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AltusPageKirkland

PKP6869/DC/dc

14th January 2011

Huntlee Holdings Pty Ltd
c/o LWP Property Group Pty Ltd
PO Box 199
Branxton
NSW 2335

Attention: Mr Ian Wilks

Dear Ian

Re: Capital Investment Value Assessment (Stage 1) – Hardie Holdings Development, Huntlee

We have reviewed the revised Stage 1 Project Application for the above development together with the anticipated staging programme and criteria for the Local and Regional Volume Planning Agreement and present our assessment of the likely Capital Investment Assessments as set out below:-

In particular, we have generated cashflow projections based on the anticipated release of lots and other multi-unit sites to arrive at an estimated cost (including escalation) for the completion of the stage 1 portion of the above development.

SUBDIVISION COSTS

Residential Lots (incl, escalation)	$ 166,174,608	
Non Residential Lots (incl. escalation)	$ 32,493,037	$ 198,667,645

GENERAL INFRASTRUCTURE COSTS

Water	$ 3,200,000	
Sewer	$ 5,500,000	
Recycled Water	$ 2,200,000	
Roads	$ 11,700,000	
Other	$ 3,300,000	
Escalation	$ 5,700,580	$ 31,600,580
		$ 230,268,225

Carried Forward *$ 230,268,225*

Brought Forward		*$ 230,268,225*

REGIONAL VOLUME PLANNING AGREEMENT (VPA) CONTRIBUTIONS

Regional Roads		
Contribution per dwelling	$ 23,200,000	
Escalation	$ 5,484,164	$ 28,684,164

LOCAL VOLUME PLANNING AGREEMENT (VPA) CONTRIBUTIONS

Community		
Neighbourhood Centres	$ 1,250,000	
Town Centre Buildings	$ 5,000,000	
Education		
Government Preschools	$ 600,000	
Recreation		
Neighbourhood Park (establishment)	$ 12,200,000	
Neighbourhood Park (maintenance)	$ 242,286	
Escalation	$ 3,632,728	$ 21,675,013

TOTAL CAPITAL INVESTMENT VALUE **$ 280,627,402**

We thank you for our involvement in this task and look forward to assisting you with any further queries on this project.

Yours sincerely,

David Collins
Director

Huntlee
Project Feasibility Review
Infrastructure
March 2010

NEW TOWN - BASE

	Year No.	1	2	3	4	5	6	7	8	9	
	Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Water	New Portable Water Reservoirs (after 200 lots)						1,500,000				1,500,000
	Transfer Mains from Reservoir to Centre of Village 1						500,000	500,000			1,000,000
	Extension for Large Lot Residential (Wine Country Drive)							700,000			700,000
	Total Water	0	0	0	0	0	2,000,000	1,200,000	0	0	3,200,000
Sewer	Internal Trunk Sewer Mains					1,800,000					1,800,000
	Internal Transfer System (Pump Stations)							1,000,000	1,000,000	1,000,000	3,000,000
	Interim Wastewater Collection					200,000	400,000		100,000		700,000
	Total Sewer	0	0	0	0	2,000,000	400,000	1,000,000	1,100,000	1,000,000	5,500,000
Recycled Water	Recycled Water Storage Reservoirs							1,500,000			1,500,000
	Pumping Station & Rising Main to Reservoirs							400,000			400,000
	On Site Irrigation System							300,000			300,000
	Total Recycled Water	0	0	0	0	0	0	2,200,000	0	0	2,200,000
Roads	Wine Country Drive / Village 1 Intersection					1,250,000	1,250,000				2,500,000
	Town Centre Main Street					1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
	Upgrade to WCD between F3 Interchange & Village 1				1,250,000	2,750,000					4,000,000
	Old North Road Upgrade								400,000		400,000
	Rothbury Street Upgrade					800,000					800,000
	Contribution to New Bridge over Black Creek on Old North Road										0
	Total Roads	0	0	0	1,250,000	5,800,000	2,250,000	1,000,000	1,400,000	0	11,700,000
Other	North Rothbury Rail Museum Relocation										0
	Market Launch				500,000	2,000,000	500,000			300,000	3,300,000
	Total Other	0	0	0	500,000	2,000,000	500,000	0	0	300,000	3,300,000
	Total	0	0	0	1,750,000	9,800,000	5,150,000	5,400,000	2,500,000	1,300,000	25,900,000
	Cost Sensitivity	100.0%									
	Total	0	0	0	1,750,000	9,800,000	5,150,000	5,400,000	2,500,000	1,300,000	25,900,000
	Escalation Factor	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	Escalation Factor (Compound)	1.000	1.040	1.082	1.125	1.170	1.217	1.265	1.316	1.369	
	Escalation Factor	0	0	0	218,512	1,664,614	1,115,762	1,432,723	789,829	479,140	5,700,580
	Total (Escalated)	0	0	0	1,968,512	11,464,614	6,265,762	6,832,723	3,289,829	1,779,140	31,600,580

Huntlee
Project Feasibility Review
Subdivision
March 2010

NEW TOWN - BASE

RESIDENTIAL				Year No. / Year	1 / 2009/10	2 / 2010/11	3 / 2011/12	4 / 2012/13	5 / 2013/14	6 / 2014/15	7 / 2015/16	8 / 2016/17	9 / 2017/18	Total	10 / 2018/19	11 / 2019/20	12 / 2020/21	13 / 2021/22	14 / 2022/23	15 / 2023/24	Total
Release of Lots (Sales):-																					
Dress Circle					0	0	0	0	10	10	15	35	40	110	40	40	40	13	0	0	243
Traditional					0	0	0	0	85	130	115	115	110	555	110	125	130	38	0	0	958
Cottage					0	0	0	0	30	25	45	45	55	200	55	35	30	10	0	0	330
Group					0	0	0	0	0	0	12	14	14	40	14	14	14	10	0	0	92
Sub Total					0	0	0	0	125	165	187	209	219	905	219	214	214	71	0	0	1,623
Town Centre					0	0	0	0	0	0	0	0	75	75	75	75	75	37	0	0	337
Total Residential					0	0	0	0	125	165	187	209	294	980	294	289	289	108	0	0	1,960
Special Rural Village 1					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Rural Village 4					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Rural WCD					0	0	0	0	0	35	40	45	0	120	0	0	0	0	0	0	120
Special Rural ONR					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Special Rural					0	0	0	0	0	35	40	45	0	120	0	0	0	0	0	0	120
Total Sales					0	0	0	0	125	200	227	254	294	1,100	294	289	289	108	0	0	2,080
Escalation Factor					0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Escalation Factor (Compound)					1.000	1.040	1.082	1.125	1.170	1.217	1.265	1.316	1.369		1.423	1.480	1.539	1.601	1.665	1.732	
Cost Sensitivity				100.0%																	
Build Up for Subdivision Cost	Base	RR Cont (e.m.)	Public Open Space	S94 Cont	Total																
Dress Circle	$69,000	$0	$4,000	$5,000	$78,000	$81,120	$84,365	$87,739	$91,249	$94,899	$98,695	$102,643	$106,748	$101,858	$111,018	$115,459	$120,077	$124,881	$129,876	$135,071	$109,835
Traditional	$54,000	$0	$4,000	$5,000	$63,000	$65,520	$68,141	$70,866	$73,701	$76,649	$79,715	$82,904	$86,220	$80,026	$89,669	$93,255	$96,986	$100,865	$104,900	$109,096	$85,987
Cottage	$48,000	$0	$4,000	$5,000	$57,000	$59,280	$61,651	$64,117	$66,682	$69,349	$72,123	$75,008	$78,008	$73,228	$81,129	$84,374	$87,749	$91,259	$94,909	$98,706	$77,593
Group	$16,000	$0	$4,000	$5,000	$25,000	$26,000	$27,040	$28,122	$29,246	$30,416	$31,633	$32,898	$34,214	$32,979	$35,583	$37,006	$38,486	$40,026	$41,627	$43,292	$35,592
Town Centre	$16,000	$0	$4,000	$5,000	$25,000	$26,000	$27,040	$28,122	$29,246	$30,416	$31,633	$32,898	$34,214	$34,214	$35,583	$37,006	$38,486	$40,026	$41,627	$43,292	$36,729
Special Rural Village 1	$95,000	$0	$4,000	$5,000	$104,000	$108,160	$112,486	$116,986	$121,665	$126,532	$131,593	$136,857	$142,331	$0	$148,024	$153,945	$160,103	$166,507	$173,168	$180,094	$0
Special Rural Village 4	$95,000	$0	$4,000	$5,000	$104,000	$108,160	$112,486	$116,986	$121,665	$126,532	$131,593	$136,857	$142,331	$0	$148,024	$153,945	$160,103	$166,507	$173,168	$180,094	$0
Special Rural WCD	$95,000	$0	$4,000	$5,000	$104,000	$108,160	$112,486	$116,986	$121,665	$126,532	$131,593	$136,857	$142,331	$132,091	$148,024	$153,945	$160,103	$166,507	$173,168	$180,094	$132,091
Special Rural ONR	$95,000	$0	$4,000	$5,000	$104,000	$108,160	$112,486	$116,986	$121,665	$126,532	$131,593	$136,857	$142,331	$0	$148,024	$153,945	$160,103	$166,507	$173,168	$180,094	$0
Average Subdivision Cost / Lot					$0	$0	$0	$0	$73,420	$85,379	$86,064	$91,027	$71,734	$81,819	$74,603	$77,931	$81,208	$76,390	$0	$0	$79,892
Subdivision Cost																					
Dress Circle					0	0	0	0	912,490	948,989	1,480,423	3,592,494	4,269,935	11,204,331	4,440,733	4,618,362	4,803,097	1,623,447	0	0	26,689,970
Traditional					0	0	0	0	6,264,593	9,964,387	9,167,236	9,533,926	9,484,184	44,414,325	9,863,551	11,656,924	12,608,129	3,832,871	0	0	82,375,800
Cottage					0	0	0	0	2,000,458	1,733,730	3,245,543	3,375,365	4,290,464	14,645,561	4,462,083	2,953,087	2,632,466	912,588	0	0	25,605,785
Group					0	0	0	0	0	0	379,596	460,576	478,999	1,319,171	498,159	518,085	538,809	400,258	0	0	3,274,483
Sub Total					0	0	0	0	9,177,540	12,647,107	14,272,799	16,962,361	18,523,582	71,583,389	19,264,525	19,746,459	20,582,501	6,769,164	0	0	137,946,038
Town Centre					0	0	0	0	0	0	0	0	2,566,067	2,566,067	2,668,710	2,775,458	2,886,476	1,480,955	0	0	12,377,666
Total Residential					0	0	0	0	9,177,540	12,647,107	14,272,799	16,962,361	21,089,649	74,149,456	21,933,235	22,521,917	23,468,977	8,250,119	0	0	150,323,703
Special Rural Village 1					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Rural Village 4					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Rural WCD					0	0	0	0	0	4,428,617	5,263,727	6,158,561	0	15,850,904	0	0	0	0	0	0	15,850,904
Special Rural ONR					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Special Rural					0	0	0	0	0	4,428,617	5,263,727	6,158,561	0	15,850,904	0	0	0	0	0	0	15,850,904
Total Residential Subdivision Cost					0	0	0	0	9,177,540	17,075,723	19,536,526	23,120,921	21,089,649	90,000,360	21,933,235	22,521,917	23,468,977	8,250,119	0	0	166,174,608

NON RESIDENTIAL	Year No. / Year				1 / 2009/10	2 / 2010/11	3 / 2011/12	4 / 2012/13	5 / 2013/14	6 / 2014/15	7 / 2015/16	8 / 2016/17	9 / 2017/18	Total	10 / 2018/19	11 / 2019/20	12 / 2020/21	13 / 2021/22	14 / 2022/23	15 / 2023/24	Total
Release of Lots (Sales):-																					
Retail					0	0	0	0	0	0	10	0	0	10	4	0	0	0	0	0	14
Commercial / Mixed Use					0	0	0	0	0	2	2	4	4	12	4	4	4	4	4	0	32
					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High / Primary School					0	0	0	0	0	0	0	10	0	10	4	0	0	0	0	0	14
Total Sales					0	0	0	0	0	2	12	14	4	32	12	4	4	4	4	0	60
Escalation Factor					0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Escalation Factor (Compound)					1.000	1.040	1.082	1.125	1.170	1.217	1.265	1.316	1.369		1.423	1.480	1.539	1.601	1.665	1.732	
Cost Sensitivity				100.0%																	
Build Up for Subdivision Cost	Base	RR Cont	Public Open Space	Infra	Total																
Retail	$40	$0	$0	$0	$40	$416,000	$432,640	$449,946	$467,943	$486,661	$506,128	$526,373	$547,428	$506,128	$569,325	$592,098	$615,782	$640,413	$666,029	$692,671	$524,184
Commercial / Mixed Use	$50	$0	$0	$0	$50	$520,000	$540,800	$562,432	$584,929	$608,326	$632,660	$657,966	$684,285	$654,248	$711,656	$740,122	$769,727	$800,516	$832,537	$865,838	$727,163
High / Primary School	$10	$0	$0	$0	$10	$104,000	$108,160	$112,486	$116,986	$121,665	$126,532	$131,593	$136,857	$131,593	$142,331	$148,024	$153,945	$160,103	$166,507	$173,168	$134,661
Subdivision Cost																					
Retail					0	0	0	0	0	0	5,061,276	0	0	5,061,276	2,277,299	0	0	0	0	0	7,338,575
Commercial / Mixed Use					0	0	0	0	0	1,216,653	1,265,319	2,631,864	2,737,138	7,850,974	2,846,624	2,960,489	3,078,908	3,202,064	3,330,147	0	23,269,205
					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High / Primary School					0	0	0	0	0	0	0	1,315,932	0	1,315,932	569,325	0	0	0	0	0	1,885,257
Total Non Residential Subdivision Cost					0	0	0	0	0	1,216,653	6,326,595	3,947,795	2,737,138	14,228,181	5,693,247	2,960,489	3,078,908	3,202,064	3,330,147	0	32,493,037
TOTAL SUBDIVISION COST					0	0	0	0	9,177,540	18,292,376	25,863,121	27,068,717	23,826,787	104,228,541	27,626,482	25,482,405	26,547,885	11,452,183	3,330,147	0	198,667,645