

9 February 2009

To whom it may concern

David Reid Homes (Hawkes Bay) Ltd is pleased to submit an estimate for the building of a new home on Lot 10 Waipuka Road Waimarama Havelock North.

Our estimated cost for the proposed building Project (House & Double Garage – 322m² approximately), in terms of Specification and Concept Plan attached is **\$638,000 to \$689,000 incl. GST.**

This estimate is based upon the David Reid Homes Concept Design of Lifestyle 6 together with DRH Specification (copies attached) and includes the following items:

Key Specifications

Single level dwelling
Concrete block foundation with poly insulation
2.55m stud
Double glazing except garage
Plaster Brick to exterior with linea highlights if required
Electric hot water
Ducted heat pump system
Electric undertile heating to bathrooms & kitchen
2 x Wood burner to lounge and living
Longrun colorsteel roofing
Cedar front doors
Cedar sectional double garage door
Caesar stone bench with Meltica / Melamine to kitchen
SMEG appliances
Xera tap ware by Aquatica or similar
Clearlite bathroom fittings
Tiled showers
Carpet and tiles flooring
Pergola and Stutex stone pillars (4)
Septic tank system
Water tanks

Allowances in the pricing include estimates as follows (figures are GST inclusive):

Design & Consent costs	\$	12,375
Plumbing & Drainage		14,625
Electrical		22,500
Kitchen units, appliances & wardrobe fitout		40,000
Carpet, tiles & waterproofing		28,000
Heating (heat pump, under tile & wood burner)		25,875
Septic & water tanks		19,750
Pergola & Stutex stone pillars		15,000

These estimates / PC sums are considered to be very realistic amounts as they reflect the overall quality and level of specification which I believe puts the home at well above mid range.

Things that still may affect pricing:

- a) Kitchen units design and specification.
- b) Final window configurations.
- c) Floor coverings and tiling final areas
- d) Drainage and power mains, water and telecom
- e) final drawing of design to scale
- f) travel
- g) Council consents
- h) cost of final working drawings

N.B. Pricing increases. We are currently facing a number of pricing increases and wherever possible these have been taken into account when assessing your build cost. However there may be future price increases from this estimate date which could impact the final fixed contract amount.

Any special foundations and engineering required to foundations and concrete slab outside NZS3604 building code and any adjustments in heights to foundations and concrete slab and fill will be an extra.

Landscaping such as excavations, retaining walls, lawns, drives, patios, decks, paths and fencing are additional to the above estimate; indicative pricing for your information is as follows (inclusive of GST):.

Exposed pebble concrete per m2	\$	90.00
Concrete Holland pavers per m2	\$	59.00
1.8m high timber paling fence per LM	\$	97.00
1m high timber retaining, per LM	\$	195.00

The next step is to have the Concept plan finalised. Once the Concept plans have been confirmed, working drawings can be completed; with these drawings dispatched to our suppliers & sub contractors for quoting, so as we can offer a fixed price contract.

Because David Reid Homes is a Design & Build Company we can offer alternative solutions and materials (you are not locked into one type of system, materials or design look) - the fixed price can be adjusted to meet most budgets.

DRH do not price houses by square metre rates because this is not a true indication of what a building project will finally cost. Lifestyle 6 has a gable & truss at entry & garage, as well as the pergola along the front of the house for example, which would not be allowed for in a square metre calculation. Also included in the price are the septic system & water tanks. (Square metre rates should be only used for the purpose of estimating.)

We offer free consultancy with experienced kitchen and colour consultants who will keep you informed of the latest fashions and trends. In addition, David Reid Homes (Hawkes Bay) Ltd is a Master Builder and offers a completion guarantee. Further information can be found on our web site www.davidreidhomes.co.nz. This gives clients great comfort during the building process and confirms the quality of the package that David Reid Homes provides. We believe it's all about going the extra mile and doing all the little things that stand us apart from the rest.

Please do not hesitate to call me if you require any further information. I am available to assist with the planning process and provide guidance through all facets of your building project.

Kind regards

David Reid Homes (Hawkes Bay) Limited

Tony Southey
Director / Manager
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