

13 June 2007

Redfern Waterloo Authority  
PO Box 3332  
REDFERN NSW 2016

**ATTENTION: RICHARD CLARK**

Dear Sir

**RE: PROPOSED RESIDENTIAL DEVELOPMENT  
RACHEL FOSTER HOSPITAL SITE**

As requested we have prepared a preliminary budget estimate of construction costs for the redevelopment of this site and we advise you that the suggested budget at rates current in May 2007 is \$44,130,000 excluding GST as shown in the attached "Summary of Costs".

The suggested budget is based on the preliminary architectural drawings prepared by Lipmann Associates and dated 20 March 2007.

Generally the project comprises the redevelopment of the existing site comprising 149 residential apartments in a mix of 1, 2 & 3 bedroom dwellings. The works will also include 2 basement carpark levels making provision for 162 cars.

We specifically note that the suggested budget is based on obtaining a number of competitive lump sum tenders from appropriate contractors experienced in this type of development.

We further note that the estimate excludes allowances for the following items which should be considered separately in the feasibility:

1. Land costs
2. Site acquisition costs and legal fees
3. Design and consultant fees
4. DA and CC fees
5. Project and development management fees
6. Finance costs
7. Site remediation
8. Curtains and blinds to apartments
9. Home automation systems
10. Swimming pool and gymnasium facility

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**13 JUNE 2007**

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- 11. Grey water systems
- 12. Marketing fees and sales commissions
- 13. Escalation and construction costs beyond June 2007
- 14. Design and construction contingencies

We specifically note that the estimate is based on concept plans and documentation only at this stage and therefore it should be considered as indicative only. We recommend that prior to finalising feasibility studies further detailed cost estimates be prepared from further developed design information.

Should you require any further information or wish to discuss any aspect of the attached please do not hesitate to contact us.

Yours faithfully  
**WT PARTNERSHIP**

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**JOHN FERRARIN**

**MAIN SUMMARY OF COSTS**

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DEMOLITION	1,350,000
SITE PREPARATORY WORKS	390,000
SITE REMEDIATION	Excluded
PILING	Excluded
CARPARK – 162 NO. CARS	5,300,000
APARTMENTS (BUILDING 1) – 65 NO. UNITS	15,870,000
APARTMENTS (BUILDINGS 2,3&4) – 84 NO. UNITS	19,320,000
EXTERNAL WORKS	1,480,000
PUBLIC PARK	300,000
WORKS OUTSIDE SITE BOUNDARY – PROVISION ONLY	120,000
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	\$44,130,000
DESIGN CONTINGENCY	Excluded
DESIGN FEES	Excluded
PROVISION FOR ESCALATION	Excluded
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<b>ESTIMATED COST AT RATES CURRENT IN JUNE 2007 (EXCL. GST)</b>	<b>\$44,130,000</b>
GOODS AND SERVICES TAX	4,413,000
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<b>ESTIMATED COST AT RATES CURRENT IN JUNE 2007 (INCL. GST)</b>	<b>\$48,543,000</b>