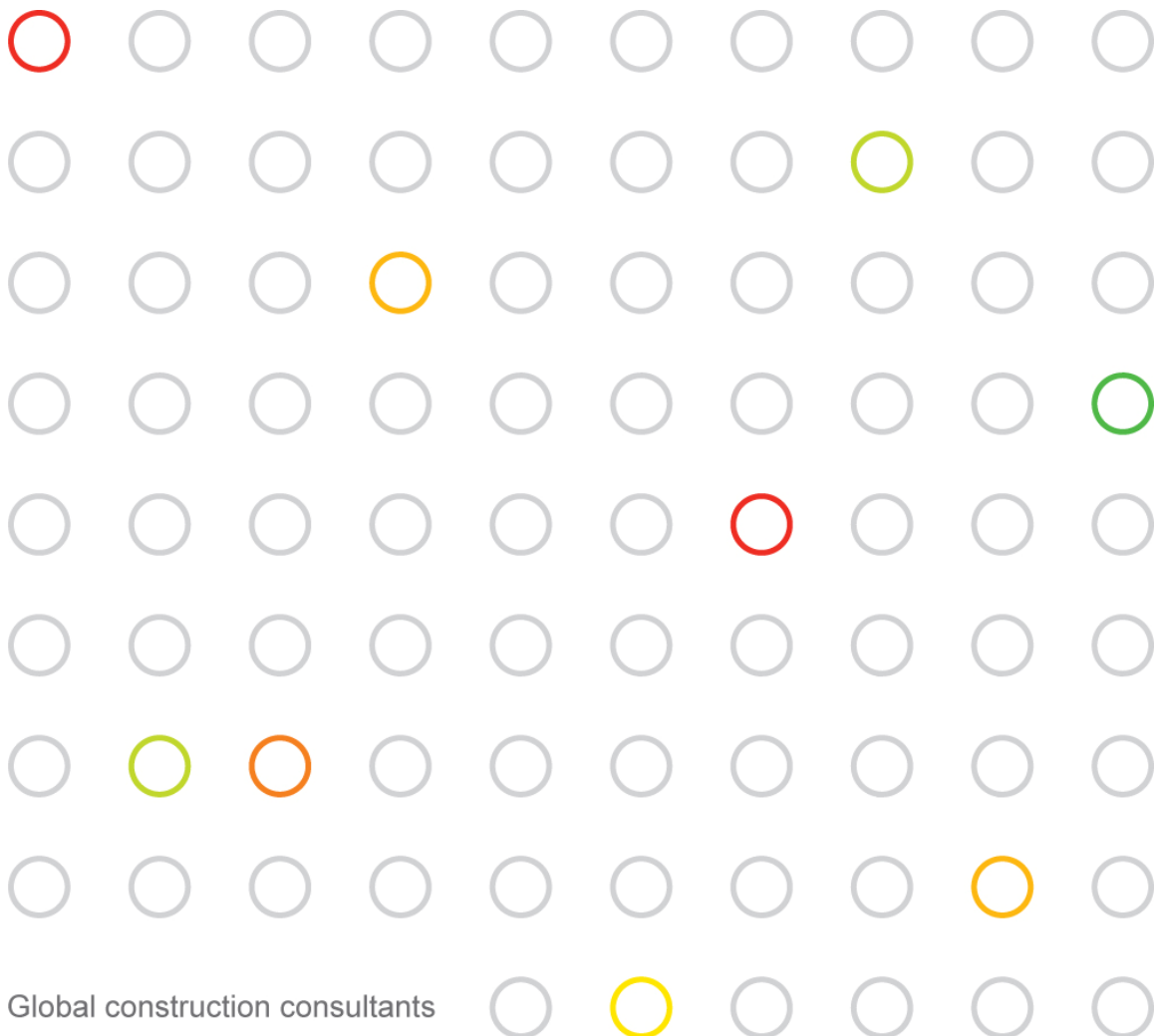


## UTS BROADWAY BUILDING

Capital Investment Value (CIV) - Report | 06 October 2010



Project Contacts	
<b>Client:</b>	University of Technology Sydney
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### Appendix A – Order of Cost Estimate

DL Quality System					
Job Number/Ref:	27267	Revision Number:	2	Issue Date:	06 October 2010
Checked By:	VA	Controlled Doc No:	0	Author:	VA
Distribution:	Sonja Syre, Gregory Graham, Clyde Gunton				

Revision History				
Rev No	Date	Revision Details	Author	Verifier
0	18/06/10	Initial issue	AB	TMc
1	02/09/10	Revised issue – Theatre inclusion	AB	VA
2	06/10/10	Revised issue – Revised DCM Excavation Volume	VA	VA

## INTRODUCTION

Davis Langdon has been engaged by University of Technology Sydney to provide Cost Management services to the proposed development of the Broadway Building. 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 the Bulk Excavation Stage 2 of the development. Stage 1 (demolition) and Stage 3 (main construction works) have been excluded from the cost below. The total Capital Investment Value of \$9.901m for this stage may be summarised as follows:

Demolition & Hazardous Materials removal	429,313
Site Preparation (incl Bulk Excavation & Ground Water Treatment)	7,343,063
Site Services	135,000
New Construction	Excl
External Works	Excl
Roadworks	Excl
Design Contingency	Excl
Preliminaries, Supervision & Margin	1,640,782
<b>Sub-total – Construction Works</b>	<b>\$9,548,158</b>
Statutory Fees	Excluded
Design & Management Fees	160,000
Contingency	485,408
Escalation	50,968
Leasing & Marketing Costs	Excl
Finance Costs	Excl
<b>Sub-total – Applicable Development Costs</b>	<b>\$696,376</b>
<b>TOTAL ESTIMATED CIV</b>	<b>\$10,244,534</b>

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 – Denton Corker Marshall

SK101 – Level 00 Floor Plan  
 SK115 - Level B1 Basement Floor Plan  
 SK116 - Level B2 Basement Floor Plan  
 SK117 - Level B3 Basement Floor Plan  
 SK118 – Level B4 Basement Floor Plan  
 SK119 – Level B2 Mezzanine Floor Plan  
 SK131 – Cross Section AA  
 SK132 – Cross Section BB  
 SK133 – Cross Section CC  
 AK-00254 – Extent of Bulk Excavation (Plan)  
 AK-00265 – Extent of Bulk Excavation (Section 1)  
 AK-00268 – Extent of Bulk Excavation (Section 2)

Revised bulk excavation value of 58,900m<sup>3</sup>.

## DEVELOPMENT NOTES

### Programme

For the purposes of calculating CIV, we have 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
Bulk Excavation	December 2010	May 2011

### 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. 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 Contingency @ 2.5%.
2. Construction Contingency estimated as the likely contingency required for the Development Feasibility @ 2.5%.

## Escalation

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

2010	1.0%
2011	3.0%

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

Marketing costs are excluded from the calculation as they are not applicable to the project.

## 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. Demolition of existing buildings (Stage 1)
4. New Building works (Stage 2)
5. Any services upgrades outside the site boundary
6. 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:
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## **Appendix A**

< Order of Cost Estimate Summaries





**Project : UTS Broadway**

**Cost Plan : Early Works**

**Davis Langdon** 

**Rev : D - 28/09/10**

**Bulk Excavation**

No.	Description	Unit	Elemental Qty	Elemental Rate	Total	\$/m2 GFA
1	Demolition and Site Preparation	m2	2,375.00	47.80	113,525	1.93
2	Substructure	m3	58,900.00	124.67	7,343,063	124.67
3	Services				135,000	2.29
4	Ground water treatment & Hoarding				315,788	5.36
	<b>Sub Total</b>				<b>7,907,376</b>	<b>134.25</b>
5	Preliminaries			15.00	1,186,106	20.14
6	Margin			5.00	454,674	7.72
	<b>Total</b>				<b>9,548,156</b>	<b>162.11</b>
7	Design & management fees				160,000	2.72
8	Design & Construction contingency			5.00	485,408	8.24
9	Escalation			0.50	50,968	0.87
10	Leasing & marketing costs	Excl				
11	Finance costs	Excl				
	<b>Sub Total</b>				<b>696,376</b>	<b>11.83</b>
	<b>CIV Total</b>				<b>10,244,532</b>	<b>173.94</b>
	<b>Total</b>				<b>10,244,532</b>	<b>173.94</b>

**Base Date : 1st Qtr 2010**

**Location Factor : 1.00**

**DL Project No. 27267**

**06-Oct-2010**

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