

6 September 2007

Mr Ken Mullins
Coffey Projects
Level 18 Citigroup Centre
2 Park Street
SYDNEY NSW 2000

Dear Ken,

Chatswood Chase Expansion – Revised Development Plan and Employment Generation

Colonial First State Property Management have made a slight revision to the development scheme proposal for the expansion of Chatswood Chase. This revision results in a minor reduction in the overall scale of the expansion, of around 700 sq.m less mini-major and specialty floorspace on the Lower Ground, Ground Level and Level 1.

The previous development scheme proposed to add an additional 11,700 sq.m of total GLA to the centre, resulting in a 63,000 sq.m centre. The revised development scheme proposes a slightly lower provision of additional floorspace (around 11,000 sq.m) resulting in a 62,300 sq.m centre (including both retail and non-retail uses and external tenants).

Given the revised development scheme results in an overall reduction of centre floorspace, it would also be expected that the impacts of the proposed expansion of Chatswood Chase, although minimal, would be reduced.

The employment generation estimates associated with the expansion of Chatswood Chase have also been revised based on this latest development plan. The proposed expansion to Chatswood Chase would generate employment of around 520 full-time and part-time workers within the centre, in addition to new employment resulting from refurbishment and improvements to the existing centre/operators. This results in an estimated 440 ongoing net additional jobs in the centre, once allowances are made for some transfer of employment between businesses. Combined with around 460 job years from the construction project, a total of some 900 jobs can therefore be directly attributed to the expansion of the centre. The multiplier effects would take the centre employment increase to around 790 ongoing jobs, in addition to around 1,190 extra job years as a result of the construction phase. Although the changes to the employment impacts from the revised development plans are minimal they are still clearly quite substantial.

Chatswood Chase Expansion - Total Employment Impact of Proposal

Table 1

Development Option/ Type of Employment	Direct Employment	Supplier Employment <i>Multiplier Effects</i>	Total Jobs ²
Construction Phase	461	726	1,186
Centre Employment Increase ³	<u>440</u>	350	791
Total	901		

1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects.

Jobs are for the equivalent of one year of employment.

3. Indicates the estimated number of ongoing jobs as a result of the proposed expansion (ie the floorspace increase)

Source : Urbis

I trust that this is sufficient for your current purposes and confirms our view that the changes are clearly minor in terms of economic impacts. If you have any further enquiries please do not hesitate to contact either myself (03 8663 4987) or Ian Shimmin the director responsible (03 8663 4940).

Yours sincerely,



Corinne McCool
Senior Consultant