

BMT & ASSOC

QUANTITY SURVEYORS



a perspective on the past



a solution for the present



a vision for the future

Preliminary Cost Plan

Project Contact: Mark Dixon
Director Responsible: Tom Plenty
Direct Contact Number: (02) 9261 1107

Client:
Contact Person:
Property Address:
Date:

Lawson Square P/L
Mr Rick Leavers
7-9 Gibbons Street, REDFERN, NSW 2016
February 26, 2010

Friday, 26 February 2010

Mr Rick Leavers
Lawson Square P/L
Suite 301/2 Cunningham Street
SYDNEY, NSW 2000

RE - 7-9 Gibbons Street, REDFERN, NSW 2016

Dear Rick,

Please find attached our Preliminary Cost Plan for the above-mentioned development.

BMT & ASSOC Pty Ltd note that in accordance with the definition of Capital Investment Value, our estimated development cost includes for the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment.

BMT & ASSOC Pty Ltd note our estimated construction cost has been determined following discussion with Lawson Square Pty Ltd in relation to the proposed method of procurement and timeframe. Should Lawson Square Pty Ltd not coordinate trades utilising their own resources, or enter into a joint venture agreement with a contractor, there is risk our estimated construction cost may not be realised.

Please refer to the attached indicative elemental trade breakup for an indication of the respective costs of the projects elements. Please note the following indicative elemental trade breakup has been derived from the total project costs, and only illustrates a very broad indication of the percentage of the total cost that can be allocated to the projects trade elements.

These figures have been derived from previous projects of a similar nature and do not necessarily reflect this project directly and as such can only be treated as a very broad indication.

We draw your attention to the lists of "Exclusions" and "Finishes" appended.

Yours Sincerely,



BMT & ASSOC Pty Ltd

Preliminary Cost Plan For 7-9 Gibbons Street, REDFERN, NSW 2016

Prepared for: Mr Rick Leavers

Prepared by:

BMT & ASSOC Pty Ltd

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Disclaimer

The information provided in this report has been prepared by BMT & ASSOC Pty Ltd (Quantity Surveyors), as Construction Cost Consultants and not in any other capacity, on the basis of estimated costs and information provided to us by the client. It is intended for use by the parties to whom directed. The contents should thus be treated as advice on construction costs and like matters, and not as legal or accounting advice.

1.0 Financial Summary

Based on our professional opinion and the material provided to BMT & ASSOC Pty Ltd, we believe the attached development cost summary reflects a fair and competitive indication of the cost to complete the development.

The BMT & ASSOC Pty Ltd Preliminary Cost Plan for construction cost totals \$38,097,226 exclusive of GST or \$41,906,949 inclusive of GST, with a further \$1,000,000 payable in consultants fees.

The total development cost totals \$39,097,226 exclusive of GST or \$43,006,949 inclusive of GST.

Item	Total Cost GST Exclusive	Total Cost GST Inclusive	Cost Per Unit GST Exclusive
BMT Estimate			
Construction Cost	\$38,097,226	\$41,906,949	\$242,657
Council / Authority Fees	EXCL	EXCL	EXCL
Consultants Fees	\$1,000,000	\$1,100,000	\$6,369
Development Contingency	EXCL	EXCL	EXCL
Total Development Cost	\$39,097,226	\$43,006,949	\$249,027
Program			
Anticipated Construction Period		134	Weeks

The development consists of a total gross floor area (fully enclosed and unenclosed covered area) of 27,879 square metres.

2.0 Construction Program

BMT & ASSOC Pty Ltd anticipate a period of 134 weeks to be appropriate for the construction of a development of this nature.

3.0 Descriptive Summary

The development involves the construction of a Mixed Use development containing 149 residential units, 4 retail units and 4 commercial units, located at 7-9 Gibbons Street, REDFERN, NSW 2016.

An appropriate quality level of finishes has been allocated to the development.

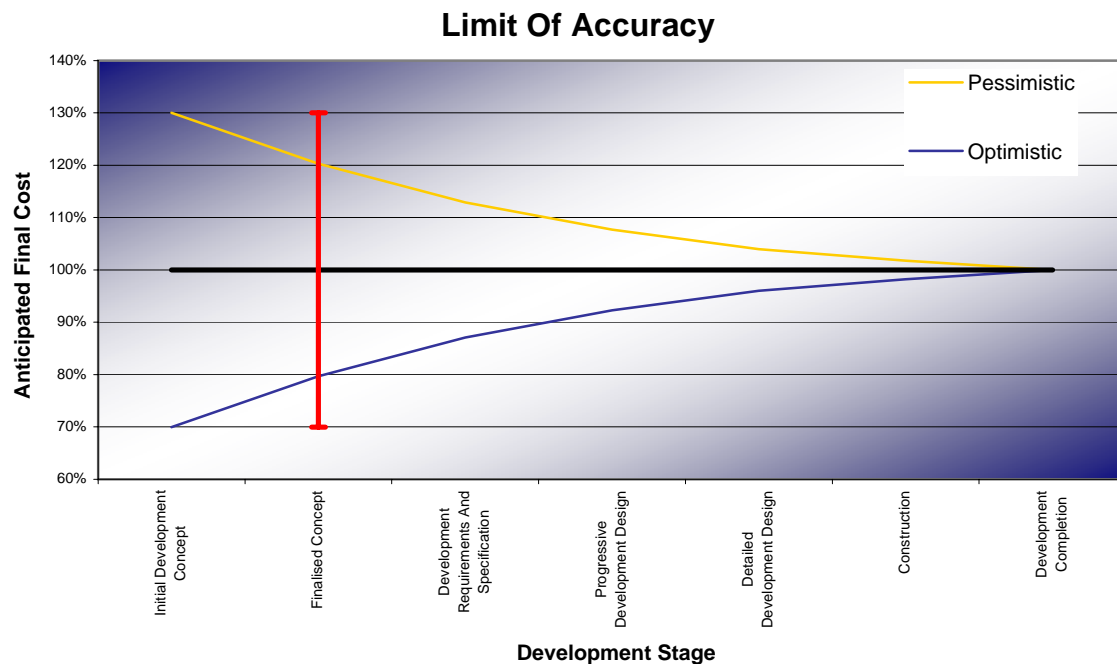
Please refer to attached Schedule of Finishes which have been allowed for within our estimate.

The development cost per square metre of gross floor area (fully enclosed covered area and unenclosed covered area) is \$1,402 exclusive of GST or \$1,543 inclusive of GST.

4.0 Limit of Accuracy

As with any development, the limit of accuracy for any level of cost and risk control is dictated by the level, and quality of documentation associated with its construction.

Figure 1. Below illustrates the effect of cost planning on a client's perception of the final cost of the proposed development.



For any given stage, anticipation of actual final cost can only improve as the design itself becomes more refined. Estimates can fall anywhere between the two curves. The vertical red line illustrates the current level of documentation available for the completion of the BMT & ASSOC Pty Ltd budget estimate, and the limit of accuracy that can be achieved given this.

5.0 Disclaimer

BMT & ASSOC Pty Ltd have prepared this report in part on the basis of information supplied in the ordinary course of business by Mr Rick Leavers of Lawson Square P/L.

Whilst all professional care and skill have been exercised to validate its accuracy and authenticity, BMT & ASSOC Pty Ltd is unable to provide any guarantee in that regard, and will not be liable to any party for any loss arising as a result of any such information subsequently being found to be inaccurate or lacking authenticity.

6.0 Conclusion

Should you have any queries or require any further clarification, please do not hesitate to contact our office.

Yours Sincerely,

A handwritten signature in blue ink that reads "BMT & ASSOC". The signature is stylized, with the letters "BMT" and "ASSOC" being more prominent and connected by a flourish.

BMT & ASSOC Pty Ltd

Project Information

Project Number	112191.1
Project Description	Mixed Use Development
Project Address	7-9 Gibbons Street, REDFERN, NSW 2016
Version Number	1
Version Description	Preliminary Cost Plan
Rates Current	February 26, 2010
Gross Floor Area	27,879m ²
Total Cost (GST Exclusive)	\$39,097,226
Cost/m² (GST Exclusive)	\$1,402
Total Cost (GST Inclusive)	\$43,006,949
Cost/m ² (GST Inclusive)	\$1,543

Schedule of Exclusions

- Design contingency
- Land and legal costs
- Rise and fall
- Holding costs and interest charges
- Delay costs
- Unknown ground conditions allowance
- Goods and services tax (GST)
- Leasing and marketing costs
- Finance costs
- Removal of hazardous materials and contaminated soil
- Staging, phasing or delay costs
- Cost increases beyond February 2010
- All authority fees
- Fit out to retail tenancies
- Fit out to commercial tenancies
- Specialised fit out of Lessee work for supermarket

Schedule of Information

Following is a schedule of information used in the preparation of the Preliminary Cost Plan.

- Written and verbal information as provided by Rick Leavers.
- Architectural Drawings: Project No: 5414 Drawing No's: 1001, Issue P4, Dated 1 May 2009, 1101 to 1104, Issue P4, Dated 1 May 2009, 1201, Issue 4, Dated 1 May 2009, 1201, Issue P4, Dated 1 May 2009, 1301, Issue P4, Dated 1 May 2009 as prepared by Candalepas Associates, 219 Castlereagh Street SYDNEY NSW 2000.
- Revised Architectural Drawings: Project No: 5414 Drawing No's: SK-1101, SK-1106, SK-1301, Rev A, SK-1302 - Sk-1304, SK-1502, dated February 2010, as prepared by Candalepas Associates.

Schedule of Finishes

Following is a schedule of assumed finishes used in the preparation of the Preliminary Cost Plan.

- Cold shell to retail tenancies
- Cold shell to commercial tenancies
- Base building to supermarket including Lessor works
- Polyurethane kitchen joinery with stone tops to residential kitchens
- Carpet floor coverings to residential living and bedrooms
- Ceramic tile floor finish to wet areas and kitchens
- Ceramic wall tiling to wet areas and kitchen splashbacks
- Fire sprinkler system throughout
- Split system air conditioners to residential

Schedule of Areas

The costs within this report are calculated based on a Gross Floor Area (GFA) rate. Typically GFA can be determined as the sum of the Fully Enclosed Covered Floor Area (FECA) and the Unenclosed Covered Floor Area (UCA) of the building at all floor levels, measured in a square metre rate.

Fully Enclosed Covered Areas Include

- Basements
- Attics
- Garages
- Penthouses
- Lift Shafts
- Staircases
- Columns and Piers
- Equipment rooms

Unenclosed Covered Areas Include

- Roofed Balconies
- Open Verandahs
- Porches and Porticos
- Attached Covered Walkways
- Useable Space Under Buildings

Preliminary Cost Plan

Indicative Trade Summary

Mixed Use Development - 7-9 Gibbons Street, REDFERN, NSW 2016

Number Of Units - 157

Trade	\$/sqm	%	Total Cost	Cost/Unit
Preliminaries & Margin	245	17.9%	\$6,830,355	\$43,505
Demolition	14	1.0%	\$390,306	\$2,486
Excavation	67	4.9%	\$1,867,893	\$11,897
Substructure	60	4.4%	\$1,672,740	\$10,654
Columns	18	1.3%	\$501,822	\$3,196
Upper Floors	150	11.0%	\$4,181,850	\$26,636
Staircases	31	2.3%	\$864,249	\$5,505
Roof	30	2.2%	\$836,370	\$5,327
External Walls	110	8.0%	\$3,066,690	\$19,533
Windows & Glazing	30	2.2%	\$836,370	\$5,327
Internal Walls	128	9.4%	\$3,570,323	\$22,741
External Doors	15	1.1%	\$418,185	\$2,664
Internal Doors	25	1.8%	\$696,975	\$4,439
Wall Finishes	20	1.4%	\$546,806	\$3,483
Floor Finishes	55	4.0%	\$1,533,345	\$9,767
Ceiling Finishes	30	2.2%	\$836,370	\$5,327
Fixtures (PC Items)	80	5.9%	\$2,230,320	\$14,206
Fitments	30	2.2%	\$836,370	\$5,327
Electrical Services	44	3.2%	\$1,222,273	\$7,785
Hydraulic Services	70	5.1%	\$1,951,530	\$12,430
Mechanical Services	30	2.2%	\$836,370	\$5,327
Fire Services	15	1.1%	\$418,185	\$2,664
Transportation Services	28	2.0%	\$780,612	\$4,972
Site Works	12	0.9%	\$334,548	\$2,131
External Services	30	2.2%	\$836,370	\$5,327
Sub Total	1,367	100%	\$38,097,226	\$242,657
Contingency Allowance	-	-	-	-
Consultants Fees	36	2.6%	\$1,000,000	\$6,369
Council Fees	-	-	-	-
Total	1,402		\$39,097,226	\$249,027

Please note the above trade costs have been derived from previous project of similar nature and do not necessarily reflect this project directly and as such can only be treated as a very broad indication.