

Ref: 2325.CMS001/SN

7th January 2011

Robertson + Marks Architects Pty Ltd
Ground Floor
11-17 Buckingham Street
SURRY HILLS, NSW 2010

Attention: Mr. Ian Farrelly

Dear Ian,

**Re: Shepherds Bay Urban Renewal, Meadowbank
Quantity Surveyor's Report on Capital Investment Value**

Further to our Report on the Capital Investment Value dated 19th November 2010, and as discussed, we write to confirm the following:

- The meaning of the Capital Investment Value in our report is as per the definition of Capital Investment Value as defined by the Environmental Planning and Assessment Regulations 2000.
- The Capital Investment Value as stated in our report has been calculated in accordance with the terms of this definition.

We trust this clarifies the queries raised by the Department of Planning. Should you require any further information, please do not hesitate to contact us.

Yours faithfully

ALTUS GROUP COST MANAGEMENT PTY LTD.

A handwritten signature in blue ink, appearing to read 'Stephen Ngai'.

Stephen Ngai
Director

Ref: 2325.CMS001/SN

19 November 2010

Robertson + Marks Architects Pty Ltd
Ground Floor
11-17 Buckingham Street
SURRY HILLS, NSW 2010

Attention: Mr. Ian Farrelly

Dear Ian,

**Re: Shepherds Bay Urban Renewal, Meadowbank
Quantity Surveyor's Report on Capital Investment Value**

We refer to the Master Plan for the above issued to this office and the related development statistics.

We are pleased to submit herewith our Report on the Capital Investment Value for your information and onward submission to the Minister of Planning.

Please note that our report was based on a selected unit mix for the purpose of cost estimation. We understand that the total unit numbers may vary across the future developments where unit types and mix alter in response to changing site conditions and market demand.

We also attach a summary of the corresponding estimated cost for Stage 1 for your information.

Should you require any clarification or further information, please do not hesitate to contact us.

Yours faithfully

ALTUS GROUP COST MANAGEMENT PTY LTD.



Stephen Ngai
Director

Encl.

Quantity Surveyor's Report – Capital Investment Value

Shepherds Bay Urban Renewal Meadowbank

for

Robertson + Marks Architects

Reviewed by: Stephen Ngai	Job No. 2325.CMS001
ISSUE SCHEDULE	
Document Title	Issue Date
Quantity Surveyor's Report – Capital Investment Value	19 November 2010

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Shepherds Bay Urban Renewal, Meadowbank

Estimate of Capital Investment Value

1 Introduction

Altus Page Kirkland was requested by Robertson + Marks Architects to prepare a Quantity Surveyor's Report on the Capital Investment Value for the proposed re-development of the precinct bound by Constitution Road, Belmore Street, Rothesay Avenue and Bowden Street to the west, Shepherds Bay, Meadowbank.

2 Executive Summary

The estimated Capital Investment Value as at 19th November 2010 is **\$885,542,000 excluding GST**.

3 Project Scope

This Capital Investment Value Estimate is prepared for the proposed residential re-development at the Shepherds Bay, Meadowbank site and comprises the following:

1. Residential Apartment blocks varying from low rise to high rise buildings with a total Gross Floor Area of 307,908m².
2. The residential apartment blocks produce a total of between 2,500 to 2,600 units based on the following apartment mix:
 - 1 bed – 10%
 - 2 bed – 75%
 - 3 bed – 15%
3. Commercial spaces with a total Gross Floor Area of 10,000m².
4. A total of 4,472 undercover car spaces including 658 visitor carparking and 250 commercial carparking.

4 Basis of the Estimate

The Cost Estimate for the Capital Investment Value of the proposed development has been based on the following information:

- Shepherds Bay Master Plan prepared by Robertson + Marks Architects dated 2 September 2010.
- Development Statistics : Summary prepared by Robertson + Marks Architects received on 18 November 2010.
- Commercial spaces of 10,000m² and 250 commercial car spaces as per Robertson + Marks Architects email dated 20 October 2010.

Shepherds Bay Urban Renewal, Meadowbank

Estimate of Capital Investment Value

The cost estimate is priced at market rates as at today's date on the basis of competitive lump sum tenders.

Considering that this estimate is based on master planning developable area instead of full detailed design information, we recommend that more detailed cost plan should be prepared once concept and detailed design is developed including, but not limited to, structural, services, geotechnical, environmental including development consent conditions.

5 Exclusions

1. Land costs and land acquisition costs
2. Interest, finance, legal fees
3. Marketing costs
4. Council Contributions
5. Diversion and amplification of existing services
6. Removal of contaminants and hazardous materials
7. Extreme geotechnical conditions
8. Works outside site boundaries
9. Loose fitments and furniture
10. GST
11. Escalation from date of this estimate to actual date of commencement of construction

Appendix A

Cost Estimate Summary



SHEPHERDS BAY URBAN RENEWAL, MEADOWBANK

INDICATIVE ESTIMATE OF CAPITAL INVESTMENT VALUE

	No. of Units/ Element Qty	Element Unit	Total Area (GFA) *	Unit Cost	Total Cost (Excl. GST)	Total Cost (Excl. GST)
New Built Elements			m2			
Residential Apartments	2,661	No	307,908	1,950	600,420,600	
Residential and Non-Residential Carparking (Basement)	4,472	No		35,000	156,520,000	
Commercial Spaces			10,000	2,200	22,000,000	
Sub-Total						778,940,600
Demolition & Site Preparation Works						
Demolition of existing buildings (approx. area)	62,562	m2		80	5,004,960	
Sub-Total						5,004,960
Infrastructure						
Civil/ Infrastructure Works per APK/consultants assessment (see attached sheet)	1	Item		28,000,000	28,000,000	
Sub-Total						28,000,000
External Works and Landscaping						
External works/ Open Space Works	32,000	m2		250	8,000,000	
Sub-Total						8,000,000
Total Construction Cost						819,945,560
Design, Professional & Authorities Fees						
Design, Professional & Authorities Fees (8%)					65,596,000	
Sub-Total						65,596,000
Total GFA			317,908			
Total Estimated Capital Investment Value					885,541,560	885,541,560

Notes:

Preliminaries & Builder's Margin Included
Escalation during construction included
Escalation from date of estimate to actual commencement of construction excluded

* See definitions of GFA in Appendix B

Shepherds Bay Urban Renewal
Estimated Cost of Infrastructure

Element	Description	Quantity	Unit	Rate	Amount	Total
Road Reservation						
	Earthwork	14,820	m2	15	222,300	
	Box out verge	960	m	10	9,600	
	Box out road pavement	960	m	25	24,000	
	Topsoil over verge	2,940	m2	3	8,820	
	Trim, compact sub-grade (pavement & footpath)	11,880	m2	2	23,760	
	40mm AC10 + 120mm DGB basecourse + 220mm DGB40 sub-grade + seal	7,882	m2	70	551,740	
	Kerb + gutter	1,920	m	65	124,800	
	Subsoil drain	1,920	m	30	57,600	
	Drain pits	50	No.	2,000	100,000	
	Drainage line	960	m	200	192,000	
	Verge landscape	2,940	m2	45	132,300	
	Allow for trees	320	No.	350	112,000	
	Footpaths	3,998	m2	80	319,840	1,878,760
Furniture						
	Allow for street furniture and signs	960	m	200	192,000	192,000
Roundabouts						
	Roundabout	2	No.	350,000	700,000	700,000
Sundries						
	Allow for Belmore Street Upgrade	160	m	3,000	480,000	
	Allow for Bowden Road Kerb & Gutter Reconstruction	330	m	500	165,000	645,000
	Allow for sundry and misc (10%)					341,576
	Allow for retaining walls and earthworks					300,000
	Allow for new and existing roads connections	10	No.	25,000	250,000	250,000
					Sub-total	4,307,336
	Traffic Management (10%)					430,734
	Preliminary, Supervision and Margin (allow 18%)					852,853
					Sub-total	5,590,922
					Say	5,600,000
Hydraulics (Estimated cost per Floth)						
	Water Services				1,014,750	
	Sewer Drainage				1,117,750	
	Gas Services				476,700	
	Developer Contributions				500,000	
	Contingency (10%)				310,920	
				Sub-total	3,420,120	3,500,000
Electrical and Comms (Estimated cost per Floth)						
	HV/LV Conduits & Street Lights				1,439,870	
	HV Mains				334,950	
	Comms Conduits				389,700	
	HV Feeders from Zone Substation				5,000,000	
				Sub-total	7,164,520	7,200,000
Flood Path						
	Allowance for Overland Flow Path (from Constitution Road to River excluding Upstream)					2,500,000
Stormwater Services						
	Allowance for Stormwater Services Amplifications					1,500,000
Foreshore Public Open Space						
	Foreshore Landscape and Boardwalk	1	Item		3,500,000	
	Foreshore Park and Eat Street Plaza	2,000	m2	350	700,000	
	Central Park & Play Parks	3,820	m2	250	955,000	
				Sub-total	5,155,000	5,155,000
				Sub-total		25,455,000
	General & Contingency (10%)					2,545,500
	Design Fees					Excl.
				Total Cost (Excl. GST)		28,000,500

EXCLUSIONS:

Land Costs, Finance and Interest
 Authorities Fees; DA and CC Costs
 Legal Fees
 Archeological and heritage conservation assessment and works
 Contribution and Charges
 Roads and footpaths and landscape works within lot boundaries
 Works to seawall
 Constitution Road Regrading (assume Council reconstruct road to meet new development levels)
 Flood strategy works upstream of Constitution Road
 Escalation from date of estimate to actual date of commencement of works
 GST

Appendix B

Definitions of Areas

The term **Gross Floor Area (GFA)** used in this document is the sum of the “Fully Enclosed Covered Area” and “Unenclosed Covered Area” as defined below.

Fully Enclosed Covered Area (FECA)

The sum of all such areas at all building floor levels, including basements (except unexcavated portions), floored roof spaces and attics, garages, penthouses, enclosed porches and attached enclosed covered ways alongside buildings, equipment rooms, lift shafts, vertical ducts, staircases and any other fully enclosed spaces and usable areas of the building, computed by measuring from the normal inside face of exterior walls but ignoring any projections such as plinths, columns, piers and the like which project from the normal inside face of exterior walls.

It shall not include open courts, light wells, connecting or isolated covered ways and net open areas of upper portions of rooms, lobbies, halls, interstitial spaces and the like which extend through the storey being computed.

Unenclosed Covered Area (UCA)

The sum of all such areas at all building floor levels, including roofed balconies, open verandahs, porches and porticos, attached open covered ways alongside buildings, undercrofts and usable space under buildings, unenclosed access galleries (including ground floor) and any other trafficable covered areas of the building which are not totally enclosed by full height walls, computed by measuring the areas between the enclosing walls or balustrade (ie from the inside face of the UCA excluding the wall or balustrade thickness). When the covering element (ie roof or upper floor) is supported by columns, is cantilevered or is suspended, or any combination of these, the measurements shall be taken to the edge of the paving or the edge of the cover, whichever is the lesser.

UCA shall not include eaves overhangs, sun shading, awnings and the like where these do not relate to clearly defined trafficable covered areas, nor shall it include connecting or isolated covered ways which are elements of external works or outbuildings.

The definitions of FECA and UCA above are consistent with the definitions in the Australian Cost Management Manual published by the Australian Institute of Quantity Surveyors.

It should be noted that local councils or authorities may adopt other definitions for Gross Floor Area for the purposes of floor space ratio calculations or the likes.

SHEPHERDS BAY URBAN RENEWAL, MEADOWBANK

INDICATIVE ESTIMATE OF CAPITAL INVESTMENT VALUE PRECINCT 1 (STAGE 1)

	No. of Units/ Element Qty	Element Unit	Total Area (GFA) *	Unit Cost	Total Cost (Excl. GST)	Total Cost (Excl. GST)
			m2			
New Built Elements						
Residential Apartments	242	No	31,704	1,950	61,822,800	
Residential and Non-Residential Carparking (Basement)	386	No		35,000	13,510,000	
Sub-Total						75,332,800
Demolition & Site Preparation Works						
Demolition of existing buildings (approx. area)	28,000	m2		80	2,240,000	
Sub-Total						2,240,000
Infrastructure						
Civil/ Infrastructure Works per APK/consultants assessment (see attached sheet)	1	Item		2,447,000	2,447,000	
Sub-Total						2,447,000
External Works and Landscaping						
External works/ Open Space Works	2,985	m2		250	746,250	
Sub-Total						746,250
Total Construction Cost						80,766,050
Design, Professional & Authorities Fees						
Design, Professional & Authorities Fees (8%)					6,461,000	
Sub-Total						6,461,000
Total GFA			31,704			
Total Estimated Capital Investment Value					87,227,050	87,227,050

Notes:

Preliminaries & Builder's Margin Included
Escalation during construction included
Escalation from date of estimate to actual commencement of construction excluded

* See definitions of GFA in Appendix B