure's estimated development cost webpage
<https://www.planning.nsw.gov.au/policy-and-legislation/planning-reforms/estimated-development-cost>

The Standard Form of an Estimated Development Cost Report
<https://www.planning.nsw.gov.au/sites/default/files/2024-02/standard-form-of-eed-report-projects-over-3-million-excluding-ssd-and-ssi.pdf>

The Australian Institute of Quantity Surveyors Practice Standards
<https://www.aiqs.com.au/technical-documents>

Construction Cost Assessments for NSW Estimated Development Cost Reports
https://www.aiqs.com.au/sites/default/files/uploaded-content/website-content/aiqs_edc_practice_standard_2024.pdf