

21 May 2010

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Dear Vanessa

**Marrickville Metro Shopping Centre
Capital Investment Value (CIV) - Report**

As requested, we have prepared the attached report for the purposes of establishing the Capital Investment Value (CIV) for the above development.

In summary, our assessment of CIV is in the order of \$165m in accordance with the definition of Capital Investment Value included in Clause 3(2)(a) of State Environmental Planning Policy (Major Development) 2005.

You are referred to the report for full details including information relied upon.

We trust this satisfies your immediate requirements. However, should you have any queries please do not hesitate to contact the undersigned at your earliest convenience.

Yours faithfully



Gary Boyd
Principal

Global property & construction consultants

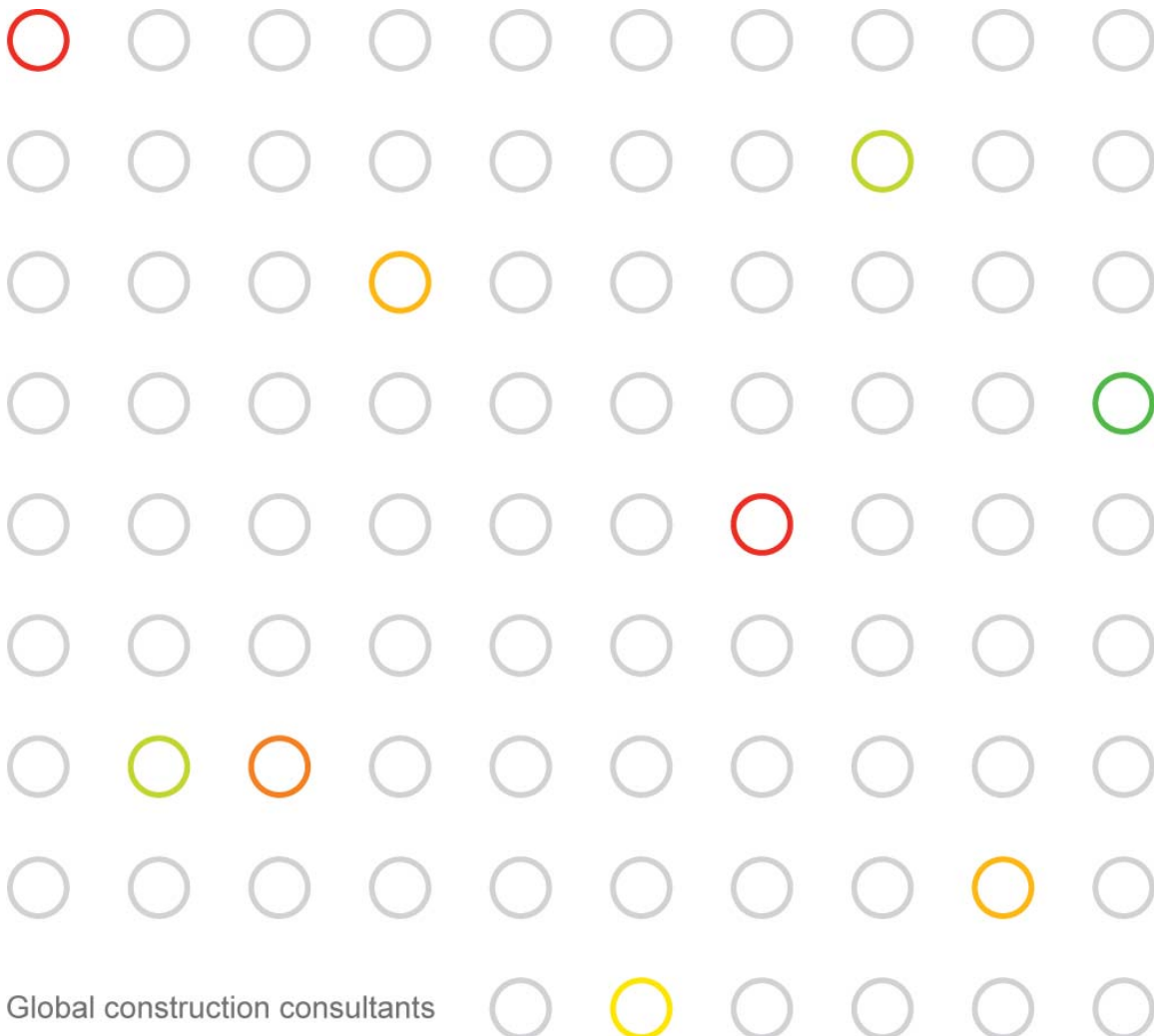
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MARRICKVILLE METRO SHOPPING CENTRE

Capital Investment Value (CIV) - Report | 21 May 2010



Project Contacts	
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Project Manager:	Bovis Lend Lease
Architect:	Bovis Lend Lease
Structural Engineer:	NA
Services Engineer:	NA
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CONTENTS

INTRODUCTION	2
CAPITAL INVESTMENT VALUE (CIV)	2
Definition	2
Calculation of CIV	2
INFORMATION RELIED UPON	3
DEVELOPMENT NOTES	3
Programme	3
Statutory Fees	3
Design & Management Fees	3
Contingencies	4
Escalation	4
Sales and Marketing Costs	4
Finance Costs	4
SPECIFIC EXCLUSIONS	5
REPORT PARAMETERS	5

Appendix A – Order of Cost Estimate

DL Quality System					
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	20/05/10	Initial issue	Gary Boyd	Gary Boyd
	21/05/10	Revised for amended definition	Gary Boyd	Gary Boyd

INTRODUCTION

Davis Langdon has been engaged by AMP Capital Shopping Centres to provide Masterplan & Feasibility Estimating services to the proposed development of Marrickville Metro Shopping Centre. In undertaking our commission, we have also been requested to assess the Capital Investment Value (CIV) for the development.

CAPITAL INVESTMENT VALUE (CIV)

Definition

Capital Investment Value (CIV) is defined by the *Environmental Planning and Assessment Regulation 2000 – Reg 3*, as required by the *State Environmental Planning Policy Amendment (Capital Investment Value) 2010* to be:

“Capital Investment Value of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs:

- (a) amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the Act or a planning agreement under that Division,
- (b) costs relating to any part of the development or project that is the subject of a separate development consent or project approval,
- (c) land costs (including any costs of marketing and selling land),
- (d) GST (within the meaning of A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).”

Calculation of CIV

To calculate CIV, Davis Langdon has prepared an Order of Cost Estimate for each stage of the development incorporating both demolition and construction works. The total Capital Investment Value of \$165m for both Stages 1 and 2 may be summarised as follows:

Demolition & Hazardous Materials removal	1,570,000
Site Preparation (incl Bulk Excavation)	Included
Site Services	5,070,000
New Construction	92,230,000
External Works	1,080,000
Roadworks	1,610,000
Design Contingency	4,180,000
Preliminaries & Supervision	16,890,000
Margin	6,130,000
	<hr/>
Sub-total – Construction Works	\$128,760,000
Statutory Fees	Excluded
Design & Management Fees	16,000,000
Development Management Fees	1,350,000
Construction Contingency	5,300,000
Escalation	11,500,000
Leasing & Marketing Costs	2,000,000
Finance Costs	Excluded
	<hr/>
Sub-total – Applicable Development Costs	\$36,150,000
	<hr/>
TOTAL ESTIMATED CIV	\$164,910,000
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The Order of Cost Estimate worksheet is included at Annexure 1 of this report. Please note that in preparing the estimate we have built up elemental rates and applied these to measured areas where appropriate.

INFORMATION RELIED UPON

In preparing this report, Davis Langdon has relied on the following information provided by others:

Architectural Masterplan Documents – Bovis Lend Lease

SK_028 Ground Level Plan
SK_029 Level 1 Plan
SK_031 Level 2 Plan
SK_032 Level 2a Plan
Design and Finishes Drawings
Elevations

DEVELOPMENT NOTES

Programme

We note that the development is considered in 2 stages. For the purposes of calculating CIV, we have combined the 2 stages and calculated costs in accordance with the legislation surrounding the definition of CIV.

In calculating escalation costs, we have calculated the Order of Cost Estimate based on today's dollars and assumed the following commencement & completion dates:

	Commencement	Completion
Stage 1	mid – 2011	end - 2012
Stage 2	mid – 2012	end - 2013

Statutory Fees

Statutory fees are excluded from the calculation in accordance with the amended definition.

Design & Management Fees

We have based the Design & Management Fees on our assessment of the likely Development Feasibility costs to be included in any feasibility prepared by AMP Capital Shopping Centres. The design & management fees comprise the following:

1. Design fees
2. Project Management & Quantity Surveying Fees
3. Development Management Fees

Contingencies

The calculation of CIV includes the following contingencies:

1. Design Development Contingency @ either 3% or 5% depending on the Stage
2. Construction Contingency estimated as the likely contingency required for the Development Feasibility.

Escalation

For the purposes of calculating CIV, escalation has been assessed based on the following forecast rates of price escalation:

2010	2.2%
2011	3.1%
2012	4.0%
2013	4.2%

Please note that the calculation of Contract escalation has considered a standard S-curve cashflow of construction, thereby reducing the annualised rate of escalation in accordance with anticipated cashflow and the timing of contract lettings.

Marketing Costs

We have based the Marketing costs on the Development Feasibility as prepared by AMP Capital Shopping Centres.

Finance Costs

Finance costs are excluded from the calculation in accordance with the amended definition.

SPECIFIC EXCLUSIONS

The following items have been specifically excluded from our estimate for the purposes of this report:

1. Land & legal costs
2. Holding costs on land
3. Loose furniture & fittings (FF&E)
4. Stand-by generators
5. Any services upgrades outside the site boundary
6. Any costs associated with Green star ratings or upgrades
7. Tenant fitout costs to retail tenancies – subject of separate DA applications
8. Tenant incentives to retail tenancies – subject of separate DA applications
9. Goods and Services Tax

REPORT PARAMETERS

1. This report is provided for the purposes of the named party only and must not be used by any third party for any other purpose whatsoever without the prior written consent of Davis Langdon Australia Pty Limited.
2. This report has been prepared from documentation and/or information provided to Davis Langdon Australia Pty Limited by third parties in circumstances where Davis Langdon:
 - a. Has not performed our own independent investigations in order to ascertain the veracity and/or accuracy of the documentation and/or information so provided; and
 - b. Do not, in any way, warrant the veracity and/or accuracy of the said documentation and/or information; and
 - c. Do not, in any way, adopt the said documentation and information as our own.
3. This report is an expression of opinion based upon the documentation and/or information provided by third parties and Davis Langdon expressly disclaims any liability to the named party and any third parties where the documentation and/or information is found to be untrue and/or inaccurate in any way.

Appendix A

- < Order of Cost Estimate Summaries
 - Stage 1 & Stage 2

Marrickville Metro - Stage 1 - CIV

Job Name : STAGE 1 CIV - MAY V3
Client's Name: AMP Capital Investors

Job Description

Marrickville Metro Shopping Centre
Proposed Redevelopment - New Build &
Extend - Stage 1 - Preliminary Estimate - CIV
(JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
1	MARRICKVILLE METRO RETAIL MASTERPLAN - STAGE 1 - SOUTHERN EXTENSIONS					
2	BASED ON INDICATIVE PLANS SK_028, 029 & 031					
3						
4	GENERAL ITEMS - NEW BUILD					
5	Vertical Transportation	3.67	53.27	2,050,000		2,050,000
6	Signage (building & branding signage)	0.54	7.80	300,000		300,000
7	Subtotal					<u>2,350,000</u>
8						
9	CIVIC PLACE (2,336m2)					
10	Heritage House (185m2)	0.18	2.60	100,000		100,000
11	New Entry & External Piazza (1,831m2)	1.45	21.05	810,000		810,000
12	Northern Retail Extension (320m2)	0.81	11.69	450,000		450,000
13	Civic Place Mall Entry	0.14	2.08	80,000		80,000
14	Subtotal					<u>1,440,000</u>
15						
16	EXTENSION TO EXISTING CENTRE (GBA = 595m2)					
17	Hazardous Materials Removal (EXCLUDED)					
18	Demolition & Site Preparation	0.13	1.82	70,000		70,000
19	Specialty Shops (90m2)	0.07	1.04	40,000		40,000
20	Refurbish & Extend Mall (121m2)	0.14	2.08	80,000		80,000
21	Reconfigure Base of Existing Carpark Ramp (384m2)	0.39	5.72	220,000		220,000
22	Subtotal					<u>410,000</u>
23						
24	PLAZA & RETAIL ADJACENT EXISTING CENTRE (GBA = 4,155m2)					
25	Hazardous Materials Removal (EXCLUDED)					
26	Demolition & Site Preparation	0.11	1.56	60,000		60,000

Marrickville Metro - Stage 1 - CIV

Job Name :	<u>STAGE 1 CIV - MAY V3</u>	<u>Job Description</u>
Client's Name:	<u>AMP Capital Investors</u>	Marrickville Metro Shopping Centre Proposed Redevelopment - New Build & Extend - Stage 1 - Preliminary Estimate - CIV (JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
27	Ground Floor - Specialty Shops - new (1,887m2)	4.96	71.98	2,770,000		2,770,000
28	Ground Floor - Specialty Shops - within existing centre (55m2)	0.07	1.04	40,000		40,000
29	Ground Floor - Plaza (1256m2)	2.01	29.10	1,120,000		1,120,000
30	Level 1 - Community Opportunity (448m2) - EXCLUDED UNDER CIV					
31	Level 1 - Specialty Shops (509m2)	1.18	17.15	660,000		660,000
32	Subtotal					<u>4,650,000</u>
33						
34	SOUTHERN EXTENSIONS - NEW CONSTRUCTION (GBA = 31,530m2)					
35	Hazardous Materials Removal (ALLOWANCE ONLY)	0.45	6.50	250,000		250,000
36	Demolition & Site Preparation	1.22	17.67	680,000		680,000
37	Services Infrastructure & Diversions	2.46	35.60	1,370,000		1,370,000
38	Loading Dock & Circulation (2,199m2)	2.81	40.80	1,570,000		1,570,000
39	Ground Floor - Marketplace & Circulation (2,370m2)	7.49	108.62	4,180,000		4,180,000
40	Ground Floor - Specialty Shops (2,178m2)	4.28	62.11	2,390,000		2,390,000
41	Ground Floor - Mini Major (1,051m2)	1.90	27.55	1,060,000		1,060,000
42	Ground Floor - Plant (99m2)	0.23	3.38	130,000		130,000
43	Ground Floor - Entry Stairs/Ramp (57m2)	0.13	1.82	70,000		70,000
44	Level 1 - Mall & Circulation (1,929m2)	6.22	90.17	3,470,000		3,470,000
45	Level 1 - Supermarket (WW or Coles) (4,012m2)	10.56	153.06	5,890,000		5,890,000
46	Level 1 - Specialty Shops (2,394m2)	4.87	70.68	2,720,000		2,720,000
47	Level 1 - Plant (99m2)	0.23	3.38	130,000		130,000
48	Facade Treatment	0.88	12.73	490,000		490,000
49	Level 2 - Rooftop Parking (7,407m2 - 200 cars)	6.40	92.77	3,570,000		3,570,000
50	Level 2a - Rooftop Parking (7,407m2 - 200 cars)	6.13	88.87	3,420,000		3,420,000

Marrickville Metro - Stage 1 - CIV

Job Name :	<u>STAGE 1 CIV - MAY V3</u>	Job Description
Client's Name:	<u>AMP Capital Investors</u>	Marrickville Metro Shopping Centre Proposed Redevelopment - New Build & Extend - Stage 1 - Preliminary Estimate - CIV (JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
51	Rooftop Ramp Connection (328m2 only on level 2a)	0.90	12.99	500,000		500,000
52	Subtotal					<u>31,390,000</u>
53						
54	CAR ACCESS RAMP - CIRCULAR (GBA =2,202m2)					
55	Circular Ramp - Ground to L1 (980m2)	0.81	11.69	450,000		450,000
56	Circular Ramp - L1 to L2 (803m2)	0.66	9.61	370,000		370,000
57	Circular Ramp - L2 to L2a (419m2)	0.25	3.64	140,000		140,000
58	Central Feature	0.61	8.84	340,000		340,000
59	Subtotal					<u>1,300,000</u>
60						
61	EXTERNAL WORKS & ROADWORKS					
62	Edgeware Rd & Alice Street - Roadworks (NO LONGER REQUIRED)					
63	Edgeware Rd & Victoria Street - Roadworks	0.36	5.20	200,000		200,000
64	Unwins Bridge Rd / Bedwin Rd / May & Campbell Streets - Roadworks	0.14	2.08	80,000		80,000
65	Edinburgh / Sydney Steel Rd - New Roundabout	0.45	6.50	250,000		250,000
66	Edinburgh / Edgeware / Bedwin Rd - Roadworks	0.09	1.30	50,000		50,000
67	Streetscape Upgrade - Edinburgh Rd - External Works	0.45	6.50	250,000		250,000
68	Edinburgh / Murray St - New Roundabout	0.81	11.69	450,000		450,000
69	Smidmore / Murray St - Roadworks	0.09	1.30	50,000		50,000
70	Smidmore / base of new ramp - Roadworks	0.45	6.50	250,000		250,000
71	Sundry Roadworks	0.50	7.28	280,000		280,000
72	Public Transport Node (EXCLUDED)					
73	Bus & Taxi Shelter	0.27	3.90	150,000		150,000
74	External Works & Landscaping	0.77	11.17	430,000		430,000
75	Subtotal					<u>2,440,000</u>

Marrickville Metro - Stage 1 - CIV

Job Name :	<u>STAGE 1 CIV - MAY V3</u>	<u>Job Description</u>
Client's Name:	<u>AMP Capital Investors</u>	Marrickville Metro Shopping Centre Proposed Redevelopment - New Build & Extend - Stage 1 - Preliminary Estimate - CIV (JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
76						
77	"GREEN" INITIATIVES ***					
78	EXTRA OVER for 4 star (EXCLUDED)					
79	EXTRA OVER for 5 star (EXCLUDED)					
80	Subtotal					
81	Subtotal: Net Trade Cost					<u>44,480,000</u>
82						
83	SOFT COSTS					
84	Design Contingency @ say 3%	2.38	34.56	1,330,000		1,330,000
85	Novated Design Fees @ say 3% - EXCLUDED FROM THIS ESTIMATE & INCLUDED IN DEVELOPMENT COSTS FOR CIV					
86	Preliminaries & Supervision @ 16%	13.14	190.48	7,330,000		7,330,000
87	Overheads (INCLUDED)					
88	Margin @ 5%	4.77	69.12	2,660,000		2,660,000
89	Escalation (EXCLUDED)					
90	TOTAL - Lump Sum Construct Only					<u>55,800,000</u>
GFA: 38,482 m2.		100.00	1,450.03	55,800,000		55,800,000
Final Total : \$						55,800,000

Marrickville Metro - Stage 2 - CIV

Job Name :	<u>STAGE 2 CIV - MAY V3</u>	Job Description
Client's Name:	<u>AMP Capital Shopping Centres</u>	Marrickville Metro Shopping Centre Proposed Redevelopment - Refurb & Extend Stage 2 - Preliminary Estimate - CIV (JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
1	MARRICKVILLE METRO - STAGE 2					
2	BASED ON BLL DRAWING SK028, SK029 & SK031 DATED 9 April 2010					
3						
4	GENERAL ITEMS					
5	Vertical Transportation	3.91	45.01	2,850,000		2,850,000
6	Essential Services Upgrade	5.07	58.44	3,700,000		3,700,000
7	Signage (building & branding signage)	0.66	7.58	480,000		480,000
8	Provisional Sums	1.75	20.22	1,280,000		1,280,000
9	Subtotal					<u>8,310,000</u>
10						
11	NORTHERN EXTENSION (763m2)					
12	Northern Retail Extension - Possible Community Space (763m2) - EXCLUDED FOR CIV					
13	Subtotal					
14						
15	EXISTING RETAIL AMENDMENTS (1,408m2)					
16	New Travelator Location (132m2)	0.45	5.21	330,000		330,000
17	New Lift Location (58m2)	0.42	4.90	310,000		310,000
18	Existing Travelators - New Retail (200m2)	0.27	3.16	200,000		200,000
19	New Retail Infill (346m2)	0.52	6.00	380,000		380,000
20	Refurbished Retail Infill (672m2) - EXCLUDED FROM CIV - NO DEVELOPMENT CONSENT REQUIRED					
21	Subtotal					<u>1,220,000</u>
22						
23	EXISTING MALLS & AMENITIES (3,555m2)					
24	Refurbish Existing Malls (3,365m2) - EXCLUDED FROM CIV - NO DEVELOPMENT CONSENT REQUIRED					

Marrickville Metro - Stage 2 - CIV

Job Name :	<u>STAGE 2 CIV - MAY V3</u>	Job Description
Client's Name:	<u>AMP Capital Shopping Centres</u>	Marrickville Metro Shopping Centre Proposed Redevelopment - Refurb & Extend Stage 2 - Preliminary Estimate - CIV (JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
25	Refurbuish Existing Amenities (190m2) - EXCLUDED FROM CIV - NO DEVELOPMENT CONSENT REQUIRED					
26	Subtotal					
27						
28	NORTHERN DOCK & ALDI (4,396m2)					
29	Demolition & Temporary Works	0.70	8.05	510,000		510,000
30	New Dock (2,330m2)	3.92	45.17	2,860,000		2,860,000
31	Aldi Store (1,379m2)	2.66	30.64	1,940,000		1,940,000
32	Car Access Ramps (687m2)	0.51	5.84	370,000		370,000
33	Subtotal					<u>5,680,000</u>
34						
35	NEW FIRST FLOOR RETAIL & MALL (13,423m2)					
36	Demolition & Existing Structure	11.92	137.40	8,700,000		8,700,000
37	New DDS (6,328m2)	10.54	121.45	7,690,000		7,690,000
38	BOH & Plant & Corridor Areas (2,346m2)	3.40	39.17	2,480,000		2,480,000
39	New Specialty Shops (2,834m2)	3.97	45.80	2,900,000		2,900,000
40	New Mall (1,818m2)	5.11	58.91	3,730,000		3,730,000
41	New Amenitites (97m2)	0.36	4.11	260,000		260,000
42	Facade Treatment	0.48	5.53	350,000		350,000
43	Subtotal					<u>26,110,000</u>
44						
45	ROOFTOP CARPARKING (37,438m2)					
46	Rebuild Portion of Rooftop Parking (500m2)	0.34	3.95	250,000		250,000
47	Rooftop Carparking - Level 2 (18,468m2 - say 460 cars)	10.66	122.87	7,780,000		7,780,000
48	Rooftop Carparking - Level 2a (18,468m2 - say 460 cars)	10.25	118.14	7,480,000		7,480,000
49	Express Ramp - Basement to Rooftop (EXCLUDED)					
50	Subtotal					<u>15,510,000</u>
51						
52	OTHER INITIATIVES					

Marrickville Metro - Stage 2 - CIV

Job Name :	<u>STAGE 2 CIV - MAY V3</u>	<u>Job Description</u>
Client's Name:	<u>AMP Capital Shopping Centres</u>	Marrickville Metro Shopping Centre Proposed Redevelopment - Refurb & Extend Stage 2 - Preliminary Estimate - CIV (JN 26171) 21 May 2010

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
53	EXTRA OVER Cost for 4.5 star (EXCLUDED)					
54	Landscaping	0.34	3.95	250,000		250,000
55	Subtotal					<u>250,000</u>
56	Subtotal: Net Trade Cost					<u>57,080,000</u>
57	SOFT COSTS					
58	Design Contingency @ say 5%	3.91	45.01	2,850,000		2,850,000
59	Novated Design Fees @ say 3% EXCLUDED HERE BUT INCLUDED AS DEVELOPMENT COSTS IN CIV					
60	Preliminaries & Supervision @ 16%	13.10	150.99	9,560,000		9,560,000
61	Overheads @ 4% (Included)					
62	Margin @ 5%	4.76	54.80	3,470,000		3,470,000
63	Escalation (EXCLUDED)					
64	TOTAL - Lump Sum Construct Only					<u>72,960,000</u>
GFA: 63,317 m2.		100.00	1,152.30	72,960,000		72,960,000
Final Total : \$						72,960,000

Our Offices

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