

Re:

PRELIMINARY COST PLAN

For

KIRRAWEE BRICK PIT

3 November 2010

Prepared for: Hanroth Investments

Prepared by: John Meredith / Senior Estimator / Senior Associate
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Our reference: jf; 11424.1 - November 2010 Report

1.0 INTRODUCTION

- 1.1 This report is to provide a preliminary order of cost and cost plan for the redevelopment of the Kirrawee Brick Pit.
- 1.2 The site is a prominent site situated at the corner of the Princess Highway and Oak Road at Kirrawee and has Flora Street as the southern boundary. The site has been vacant for a number of years. The site has an area of about 42,850 m2 and the deep brick pit has an area of about 18,400 m2.
- 1.3 The proposals are;
 1. To provide a dedicated open space and public park in the SW corner with an area of about 9,000 m2.
 2. To provide a single retail precinct including a full line supermarket, a smaller discount supermarket and a discount mini major with a range of speciality shops, cafes and associated parking and facilities.
 3. To provide a small and limited area of neighbourhood commercial space and associated parking.
 4. To provided 450 residential units and the associated car parking and the associated facilities.
 5. To develop and provide the necessary site infrastructure and ancillary site works and services.
- 1.4 The existing site retains the remnant of the existing the brick pit and some footings and in ground structures from the earlier brick works. The site contains remnants of the earlier forests at the SW and Oak Road and Flora Street corners and this forest remnant is to be preserved and retained.
- 1.5 The existing brick pit is currently contains about 42,000 m3 of water and the water will need to be treated and disposed of and pumped to a suitable outlet. The stability of the cut faces of the brick pit would bed to be examined and verified by a geotechnical engineer.
- 1.6 The volume of fill to the brick pit is about;
 1. The park site to RL 92 – RL 100 the existing ground level
= 60,000 m3
 2. The residual site to RL 92 or the lowest basement is about
= 47,500 m3

- 1.7 The sources of the required fill are at this stage undefined and would be possible to be managed to minimise the impact and to minimise the need for imported fill. All fill would be clean and preferably VENM and free of contamination.

2.0 SCOPE OF WORK

- 2.1 The scope of work would need to be staged to manage the work and market conditions. This preliminary cost plan has not addressed the implications of the staging and the various staging options.
- 2.2 For the purposes of this cost plan we have adopted the following cost centres;
1. The site preparations including dewatering, site protection and bulk earthworks including a drainage line and gross pollutant trap to the stormwater drainage area.
 2. The work to retain and fill the “park area” including the associated structural and landscape works.
 3. The construction of the main basement residential and retail car parking areas with the associated services. The location to be defined and are assumed as open secured parking and not Lock up garages and the visitor parking would be secured.
 4. A new retail area and associated commercial works including a roof transfer slab over the retail to provide a secured and landscaped area.
 5. The site residential units and associated facilities. The units are seen as providing good “average commercially acceptable quality” and included the principles of good ESD principles with solar protection.
 6. The site and public infrastructure including landscape works, site services and site facilities.

3.0 SITE PREPARATION

- 3.1 The site preparation cost have been assessed and on a full site basis and include the necessary site clearance, dewatering and drainage.
- 3.2 We have assumed that the water can be pumped to a local drainage system after being treated and monitored.

- 3.3 The costs include the necessary fill to the basement levels and exclude any ground water treatment.

4.0 THE PUBLIC PARK

- 4.1 The proposal is to provide a public park open space with an area of 9,000 m² situated at the corner of Oak Road and Flora Street. The park would include the remnants of the mature native forest.
- 4.2 The park would be extensively landscaped and services and would provide a through site link to the retail precinct and the railway.
- 4.3 There are two options for the proposed public park;

Option 1

The necessary site clearance and dewatering has been included in the initial site preparation and the apportionment of the costs may be based on an area of scope basis.

The site may be filled to the natural ground levels with clean fill. We have adopted the use of "reinforced earth" retaining walls to the eastern wall and the importation of clean granular engineered fill to the required level.

The fill to the footing and base level would need to be completed as part of the remaining site filling.

The retention of the northern bank outside the park boundary would need to be designed in accordance with the staging of the development and we have included an allowance for a retaining wall to the upper level only and that the site would be filled to the future basement and road levels as part of the initial site works.

The site is landscaped and paved to a future design.

Option 2

Option two is as above but includes provision for secured underground commuter and basement car park.

The car park area has been limited to the existing quarry site and assumed a ventilated reinforced concrete structure with imported fill and landscaping over. We have included an allowance for public and disabled access to the car park.

The parking for 200 cars

4.4 Budget;

	Option 1 Filled site and park	Option 2 Filled site with basement commuter parking and park
Earth walls and filling	3,900,000	2,700,000
Park and associated works	2,400,000	2,400,000
Add for basement parking for 200 cars including services		8,500,000
	6,300,000	13,600,000
Add for design and professional fees	700,000	1,400,000
Add for risk and contingency	700,000	1,200,000
	\$7,700,000	16,200,000

4.5 The above costs exclude;

- a) Land and legal costs
- b) Finance and holding costs
- c) Cost escalation from October 2010
- d) Public works and ongoing maintenance and operating costs
- e) Connections to the future development
- f) Staging and phasing costs
- g) The impact of any special contract conditions
- h) The provision of water storage, solar generator and security other
that the monitoring and controls
- i) The impact of the GST that is currently 10%

5.0 RESIDENTIAL UNITS

- 5.1 The development included 450 good quality residential units that would vary in location, size and inclusions.

5.2 The units are well located to Kirrawee station and have excellent views to all directions including the city, the sea at Cronulla and the Royal National Park to the south. The units would have good quality inclusions and fittings.

5.3 The unit mix and facilities are as under;

Unit type	Habitable area M2	Add for circulation & common area M2	Add for balconies & terraces M2	Total floor area per unit M2
1 bedroom units (48 off units)	55 – 60 m2	15 m2	15 m2	85 - 90 m2
2 bedroom units with 2 bathrooms (267 units)	75 – 85 m2	15 m2	20 m2	110 – 120 m2
3 bedroom units including two bathrooms (135 units)	90 – 110 m2	15 m2	25 m2	130 – 150 m2

5.4 The average unit construction budgets are as under and would vary subject to the location and inclusions as well as the habitable and common areas

	1 bed units average	2 bed units Average	3 bed units Average
Habitable area	55 m2	80 m2	95 m2
Add for common, lobby and service areas	15 m2	15 m2	15 m2
	70 m2	95 m2	110 m2
Add for terraces and balconies	15 m2	20 m2	25 m2
	\$	\$	\$
Basic Building costs at 2010 rates and average fittings and finishes	150,000	200,000	230,000
Add for balconies and site costs	10,000	15,000	20,000
Average construction costs	160,000	215,000	250,000

5.5 Residential unit summary;

	No	\$ / unit	\$
1 bed average unit and associated common and balcony area	48	160,000	7,680,000
2 bed average unit and associated common and balcony area	267	215,000	57,405,000
3 bed average unit and associated common and balcony area	135	250,000	33,750,000
			98,835,000
Add Rounding and site costs			165,000
			\$99,000,000

5.6 The unit costs exclude;

- a) Land and legal costs
- b) Finance and holding costs
- c) Cost escalation from October 2010 to completion
- d) Design and engineering costs
- e) Contingency and risk allowance
- f) Site and Public domain works
- g) Staging and phasing costs
- h) Sales and marketing costs
- i) Loose furniture and fittings
- j) Services and other Connections to the future development
- k) Community facilities including recreation and the like
- l) The impact of any special ESD and other initiatives beyond the current standards
- m) Air Conditioning or central energy systems

- n) The provision of water storage, solar generation and security other than the current standards
- o) The impact of the GST that is currently 10%

6.0 BUDGET SUMMARY

6.1 The budget may be summarised as under;

		Budget \$
Site preparation	Dewatering, site clearance and bulk earthworks to cut and fill site to required levels for new works (excluding the park area)	3,700,000
Basement works	Podium basement work for retail area with parking for 450 cars at about 15,500 m2 area (Note the site filling and piling costs are part of the site works)	12,400,000
Retail and podium work	A single level retail podium including the site services and the roof transfer slab over and including the retail tenancy works and excluded fit out	35,800,000
Commercial space	3,500 m2 of low rise commercial space under Princess Highway blocks	5,400,000
Residential parking	Add for basement and podium parking including the piling, the structure and the serviced for 698 cars in various locations	16,900,000
Residential work	450 residential units including the structure finishes and costs; Residential units =	99,000,000
	Site works =	8,800,000
Site works and external roads	External roads and external works to Princess Highway, Oak Road and Flora street including traffic signals and external services	3,300,000

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Internal roads and access	Internal Site roads and traffic areas including the pedestrian and shared paving and pedestrian access to the buildings.	2,300,000
	Total costs The assessed costs exclude the public park area and Authority fees and external authority services other than noted	187,600,000
	Add for design and professional fees at 10% of the costs	18,760,000
	Add for design development and constriction contingency	10,000,000
		216,360,000
	Add for the GST at 10%	21,636,000
	Say	237,996,000 238,000,000

6.2 The budgets exclude;

- a) Land and legal costs
- b) Finance and holding costs
- c) Cost escalation from October 2010 to completion
- d) Work to the park and public domain
- e) Authority fees and contributions
- f) Staging and phasing costs
- g) Sales and marketing costs
- h) Loose furniture and fittings
- i) Community facilities including recreation and the like
- j) The impact of any special ESD and other initiatives beyond the current standards

- k) The provision for recycled water, cogeneration, grey water treatment or solar generation and the like
- l) The public park

John Meredith

A handwritten signature in blue ink, appearing to read 'John Meredith', with a long, sweeping horizontal stroke extending to the right.

B. Build. (UNSW) FAIQS, MCIOB
Senior Associate
Rider Levett Bucknall

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John Meredith

Senior Associate & Chief Estimator | Sydney



Key Skills & Experience

John has been employed in the building and construction industry for over thirty eight years. He has been involved in many and varied projects and his experience has included: construction estimating, cost planning, cost management and contract administration.

Since joining Rider Levett Bucknall he has been involved in the estimating and cost planning of many major Sydney CBD buildings and other projects. John was also actively involved with budgeting for the Sydney Olympic Games, the Homebush Bay Precinct and other infrastructure works.

John has been responsible for much of the Rider Levett Bucknall Group's published cost control and estimating literature. John monitors the price movement of both building materials and labour rates and gives specialist advice on construction procurement. John has been involved for some time on litigation and the provision of Expert evidence and expert determination on a number of disputes.

Over recent years, John has developed his interest in dispute resolution and the preparation of expert witness report. John has appeared as an expert witness before the Federal Court of Australia, the Supreme and District Courts of NSW as well as the Land & Environment Court of NSW.

John has provided expert evidence in numerous Supreme Court references and has been appointed a referee to the NSW District Court on matters of Construction Cost. John has also been appointed an expert determiner under numerous contracts including the Department of Commerce's C21 Contract.

Academic Qualifications

- Bachelor of Building (UNSW)

Professional Skills

- Construction Estimating
- Cost Planning
- Cost Control and Cost Management
- Dispute Resolution
- Construction Cost Claims

Professional Memberships

- Fellow of the Australian Institute of Quantity Surveyors
- Member Chartered Institute of Building

Major Projects

- State Library of NSW
- Australian Technology Park, Eveleigh
- Sydney Olympic Games
- Pepsi-7up Bottlers
- Franklins Distribution Centre
- Chifley Tower
- Epping to Chatswood Rail Link
- Sir Joseph Banks Corporate Park.
- Sydney Opera House
- Intercontinental Hotel, Sydney

KIRRAWEE BRICK PIT - OCTOBER 2010 COST CHECK

Total Cost Summary

GFA: Gross floor area

Rates current at October 2010

Zone	Level	GFA m ²	Cost/m ²	Total Cost
A Site Preparaton and Earthworks				
A1	Site establishment and clearing			250,000
A2	Dewatering 42,000 m3			350,000
A3	Bulk earthworks			2,400,000
A4	Off site Drainage and culverts			700,000
				\$3,700,000
B Basement works				
B1	Retail Parking 450 cars	15,500	800	12,400,000
		15,500	\$800	\$12,400,000
C Residentail Parking				
C1	Foundation piles under parking			1,200,000
C2	Lower level residential parking	12,500	616	7,700,000
C3	Residentil parking to towers	10,000	800	8,000,000
		22,500	\$751	\$16,900,000
D Retail and Podium work				
D1	Lower GF retail	14,500	1,534	22,250,000
D2	Full line supermarket BWIC			1,500,000
D3	Discount supermarket BWIC			700,000
D4	Mini major fit out			600,000
D5	Open plaza and mall			2,350,000
D6	Floora Street commercial	500	2,000	1,000,000
D7	Roof and transfer slab			7,400,000
		15,000	\$2,387	\$35,800,000
E Commercial space - Princess Hwy				
		3,500	\$1,543	\$5,400,000
F Residential works				
F1	Residential units	53,000	1,868	99,000,000
F2	Add for site works			8,800,000
		53,000	\$2,034	\$107,800,000
G Site work and External Roads				
G1	Princess highway slip lane			1,300,000
G2	Oak Road wideningand works			800,000
G3	Flora Street works			1,000,000
G4	Oak road and Flora street lights			200,000
				\$3,300,000
H Internal Roads and access				
H1	Access of Princess Highway			300,000
H2	North Street works and formation			800,000
H3	West street works and formation			500,000
H4	South street work and formation			450,000
H5	East street work and formation			250,000
				\$2,300,000
Carried forward		109,500	\$1,713	\$187,600,000

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Total Cost Summary

GFA: Gross floor area

Rates current at October 2010

Zone	Level		GFA m ²	Cost/m ²	Total Cost
		Brought forward	109,500	\$1,713	\$187,600,000
		Net Cost	109,500	\$1,713	\$187,600,000
Margin & Adjustments					
		Total Cost	109,500	\$1,713	\$187,600,000