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22 October 2010

Ref: 210126 North Penrith Development

Ms Nicole Woodrow
LANDCOM
Level 2, 330 Church St
Parramatta NSW 2124

Dear Nicole

**NORTH PENRITH
CAPITAL INVESTMENT VALUE**

As requested, we have prepared a Capital Investment Value report for the proposed redevelopment at North Penrith.

Please do not hesitate to contact me if you have any queries or require further information.

Yours faithfully

CURRIE & BROWN



ERIC LIDDELL

Director

Cc Iain McLean NPC

Capital Investment Value

For

North Penrith

Prepared for:
LANDCOM
October 2010

Currie & Brown (Australia) Pty Ltd

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1 Introduction

Currie & Brown have been engaged to provide an estimate of the Capital Investment Value (CIV) for North Penrith.

Two separate exercises have been undertaken:

- CIV for the entire development - \$423 Million (Appendix A)
- CIV for the Stage 1 Project Application - \$24 Million (Appendix B)

We have based these estimates on briefing notes from discussions with Landcom regarding the project.

Landcom is proposing to develop the site for a new mixed-use, diverse and sustainable urban community. The site will include a diversity of residential buildings, a new community centre, and business opportunities through retail, light industrial and commercial floor space and open spaces to create a transit orientated development adjacent to Penrith railway station.

The currently vacant site covers an area of some 40 hectares. It is located immediately north of Penrith railway station and is ex-Department of Defence land.

2 CIV Definition

The Capital Investment Value is assessed in accordance with the definition of CIV. Capital Investment Value is defined in the Environmental Planning and Assessment Regulation 2000 as:

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 the land dedicated or any other benefit provided under a condition imposed under Division 6 or 6A of Part 4 of the Environmental Planning and Assessment Act or planning agreement under that division*
- b) Costs relating to any part of the development or project that is subject of a separate development consent or project approval*
- c) Land costs (including any costs of marketing or selling land)*
- d) GST (as defined by A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).*

3 Basis of Valuation

The CIV is based on briefing notes and data that have been provided via Landcom

- Worley Parsons, Indicative Costs for Infrastructure Works, dated 8th October 2010.
- Proposed Housing Diversity Plan provided by Landcom
- Project Applications & Staging Plan
- Discussions with Landcom and National Project Consultants.

The methodology for the CIV costing includes the review of the above information and allows for the anticipated yield/mix for all residential, commercial, retail and industrial requirements as detailed. It also makes provision for subdivision specific works and estate major works.

4 Capital Investment Value

4.1 Infrastructure Works

The cost of approximately \$54m is based on the estimated costs developed by Worley Parsons for proposed bulk earthworks, roads, sewer stormwater, water supply, electricity, telecommunications and open space and associated landscaping, Public Art, Community Pavilion, alterations to RailCorp property and Refurbishment of Thornton Hall.

4.2 Development Sites

The cost of approximately \$277m is based on the Construction Cost derived from cost/m² allowances for the proposed residential, retail, commercial and industrial works including allowances for associated car parking and external works.

4.3 Design & Project Management Fees

There is an allowance against the infrastructure costs for consultant fees of \$5.82m or 15% of infrastructure costs.

The consultant design & project management fees for the concept development, authority approvals, and tender documentation, also including tender letting and post contract services/supervision estimated at 15% (\$41.73m).

Nominal Council Fees and Long Service Levy has been allowed for on the basis of 1% of the Total Infrastructure & Development sites costs (\$3.30m)

This totals a combined cost of \$50.85m for Design & Project Management Fees.

4.4 Contingency

The infrastructure allowance for contingency is approximately 25% (\$9.71m).

An allowance of 5% (\$15.90m) for design contingency is included for design development and confirmation of design brief requirements.

A further 5% (\$16.69m) contract allowance is included for any post contract variations and claims during construction.

This totals a combined cost of \$42.30m for Contingency.

4.5 CIV for the Entire Development

Description	Total Costs (\$m)
Infrastructure Works	\$53.54
Development Sites	\$276.49
Construction Sub-Total	\$330.03
Design & Project Management Fees	\$50.85
Contingency	\$42.30
Total	\$422.94
Total CIV	\$423.00

4.6 CIV for the Stage 1 Project Application

We have carried out an estimate to identify the CIV-based costs for those works that will be undertaken by Landcom pursuant to its Stage 1 Project Application.

This work has included the following:

- Infrastructure works for Stage 1 Project Application
- Landscaping to sites OS1, OS3 and 40% of Streetscape costs
- Public Art Stage 1 costs
- Community Centre works
- Contamination remediation works (40% allowance of total costs)

Description	Total Costs (\$m)
Infrastructure Works	\$18.06
Development Sites	Excl.
Construction Sub-Total	\$18.06
Design & Project Management Fees	\$2.22
Contingency	\$3.36
Total	\$23.63
Total CIV for Stage 1 Project Application	\$24.00

Note: The above Stage 1 Project Application costs are included in the CIV for the entire Development.

5 Exclusions

Excluded from the CIV are:

- GST
- Escalation to the start of construction or to the completion of construction (all costs are current at October 2010)
- Land and land-related costs
- Finance and finance-related costs
- Tenancy fitout costs
- Loose furniture & fittings
- Statutory contributions, charges and the like
- Sales & marketing costs.

6 Conclusion

Pursuant to the guidelines for creating a CIV within the Environmental Planning and Assessment Regulations 2000 and DoP Circular PS 10-008, and having reviewed the documentation supplied to us we consider the CIV produced is suitable for the information and reflects current market rates.

Appendix A. Capital Investment Value

Level 10, 67 Albert Ave, Chatswood NSW 2067
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SUMMARY

	No. of Units	Total
Infrastructure Works		
Infrastructure works		38,851,032
Public Art		1,425,000
Landscaping		9,210,000
Contamination Remediation	Provisional	750,000
Refurbishment of Thornton Hall	Provisional	900,000
Alterations to RailCorp Property	Provisional	1,500,000
Community Building	Provisional	900,000
Sub Total Infrastructure Works		53,536,032
Development Sites		
Residential		
House	12	4,187,640
Compact House 3&4 Bed	65	22,244,300
Cottage Duplex/Lot & Small/Zero Lot	141	43,554,900
Townhouse (THL)	96	27,509,760
Townhouse (THS)	36	9,468,000
Rowhouse (RH)	16	3,736,000
Rowhouse Loft (RHL - Including Lofts)	116	20,671,400
Apartment	467	101,321,520
Sub Total Of Units	949	232,693,520
Retail Works		
Retail (Retail space approx. 3,175m2 GFA plus parking)		7,918,988
Commercial Works		
Commercial (Commercial space approx 9,300m2 GFA plus parking)		20,602,650
Industrial Works		
Light Industrial (Approx. 13,731m2 GFA plus external / parking)		15,277,926
Sub Total Development Sites		276,493,084
Sub Total Infrastructure & Development Sites		\$ 330,029,116
Design & Project Management Fees		
Infrastructure Works (15%)		5,827,655
Development Sites (15%)		41,473,963
Nominal Council Fees and Long Service Levy (1%)		3,300,291
Statutory contributions, charges and the like		Excl
Sales and Marketing		Excl
Contingency		
Infrastructure Works (25%)		9,712,759
Development Sites		
Design Contingency (5%)		15,898,352
Contract Contingency (5%)		16,693,270
Total CIV		\$ 422,935,405
Total CIV		\$ 423,000,000

Notes	
<ul style="list-style-type: none"> All Infrastructure Works & related costs provided by Worley Parsons and are as at October 2010 Development Sites & related costs are current as at October 2010 	<ul style="list-style-type: none"> Also Excluded from this CIV are: GST Escalation Land and land-related costs Finance and finance related costs Tenancy fitout costs Loose Furniture & Fittings

Note:
We have assumed that the garage is not included in the Floor Area of the house

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1

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We have assumed that the garage is not included in the Floor Area of the house

1

Level 10, 67 Albert Ave, Chatswood NSW 2067
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ANALYSIS	No. of Units		GFA Per Unit				
	16		115				
	Gross Floor Area (m2)		1,840				
Building Works	No. Units	GFA	Rate	Total	Total	%	\$/m2 GFA
Stage 1							
Block B10	3	115	1,640.00	565,800	565,800	15.14%	
Block C1	1	115	1,640.00	188,600	188,600	5.05%	
Block C2	1	115	1,640.00	188,600	188,600	5.05%	
Block C5	6	115	1,640.00	1,131,600	1,131,600	30.29%	
Stage 2 a,b,c & d							
Block B1	1	115	1,640.00	188,600	188,600	5.05%	
Block C6	4	115	1,640.00	754,400	754,400	20.19%	
Allowance for Garage works	16	20	670.00	214,400	214,400	5.74%	
Allowance for external works within the site boundary	16	150	210.00	504,000	504,000	13.49%	
Sub Total Cost Per Unit			2,030.43	233,500	3,736,000		2,030.43

Note:
We have assumed that the garage is not included in the Floor Area of the house

ANALYSIS			No. of Units	GFA Per Unit	Total GFA					
	Rowhouse		59	160	9,440					
	Loft		57	70	3,990					
					Gross Floor Area (m2)			13,430		
Building Works	No. Units	GFA	Rate	Total	Total	%	\$/m2 GFA			
Stage 1										
Block B7	6	160	1,480.00	1,420,800	1,420,800	6.87%				
Block B8	4	160	1,480.00	947,200	947,200	4.58%				
Block B10	6	160	1,480.00	1,420,800	1,420,800	6.87%				
Block C1	4	160	1,480.00	947,200	947,200	4.58%				
Block C2	7	160	1,480.00	1,657,600	1,657,600	8.02%				
Block C4	3	160	1,480.00	710,400	710,400	3.44%				
Stage 2 a,b,c & d										
Block B1	6	160	1,480.00	1,420,800	1,420,800	6.87%				
Block B2	3	160	1,480.00	710,400	710,400	3.44%				
Block B3	3	160	1,480.00	710,400	710,400	3.44%				
Block B4	2	160	1,480.00	473,600	473,600	2.29%				
Block B6	6	160	1,480.00	1,420,800	1,420,800	6.87%				
Block B9	6	160	1,480.00	1,420,800	1,420,800	6.87%				
Block C6	3	160	1,480.00	710,400	710,400	3.44%				
					59					
Sub Total Apartments										
Stage 1										
Block B7	6	70	1,280.00	537,600	537,600	2.60%				
Block B8	6	70	1,280.00	537,600	537,600	2.60%				
Block B10	6	70	1,280.00	537,600	537,600	2.60%				
Block C1	4	70	1,280.00	358,400	358,400	1.73%				
Block C2	3	70	1,280.00	268,800	268,800	1.30%				
Block C4	3	70	1,280.00	268,800	268,800	1.30%				
Stage 2 a,b,c & d										
Block B1	6	70	1,280.00	537,600	537,600	2.60%				
Block B2	3	70	1,280.00	268,800	268,800	1.30%				
Block B3	3	70	1,280.00	268,800	268,800	1.30%				
Block B4	2	70	1,280.00	179,200	179,200	0.87%				
Block B6	6	70	1,280.00	537,600	537,600	2.60%				
Block B9	6	70	1,280.00	537,600	537,600	2.60%				
Block C6	3	70	1,280.00	268,800	268,800	1.30%				
Sub Total Lofts Including Garage					57					
There is no allowance for garage works as this forms part of the loft building cost						-	0.00%			
Nominal Council Fees and Long Service Levy (1%)					59	180	150.00	1,593,000	1,593,000	7.71%
Sub Total Cost Per Unit				1,539.20	356,403	20,671,400		1,539.20		

NOTE:
Assume that the Loft area includes the garage area
Assumed that Lofts are all 2 bed

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ANALYSIS		No. of Units	GFA Per Unit	Total GFA			
	3-5 Storey	100	98	9,775			
	3 Sty (with undcrft carpark)	300	98	29,325			
	3 Sty (with srfce carpark)	67	67	4,489			
Floor Area (m2)				43,589			
Building Works	No. Units	GFA	Rate	Total	Total	%	\$/m2 GFA
3-6 Storey (with underground carpark)	100	98	2,000.00	19,550,000	24,740,000	24.42%	
Carpark (100 x 30 SQ.M. = 3,000)		3,000	1,530.00	4,590,000			
External site works (30 Apt = 1800m²... 100 Apt = 6,000m²)		6,000	100.00	600,000			
3 -5 Storey (with undercroft carpark)	300	98	2,000.00	58,650,000	63,747,000	62.92%	
carpark (300 x 25 SQ.M. = 6,800)		7,500	510.00	3,825,000			
External site works (46 Apt = 1950m²... 300 Apt = 12,720m²)		12,720	100.00	1,272,000			
3 Storey (with surface carpark)	67	98	1,840.00	12,050,620	12,834,520	12.67%	
carpark (included in external works)							
External site works (10 Apt = 900m²... 67 Apt = 6,030m²)		6,030	130.00	783,900			
Sub total	467						
Sub Total Cost Per Unit				222,196	101,321,520		2,324.47
Note:							

ANALYSIS

Total GFA	
Block T1 (GFA)	1,700
Block T1 (GFA)	900
Block T2 (GFA)	575

	Floor Area (m2)				3,175		
Building Works	No. Units	Qty	Rate	Total	Total	%	\$/m2 GFA
Retail - Supermarket Block T1 (GFA)	1	1,700	1,790.00	3,043,000	3,043,000	38.43%	
Retail - Speciality Block T1 (GFA)	1	900	1,890.00	1,701,000	1,701,000	21.48%	
Block T2 (GFA)	1	575	1,890.00	1,086,750	1,086,750	13.72%	
Car Parking (assume 60% of 1 per 40m2 GFA)							
assume 50% on grade (1 car space 25m2)	1	595	160.00	95,250	95,250	1.20%	
assume 50% in basement (1 car space 30m2)	1	714	1,650.00	1,178,719	1,178,719	14.88%	
External Site Works Allowance for external works	1	8,143	100.00	814,269	814,269	10.28%	
Sub Total			2,494.17	7,918,988	7,918,988		2,494.17
-							

ANALYSIS					Total GFA		
					Block A7 (GFA)	400	
					Block T1 (GFA)	2,200	
					Block T2 (GFA)	1,300	
					Block T6 (GFA)	5,400	
					Floor Area (m2)	9,300	
Building Works	No. Units	Qty	Rate	Total	Total	%	\$/m2 GFA
Commercial	1	9,300	1,840.00	17,112,000	17,112,000	83.06%	
Car Parking							
(assume 60% of 1 per 40m2 GFA)							
assume 50% on grade (1 car space 25m2)	1	1,744	160.00	279,000	279,000	1.35%	
assume 50% in basement	1	2,093	1,530.00	3,201,525	3,201,525	15.54%	
(1 car space 30m2)							
External Site Works							
Allowance for external works	1	101	100.00	10,125	10,125	0.05%	
(4,045m2 area as external works for							
T1 & T2 covered in retail & T6 is assumed							
be over 3 storeys)							
Sub Total			2,215.34	20,602,650	20,602,650		2,215.34
							-

Note:

ANALYSIS

Total GFA
13,731

Building Works	Floor Area (m2)				13,731		
	No. Units	Qty	Rate	Total	Total	%	\$/m2 GFA
Office area (say 20%) (13,731 x 20%)	1	2,746	1,690.00	4,641,078	4,641,078	30.38%	
Warehouse area (say 80%) (13,731 x 80%)	1	10,985	870.00	9,556,776	9,556,776	62.55%	
Car Park (assume 60% of 1 per 75m2 GFA x 25m2 on grade carparking)	1	2,746	160.00	439,392	439,392	2.88%	
External Site Works (assume 22,884m2 site area)	1	6,407	100.00	640,680	640,680	4.19%	
Sub Total			1,112.66	15,277,926	15,277,926		1,112.66

Note:

Appendix B. Capital Investment for the Stage 1 Project Application Works

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SUMMARY

	No. of Units	Total
Stage 1 Works		
Infrastructure works		13,435,052
Landscaping		2,900,000
Public Art		525,000
Contamination & Remediation	Provisional	300,000
Community Building	Provisional	900,000
Sub Total Stage 1 works		18,060,052
Infrastructure Works		
Infrastructure works - remaining stages		Excl
Public Art - remaining stages		Excl
Landscaping - remaining stages		Excl
Contamination & Remediation - remaining stages		Excl
Refurbishment of Thornton Hall		Excl
Alterations to RailCorp Property		Excl
Sub Total Infrastructure Works		-
Development Sites		
Residential		
House		Excl
Compact House 3&4 Bed		Excl
Cottage Duplex/Lot & Small/Zero Lot		Excl
Townhouse (THL)		Excl
Townhouse (THS)		Excl
Rowhouse (RH)		Excl
Rowhouse Loft (RHL - Including Lofts)		Excl
Apartment		Excl
Sub Total Of Units		-
Retail Works		
Retail		Excl
Commercial Works		
Commercial		Excl
Industrial Works		
Industrial		Excl
Sub Total Development Sites		-
Sub Total Infrastructure & Development Sites Stage 1		\$ 18,060,052
Design & Project Management Fees Stage 1		
Infrastructure Works (15%)		2,015,258
Development Sites		Excl
Nominal Council Fees and Long Service Levy (1%)		200,753
Statutory contributions, charges and the like		Excl
Sales and Marketing		Excl
Contingency Stage 1		
Infrastructure Works (25%)		3,358,763
Development Sites		
Design Contingency		Excl
Contract Contingency		Excl
Total Indicative CIV		\$ 23,634,826
Total CIV for Stage 1 Project Application		\$ 24,000,000

Notes

- All Infrastructure Works & related costs provided by Worley Parsons and are as at October 2010
- Development Sites & related costs are current as at October 2010
- Excluded from this CIV are:
 - GST
 - Escalation
 - Land and land-related costs
 - Finance and finance related costs
 - Tenancy fitout costs
 - Loose Furniture & Fittings