

05 August 2010

Mr Graham Nicholas  
General Manager  
NBRS + Partners  
Level 3, 4 Glen Street  
Milsons Points NSW 2061

Level 5 100 Pacific Highway  
NORTH SYDNEY NSW 2060  
PO Box 1891  
NORTH SYDNEY NSW 2059

T: +61 (2) 9956 8822  
F: +61 (2) 9956 8848

[www.davislangdon.com](http://www.davislangdon.com)  
[syd@davislangdon.com.au](mailto:syd@davislangdon.com.au)

Dear Graham

**Proposed Residential Development – 76 Belmore Street Meadowbank  
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 \$155m 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



Andy Lappas  
Principal

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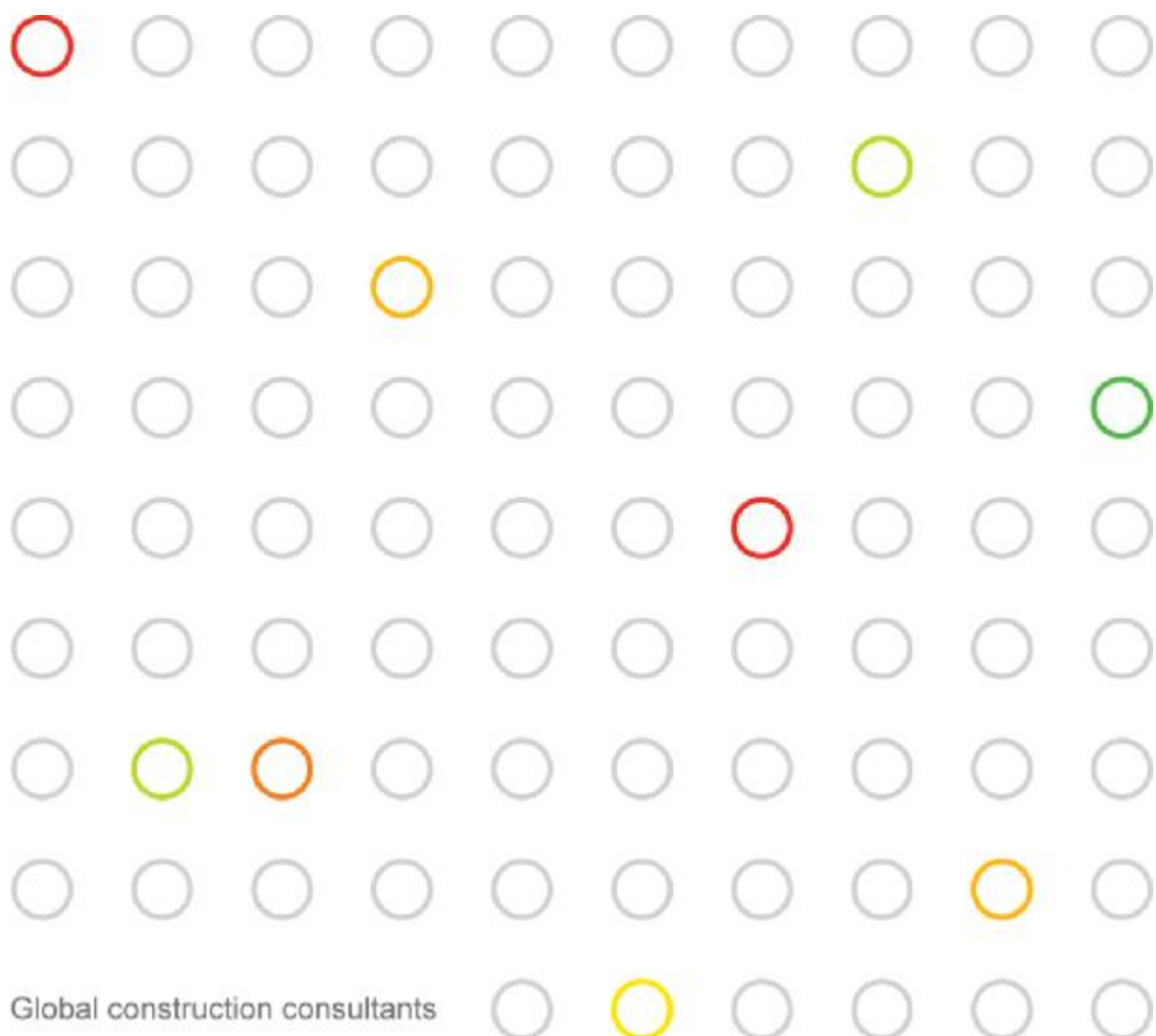
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## PROPOSED RESIDENTIAL DEVELOPEMENT

76 BELMORE ST MEADOWBANK

Capital Investment Value (CIV) - Report | 05 August 2010



Project Contacts	
<b>Client:</b>	Achieve Australia
<b>Project Manager:</b>	N/A
<b>Architect:</b>	NBRS + Partners
<b>Structural Engineer:</b>	NA
<b>Services Engineer:</b>	NA
<b>Cost Manager:</b>	Davis Langdon

## CONTENTS

INTRODUCTION	2
CAPITAL INVESTMENT VALUE (CIV)	3
Definition	3
Calculation of CIV	3
INFORMATION USED IN PREPARATION THE ESTIMATE	4
DEVELOPMENT NOTES	4
Programme	4
Statutory Fees	4
Consultant & Management Fees	4
Contingencies	5
Escalation	5
Marketing Costs	5
Financial Costs	5
SPECIFIC EXCLUSIONS	6
REPORT PARAMETERS	6

Appendix 1 – Order of Cost Estimate

Appendix 2 – Area Schedule

DL Quality System					
Job Number/Ref:	27413	Revision Number:	0	Issue Date:	04 August 2010
Checked By:	Andy Lappas	Controlled Doc No:	0	Author:	Kent Yuen
Distribution:					

Revision History				
Rev No	Date	Revision Details	Author	Verifier
	04/08/10	Initial issue	Kent Yuen	Andy Lappas
	05/08/10	Minor amendments	Kent Yuen	Andy Lappas

## INTRODUCTION

Davis Langdon has been engaged by Achieve Australia to provide a Feasibility Estimate service for the proposed residential development at 76 Bemoire St Meadowbank which comprises 14 x 6 to 8 storeys buildings with a 2 level basement carpark, heritage building refurbishment and associated external works. 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 clause 3(2)(a) of State Environmental Planning Policy (Major Development) 2005 as:

*“the **capital investment value** of development includes all costs necessary to establish and operate the development, including the 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)”.*

### Calculation of CIV

To calculate CIV, Davis Langdon has prepared an Order of Cost Estimate for the proposed residential development incorporating both demolition and construction works in accordance with Part 3 A of the Environmental Planning and Assessment Act 1979.

The total Capital Investment Value of \$155m for the entirely project is summarised as follows:

#### A. Construction Cost

	\$
Block A (6 levels)	6,512,747
Block B (6 levels)	6,512,747
Block C (6 levels)	4,179,074
Block D (6 levels)	5,570,238
Block E (6 levels)	6,512,747
Block F (4 & 6 levels)	6,013,039
Block G (4 & 6 levels)	6,013,039
Block H (4 & 6 levels)	6,013,039
Block I (4 & 6 levels)	5,041,801
Block J (8 levels)	8,592,545
Block K (8 levels)	8,592,545
Block L (8 levels)	8,592,545
Block M (5 & 7 levels)	6,977,689
Block N (5 & 7 levels)	6,977,689
Basement carpark	24,453,406
Gymnasium – Extension	729,613
Heritage Building refurbishment	1,286,964
External works	2,412,276
External Services	4,238,318
Demolition	1,165,172
<b>Sub-total – Construction Works</b>	<b>\$126,387,233</b>

## B. Project Development Cost

Development Management Fees	5,055,489
Consultant Fees	16,430,340
Construction Contingency	6,319,362
Long Services levy (LSL)	442,355
Escalation	Excl.
Sub-total – Project Development Costs	\$28,247,546
<b>TOTAL ESTIMATED CIV (A+B)</b>	<b>\$154,634,779</b>

## INFORMATION USED IN PREPARATION THE ESTIMATE

The following provided information has been used in the preparation of this estimate:

A) Architectural Concept Master plan issued by NBRSPartners

ASK_009	Basement B1 Plan
ASK_010	Basement B2 Plan
ASK_011	Typical floor Plan
ASK_012	Renovation Plan
ASK_017	Site Plan
ASK_018	Sections /Elevations

B) The area schedule based on Architectural briefing and comments. (Copy include in appendix 2)

## DEVELOPMENT NOTES

### Programme

The development programme remain in absence, therefore we have assumed a single staged development.

### Statutory Fees

Statutory Fees are excluded from the calculation in accordance with the definition of Capital Investment Value (CIV).

### Consultant & Management Fees

The Consultant & Management Fees are based on similar development of this size and nature. The consultant & management fees comprise the following:

1. Consultant fees for design
2. Project Management & Quantity Surveying Fees
3. Development Management Fees

## Contingencies

The calculation of CIV includes the following contingencies:

Design and construction contingency at 5% respectively. This is general practice in the construction industry.

## Escalation

For the purpose of this calculation and without a development programme we have excluded escalation beyond Aug 2010.

The following forecast will be taken into account once a development programme becomes available

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

## Marketing Costs

Marketing costs have not been considered and are currently excluded from our calculation.

## Financial Costs

Financial costs are excluded from the calculation in accordance with the definition of CIV.

## SPECIFIC EXCLUSIONS

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

1. Land & legal costs
2. Land remediation cost
3. Financial costs and holding charges
4. Works outside site boundaries (unless noted otherwise)
5. Public art allowance
6. Loose furniture & fittings (FF&E)
7. Part 3A application fee
8. Section 94 contribution
9. Section 73 contribution
10. Escalation costs beyond Aug 2010
11. Goods and Services Tax

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## **Appendix 1**

### Order of Cost Estimate



## **Appendix 2**

### Area Schedule

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	Brisbane	+61 7 3221 1788
	Cairns	+61 7 4051 7511
	Canberra	+61 2 6257 4428
	Darwin	+61 8 8981 8020
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