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3 August 2010

Salamander Shores Hotel Pty Ltd
19-23 Hollywood Avenue, Bondi Junction
NSW 2022

Attention: Ms Sarah Kelly

Dear Sarah

**Salamander Shores Resort Development
CIV - Cost Estimate for Concept Plan Approval**

We confirm our Cost Estimate for the construction of the Resort and associated site infrastructure works at the Soldiers Point Rd, Soldiers Point NSW site in the amount of \$113,735,000 excl GST.

For the purpose of this cost estimate the following definition, obtained from Clause 3 of SEPP (Major Projects), has been used to determine the Capital Investment Value of the project:

"the capital investment value of the development includes all costs necessary to establish and operate the development, including design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment (but excluding GST, as defined by A New Tax system (Goods and Services Tax) Act 1999 of the Commonwealth and land costs".

If you have any queries please do not hesitate to contact the undersigned.

Yours faithfully


Peter D Smith AAIQS
Associate

Global property & construction consultants

Project Management | Cost Management | Building Surveying | Urban Planning | Specification Services | Infrastructure Verification Services |
Technical Due Diligence | Property Performance Reporting | Make Good Assessments | Certification Services | Sustainability Services

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SALAMANDER SHORES REDEVELOPMENT**ORDER OF COST ESTIMATE**

Date: 03-Aug-10

1.0 EXECUTIVE SUMMARY

This Indicative Order of Cost estimate has been prepared by Davis Langdon as requested by Daryl Jackson Robin Dyke Architects

The estimated total construction cost is: **\$113,735,000**

2.0 BASIS OF ESTIMATE

Rates have been derived from an analysis of similar projects. Current rates have been used with separate allowances made for Preliminaries, Contingencies and Professional Fees.

A site inspection was carried out on: N/A

The estimate has been compiled on functional floor areas from the schedule provided.

Competitive tendering is presupposed.

3.0 SPECIFIC INCLUSIONS

The following items and allowances have been included in the Estimate:

- Professional fees
- FF&E

4.0 SPECIFIC EXCLUSIONS

No allowance has been made in this estimate for the following items:

- Work outside the boundary, including damage to adjoining properties
- Development contributions
- Construction finance cost
- Legal fees
- Land cost
- Costs associated with delays to the programme
- Loss of income during period of construction
- Contingency
- Escalation from base date of rates to end of construction period.
- Goods and Services Tax (GST)

5.0 CONSTRUCTION PERIOD

Start tba (*assumed mid 2011 for estimate*)

Construction period assumed as 24 months.

6.0 GROSS FLOOR AREA

The project consists of 84 hotel rooms over 5 levels and associated function areas; 44 permanent and 34 serviced apartments over 7 levels

The project also includes a 279 space basement carpark.

The Gross Floor Area used for the project is approximately 35,000m² including 14,485m² for basement carpark, balconies and garden courts, hotel exterior circulation, storage areas and loading dock

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7.0 COST SUMMARY

Functional Area		GFA (\$/m ²)	Rate (\$/m ²)	Total (\$)	
Back of House					
Back of House	m ²	1,900	2,100	\$ 3,990,000	
Kitchen	m ²	-	3,090	\$ -	Included
Toilets	m ²	-	2,880	\$ -	Included
Laundry	m ²	-	2,780	\$ -	Included
Offices	m ²	-	2,570	\$ -	Included
Loading Dock	m ²	310	2,060	\$ 638,600	
Front of House					
Reception	m ²	385	3,990	\$ 1,536,150	
Guest Rooms	m ²	3,505	3,040	\$ 10,655,200	84 rooms
Function/Meeting/Conference	m ²	665	3,090	\$ 2,054,850	
Gym/Spa/Kids	m ²	430	3,090	\$ 1,328,700	
Restaurant/Café/Bar	m ²	1,150	3,500	\$ 4,025,000	
Retail	m ²	80	2,570	\$ 205,600	
Residential					
Permanent Apartments	m ²	5,100	3,090	\$ 15,759,000	44 apartments
Serviced Apartments	m ²	4,650	3,290	\$ 15,298,500	34 apartments
		18,175	3,053	\$ 55,491,600	
Circulation and Balconies					
- Hotel	m ²	1,005	2,200	\$ 2,211,000	
- Back of House	m ²	620	1,750	\$ 1,085,000	
- Residential	m ²	1,025	2,200	\$ 2,255,000	
- FOH Balconies	m ²	620	770	\$ 477,400	
- Balconies and garden courtyards - Perm Apts.	m ²	1,985	750	\$ 1,488,750	
- Balconies and garden courtyards - Serv.Apts	m ²	1,230	750	\$ 922,500	
		24,660	2,593	63,931,250	
Project Specifics					
Demolish Existing Buildings	m ²	5,245	120	\$ 629,400	
Demolish Existing Car Park Structure	m ²	755	95	\$ 71,725	
Remove Existing On Grade Car Park	m ²	4,350	5	\$ 21,750	
Demolish Existing Pool and Recreation Area	item			\$ 10,000	
Remove Existing Water and Gas Tanks	item			\$ 10,000	
Bulk Excavation & Disposal	m ³	51,000	50	\$ 2,550,000	
Extra over for Excavation in Rock	m ³	41,800	130	\$ 5,434,000	
Tree Removal	no	28	750	\$ 21,000	
New Pool and surround	m ²	520	450	\$ 234,000	
New Trees	no	37	500	\$ 18,500	
Roof					
Plantroom	m ²		1,700	\$ -	incl
STW Retention Tank	m ²	380	500	\$ 190,000	
Lifts & Escalators					
Lifts to serve 3 levels (G,1,2)	no	1	200,000	\$ 200,000	
Lifts to serve 4 levels (2,3,4,5)	no	2	225,000	\$ 450,000	
Lifts to serve 4 levels (G,1,2,3)	no	1	225,000	\$ 225,000	
Lifts to serve 5 levels (1,2,3,4,5)	no	1	250,000	\$ 250,000	
Lifts to serve 5 levels (G,1,2,3,4)	no	2	250,000	\$ 500,000	
Lifts to serve 6 levels (G,1,2,3,4,5)	no	4	300,000	\$ 1,200,000	
Escalators	no	2	250,000	\$ 500,000	Allowance
Dock Leveller	no	1	50,000	\$ 50,000	
Carparking					
Basement/ Car Parking for 279 spaces	m ²	10,340	725	\$ 7,496,500	

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External Works

Roads and Paths	m ²	976	150	\$	146,400	
External Works inc Landscaping	item			\$	450,000	Allowance
Roof Garden	m ²	270	500	\$	135,000	
Porte Cochere	m ²	280	450	\$	126,000	
External Signage	item			\$	20,000	
Road Intersection/Kerb Alignment	item			\$	20,000	

External Services

External Services inc Diversions	item			\$	300,000	Allowance
Trade Waste	item			\$	25,000	
Substation	item			\$	100,000	
UPS	item			\$	50,000	
MATV	item			\$	10,000	
External Lighting	item			\$	100,000	Allowance

ESD

ESD / Environmental Requirements				\$	1,500,000	
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NET BUILDING COSTS

\$ 86,976,000

Preliminaries amd Margin

\$ 11,500,000

TOTAL BUILDING COST

\$ 98,476,000

Professional Fees, Contributions & LSL

11% \$ 10,832,000

FF & E

General FFE (Excluding Artworks)	m2	4,610	200	\$	922,000	Allowance
Guest Room FF&E and OSE	no	84	25,000	\$	2,100,000	
Serviced Apartments FF&E and OSE	no	34	20,000	\$	680,000	
Kitchen Fitout	item			\$	500,000	
Bar Fitout	item			\$	100,000	
Coolrooms	item			\$	50,000	
Laundry Equipment	item			\$	50,000	
Seats and Outdoor Furniture	item			\$	25,000	

TOTAL CONSTRUCTION COST

\$113,735,000