



OFFICIAL 2025 GUIDE TO BUILDING A GRANNY FLAT



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THINKING ABOUT ADDING A GRANNY FLAT TO YOUR PROPERTY?

Whether you're planning to create extra living space for family, generate rental income, or boost your property's value, this guide will walk you through every step of the process.

From planning and council approvals to budgeting, design tips, and construction timelines—this updated 2025 edition includes everything you need to know to get started with confidence.

Let's help you turn your backyard vision into reality.

A photograph of a modern building facade with a blue rectangular overlay containing text. The building features a mix of light grey concrete, dark grey panels, and a section with vertical white slats. The sky is overcast with grey clouds.

HOW MUCH DOES IT COST TO BUILD A GRANNY FLAT?

The average cost of building a granny flat in Sydney, NSW, can vary based on several factors such as size, design, materials, and location


However, a general estimate is as follows:

BASIC GRANNY FLAT

Around

\$135,000 - \$150,000

(for a simple, no-frills design)

 30-40m²




MID-RANGE GRANNY FLAT

Around

\$150,000 - \$200,000

(including standard finishes and fittings)

 40-60m²



HIGH-END GRANNY FLAT

Can range from

\$200,000+

 60-80m²



It's important to note that these prices can fluctuate based on the builder, site preparation, additional permits, and specific requirements of the project. It's always best to get multiple quotes for a more accurate estimate based on your specific plans.



HOW BIG DOES A PROPERTY HAVE TO BE TO BUILD A GRANNY FLAT?

 450m²

Generally to fit a granny flat on your property it needs to be minimum 450m²

HOW LONG DOES IT TAKE TO BUILD A GRANNY FLAT?

🕒 4-5 months

The time it takes to build a granny flat in Sydney can vary based on several factors, including the design, complexity, and the specific contractor or builder you hire. The average time is 4-5 months.

Custom or larger granny flats may take longer (up to 6 months or more), particularly if there are more complex designs, higher-end finishes, or if external factors such as weather delays occur.

5 Star Builders aims to finish the granny flat build within 4 months!



PERMITS REQUIRED FOR CONSTRUCTION AND RENOVATIONS

- ✓ **Development Application (DA):** For a granny flat in Sydney, you may need to submit a Development Application (DA) to the local council if the project does not meet specific criteria for exempt or complying development.
- ✓ **Complying Development Certificate (CDC):** If the project meets the criteria under complying development, you can apply for a Complying Development Certificate (CDC) instead of a DA. A CDC is faster and easier, provided your design adheres to local zoning laws and building codes.
- ✓ **Construction Certificate (CC):** Once the DA or CDC is approved, a Construction Certificate is required to begin the physical construction of the granny flat.

HOW TO DEAL WITH COUNCIL APPROVALS

✓ **Consult with Council Early:**

Contact your local council early to discuss your plans and confirm whether you require a DA or CDC. It's helpful to understand the specifics of your area and any restrictions before you begin the process.

✓ **Submit the Correct Documents:**

Be sure to submit all necessary documents, including plans, drawings, and any required studies (e.g., environmental impact assessments, if applicable).

✓ **Engage a Planner or Consultant:**

If you're unsure of the process, consider hiring a town planner or a consultant who is familiar with local council procedures and zoning laws.

✓ **Allow Sufficient Time for Approval:**

Be prepared for approval times to vary, and always factor in extra time for council reviews. The approval process can take several weeks or even months.

A reputable building company will provide full assistance with Sydney council approval processes

UNDERSTANDING ZONING LAWS AND BUILDING CODES

Zoning Laws: Zoning laws determine how land can be used. In Sydney, certain areas may have restrictions or specific guidelines on granny flat construction. It's essential to check if your property is in an area that allows granny flats or if there are any restrictions related to zoning.

Tip: You can check your zoning via the NSW Planning Portal or by consulting your local council.

Building Codes: The NSW Building Code of Australia (BCA) sets the standards for construction, safety, accessibility, and environmental requirements. This includes guidelines on building height, setback distances, energy efficiency, fire safety, and more.

NSW Planning Standards: Ensure that your granny flat design complies with the NSW Planning Standards for Granny Flats, which include maximum floor area (typically 60m²), minimum setbacks, and specific height limitations.

HOW LONG DOES DEVELOPMENT APPROVAL TAKE?

Depending on the development proposal the approval generally takes between 4-6 weeks with a CDC (Complying Development Certificate)



DO GRANNY FLATS USUALLY COME WITH A GUARANTEE?

🔍 up to 10 years

Yes, most reputable granny flat builders offer guarantees, including structural warranties lasting 6-10 years and workmanship warranties for 12 months to 2 years. Additionally, manufacturers often provide warranties on appliances and materials, and there may be a defects liability period of 6-12 months for any issues that arise after completion.

WHAT ARE THE QUALIFYING STAGES FOR A GRANNY FLAT

The qualifying stages for a granny flat include

- Obtaining a 10.7 certificate section 2 & 5 from the local government authority (council)
- A Sewer Diagram from www.sydneywater.com.au and a Title search from www.infotrack.com.au





Additionally, the land must meet specific criteria:

it should be a minimum of 450m², with a frontage of at least 12m at the building line.

 min 450m²

These requirements must be met before moving forward with the construction of a granny flat.

WHAT ARE THE MAIN STAGES OF THE CONSTRUCTION PHASE?

The construction phase of a granny flat involves multiple critical stages, each designed to ensure that the build is solid, safe, and compliant with regulations.



These can include :

01.
Ground works

02.
Drainage /Stormwater

03.
Completion of floor,
wall & roof structure

04.
Waterproofing

05.
Final inspection



Each company will also have differing company processes to walk you through council approvals, site prep, and consultation and design.

5 Star Builders will offer a site visit and free consultation with one of our building experts to review your block and discuss your desired project.

WHAT ARE THE KEY CONSIDERATIONS WHEN PLANNING A CUSTOM GRANNY FLAT



Important factors to consider include the size and layout of your property, local council regulations, your budget, the purpose of the granny flat, accessibility, and how the design aligns with your existing home. Focusing on these aspects ensures a seamless process and a final result that enhances your property's value.



GRANNY FLAT FLOOR PLANS

When building a granny flat in Sydney, there are several floor plan options to choose from depending on your needs, budget, and the available space on your property.

Here's an overview of the most popular and practical granny flat floor plan options:



Granny Flats + Studio on One Block



Granny Flat + Alfresco + Garage



Granny Flat + Garage



Two Story Granny



HIDDEN COSTS IN BUILDS YOU MIGHT NOT BE AWARE OF

Site Preparation Costs

Clearing the land, removing trees, or leveling the ground can add substantial costs to the project. If there are any structural issues with the land, like drainage problems or uneven terrain, this can increase your expenses significantly.

Utility Connections

Connecting the granny flat to electricity, gas, water, and sewage can incur additional costs. If your property isn't already connected, or if upgrades are required, these fees can quickly add up.



When building a granny flat, there are a few hidden costs that may surprise you. Here's a breakdown of some expenses that could come up during the process:

Foundation & Site Access

If your site has a slope, challenging soil, or limited access, building a stable foundation can be more expensive. Excavation and the materials needed for a stable base could drive up costs.

Interior Customisations

Custom-built cabinetry, additional storage solutions, or upgrades to lighting, fixtures, and fittings can quickly increase the overall cost of building.

Contingency Funds

Unexpected problems may arise, like structural issues, pest infestations, or weather delays. It's important to have a contingency budget (typically 10% to 20% of your total costs) to handle these surprises.

COST-SAVING TIPS DURING CONSTRUCTION

01.

Plan and Budget Carefully

Create a detailed budget and stick to it. Factor in potential cost overruns for materials and labor, but ensure you have a buffer for unexpected expenses.

02.

Choose a Simple Design

Opt for a straightforward design without extravagant features. Simpler designs tend to be more affordable in terms of both materials and labor costs.

03.

Utilise Affordable Materials

Explore alternative, cost-effective building materials, such as prefab or recycled materials, which can help reduce overall costs.

04.

Maximise Space Efficiency

Efficiently designed layouts can reduce construction costs and maximise the available space.

05.

Do Some Work Yourself

If possible, handle smaller tasks, such as painting or landscaping, to save on labor costs.

06.

Get Multiple Quotes

Always get quotes from several contractors or building companies to ensure competitive pricing.





GRANNY FLAT VS TINY HOMES ON WHEELS

When considering a granny flat vs a tiny home on wheels, there are a few key differences to think about, particularly around construction, mobility, cost, and lifestyle preferences.

Here's a comparison to help you decide →



CONSTRUCTION AND PERMANENCE

Granny Flat

A granny flat is a **permanent structure** built on a foundation. It follows the same construction processes as a traditional home, including zoning approvals and building permits. It's typically made from materials like timber, brick, or steel.

Tiny Home OnWheels

A tiny home on wheels is a **mobile structure** built on a trailer chassis. It is essentially a small, self-contained home that can be moved. Depending on local regulations, it might not require the same level of permits as a fixed structure, but zoning can still impact where it can be parked.

SIZE

Granny Flat

Typically, granny flats are **larger** than tiny homes, often ranging from 40 to 60 square meters or more, making them suitable for long-term living.

Tiny Home OnWheels

A tiny home is much smaller, usually between **10 to 40 square meters**, offering a more minimalist lifestyle but can be a tight fit for some families or individuals.

COST

Granny Flat

The cost for a granny flat in Sydney generally ranges from **\$100,000 to \$200,000**, depending on the design, materials, and complexity of the build.

Tiny Home OnWheels

Tiny homes can be more affordable upfront, with prices ranging from **\$30,000 to \$80,000**, but you also need to factor in the cost of the land to park it on, transport fees, and potential modifications.

REGULATIONS AND ZONING

Granny Flat

In Sydney, granny flats require **compliance with local zoning regulations** and typically need council approval. There are also restrictions on where they can be built (e.g., not in certain flood-prone areas).

Tiny Home OnWheels

These can face less stringent regulations in terms of construction but might have limitations on where they can be parked. Some councils have specific rules for tiny homes, and parking on residential land could require special permits.



UTILITY CONNECTIONS

Granny Flat

A granny flat is typically **fully connected to utilities**, including water, gas, and electricity, just like a normal house.

Tiny Home OnWheels

Depending on the model, a tiny home may either be **self-sufficient** with off-grid systems (solar panels, composting toilets) or connected to utilities if parked in a designated location.

LIFESTYLE AND PURPOSE

Granny Flat

A granny flat is designed for **long-term living** and is generally used to accommodate family members, renters, or guests. It offers more stability and comfort for a permanent residence.

Tiny Home OnWheels

A tiny home is more suited for those wanting a **minimalist, mobile lifestyle** or a temporary living solution. It's popular with people looking to downsize or travel while still having a private living space.

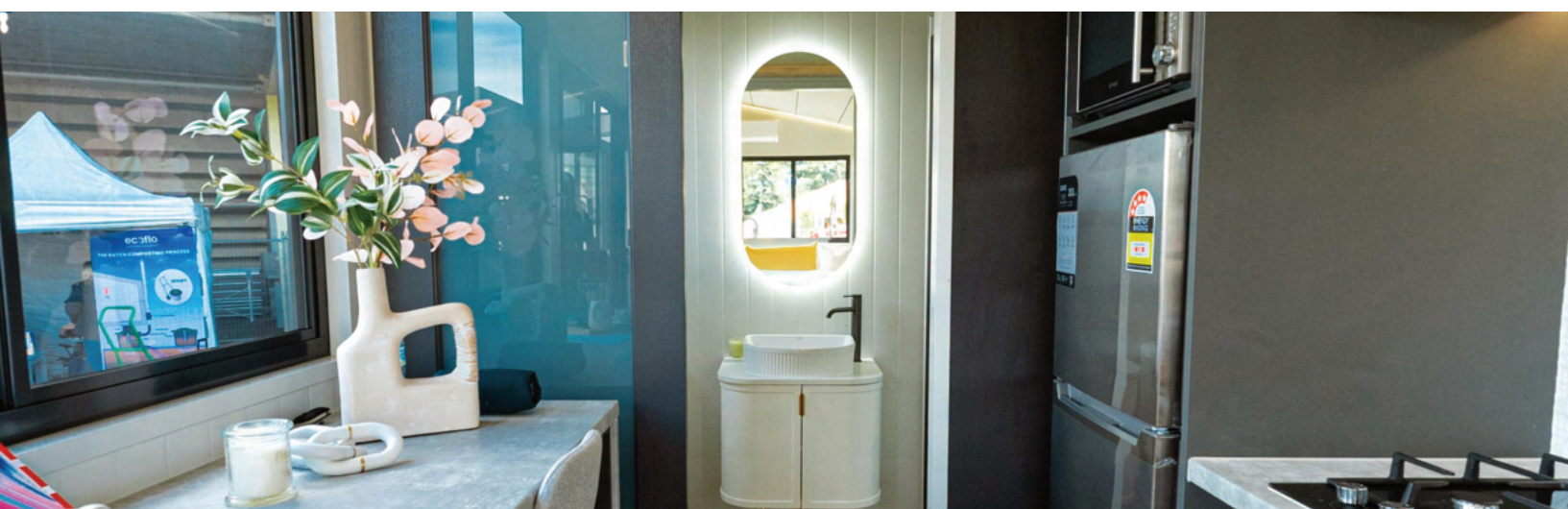
LIFESPAN

Tiny Home On Wheels

The lifespan of the wheels on a tiny home depends on factors like the quality of the wheels, maintenance, and how often the home is moved. On average, high-quality wheels can last anywhere from 5 to 15 years, provided they are regularly maintained.

Here are some factors affecting their lifespan:

- 1. Quality of the wheels:** Heavier-duty wheels made for long-term use will last longer.
- 2. Maintenance:** Regularly checking the wheels for wear, rust, and damage can extend their life.
- 3. Movement frequency:** Homes that are frequently moved may experience more wear on the wheels compared to those that remain stationary for longer periods.
- 4. Environmental conditions:** Exposure to extreme weather (salt from roads, rust, etc.) can shorten their lifespan.





Granny Flat

Granny flats offer a more permanent and spacious living solution compared to tiny homes on wheels. With more room for comfort and convenience, they are ideal for long-term living, whether for family members, renters, or as a private retreat. Built on a solid foundation and fully connected to utilities, granny flats provide a stable, reliable home that can be customized to suit your needs. Unlike tiny homes, which are limited in size and mobility, granny flats allow for greater flexibility in design and functionality, making them the smarter choice for those looking for a lasting investment.

QUESTIONS TO ASK WHEN HIRING A CONTRACTOR/ BUILDING COMPANY

When hiring a contractor or building company to construct a granny flat in Sydney, asking the right questions ensures that you hire a reputable and qualified builder who will meet your needs. Here are some important questions to ask:

1. Are you licensed and insured?
2. Can you provide references or examples of previous work?
3. What is your experience specifically with granny flat projects?
4. What is included in your quote?
5. What's your timeline for completing the project?
6. What happens if there are delays or issues during construction?
7. What warranties or guarantees do you offer?





BENEFITS OF A GRANNY FLAT YOU MAY HAVE NOT CONSIDERED

01.

Granny Flats for Passive Income

A granny flat provides an additional rental income stream, which can significantly boost your property's cash flow. With the demand for rental properties growing in many areas, a well-designed granny flat can be rented out to tenants or used as short-term accommodation, making it a profitable investment.

02.

Multigenerational Living Solutions

As families grow and circumstances change, the need to care for aging parents or newly married children becomes a priority. A granny flat offers a practical solution, providing a private space for your parents to enjoy independence while staying close by. Similarly, for newlyweds, it offers comfort and security while being near family during an exciting new chapter. With a granny flat, you can keep your family close while giving them the privacy they deserve.



03.

Granny Flats for Downsizers and Retirees

For parents whose children have moved out or older couples approaching retirement, downsizing to a smaller, more manageable home can be a beautiful new beginning. A granny flat offers the perfect balance of independence and connection, providing a simpler, more relaxed lifestyle without sacrificing comfort. It allows you to downsize without feeling isolated, offering a private sanctuary while staying close to loved ones.

04.

Investors aiming to increase property value

Adding a granny flat can increase the overall value of your property. It's considered an improvement that adds functional space, and appraisers often consider this when assessing the value of a property. In some cases, a granny flat can increase the property's value by 20% or more, depending on the location and quality of the build.

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WHILE WE BUILD YOUR
GRANNY FLAT!





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