

jf:17736.2.0 ES-Rpts.res

7th September 2021

ESR Investment Management 2 (Australia) Pty Ltd ATF
HP Lot 201 Property Trust
Level 29, 20 Bond Street
Sydney, NSW 2000

Attention: Grace Macdonald
Email: grace.macdonald@esr.com

Dear Madam,

**SSD APPLICATION ESTIMATE REPORT
JALCO HORSLEY PARK**

Please find attached our SSDA Estimate Report for the development located at 8 Johnstone Crescent, Horsley Park NSW of Warehouse 1, Lot 201 Horsley Logistics Park.

Rider Levett Bucknall accepts no responsibility, or liability, to any other party who might use or rely upon this report without our prior knowledge and written consent. Further, no portion of this report (including without limitation any conclusions which may affect value, the identity of Rider Levett Bucknall or its Sub-Contractors, or any individuals signing or associated with this report, or the Professional Associations or Organisations with which they are affiliated) shall be copied or disseminated to third parties, by any means, without the prior written consent and approval of Rider Levett Bucknall.

Should you have any queries or require any further information or comment, please do not hesitate to contact Paul Skinner or me.

Yours faithfully



Robbie Stewart
Senior Consultant
Rider Levett Bucknall

Robbie.stewart@au.rlb.com

ESTIMATE REPORT

SEPTEMBER 2021

JALCO HORSLEY PARK WAREHOUSE 1, LOT 201 HORSLEY LOGISTICS PARK

8 JOHNSTON CRESCENT, HORSLEY PARK, NSW

Prepared For

ESR Investment Management 2
(Australia) Pty Ltd ATF
HP Lot 201 Property Trust
Level 29, 20 Bond Street
Sydney, NSW 2000

Prepared By

Rider Levett Bucknall NSW Pty Ltd
Level 19
141 Walker Street
North Sydney NSW 2060
T: +61 2 9922 2277

Our Ref

17773.2.0 ES-Rpts.res

Project number

17773

Issued on



7th September 2021

RLB.com

REPORTS ISSUED

Report	Date	Title Description	Released By
0	16 August 2021	DA Estimate Report	Robbie Stewart
1	7 September 2021	DA Estimate Report	Robbie Stewart

RIDER LEVETT BUCKNALL QA

	Prepared by:	Reviewed by:	Released by:
Name:	Konstantin Mukarev	Robbie Stewart	Robbie Stewart
Signature:			

This report is for the use only of the party to whom it is addressed and shall be used for no other purposes without the written consent of Rider Levett Bucknall. No responsibility is accepted for any third party who may use or rely on the whole or any part of the contents of this report.

TABLE OF CONTENTS

1.0	Executive Summary	1
1.1	Introduction	1
1.2	Cost Summary	1
1.3	Major Assumptions	2
1.4	Statement of Reliance	2
2.0	Project Information	3
2.1	Project Team	3
2.2	Project Description	3
3.0	Basis of Report	4
3.1	Purpose and Status of Cost Report	4
3.2	Basis of Procurement	4
3.3	Programme	4
3.4	Forecast Escalation	4
3.5	Information Used	4
3.6	Key Assumptions	4
3.7	Inclusions	5
3.8	Exclusions	5
3.9	Cost Savings and Value Enhancements	6
4.0	EMPLOYMENT BENEFIT ANALYSIS	7

APPENDICES

Appendix A: Estimate Details

Appendix B: Document Register

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

This report provides estimated costs for the proposed Alterations, Additions and Fit Out to Warehouse 1, Lot 201 Horsley Logistics Park and is located at 8 Johnstone Crescent, Horsley Park NSW.

This Cost Summary Report has been prepared for the purpose of providing an indicative order of development cost suitable to fulfil the requirements for Chemical and Related Industries of a State Significant Development pursuant to Schedule 1 of the State Environmental Planning Policy (State and Regional Development) 2011. The actual cost of the development will vary depending on numerous matters including but not limited to the method of contractual procurement, staging, quality of finishes and fitments, method of construction, calibre of contractor, timing and implementation of the works, utility provisions outside site boundaries, etc. Hence, this report is for the benefit of State only and is not to be relied upon by third parties.

1.2 COST SUMMARY

The costs can be summarised as follows:

Element	TOTAL
Construction Cost - Alterations and Additions	\$3,853,210
Preliminaries	\$591,853
Margin & Overhead	\$444,506
Design Contingency	Excl.
Construction Contingency	Excl.
Alterations and Additions Subtotal	\$4,889,569
Warehouse Fit Out Works	\$28,227,421
Professional Fees	\$853,500
Authority Fees & Charges	Excl.
Fit Out Subtotal	\$29,080,921
TOTAL ESTIMATED COST (EXCLUDING GST)	\$33,970,490
Goods & Services Tax (GST:10%)	\$3,397,049
TOTAL PROJECT COSTS (Including GST)	\$37,367,539

BASIS OF ESTIMATE – COVID-19 IMPACT

Our estimate has been prepared to reflect the anticipated changed market conditions due to the impact of COVID-19.

Our estimate makes provisions for amended site requirements and head contractor preliminaries including items such as:

- Additional worker shed facilities,
- Additional regular site cleaning of facilities
- Longer site operating times to facilitate movement of workers with restricted numbers in lifts and hoists,

RLB advise our current estimate does not account for exacerbated risks such as:

- Imported material delivery delays,
- Further tightening of social distancing rules impacting on programme
- Exchange rate fluctuations

RLB recommends that a project contingency provision is made for COVID-19 impacts dependent of the status of the design and delivery cycle of the project. We would be pleased to discuss suitable provisions.

RLB recommends undertaking a risk analysis of this issue and we would be pleased to assist in the preparation of an order of cost assessment and/or sensitivity analysis for the project based on defined criteria. Our recently added programming capability can also be of assistance in these matters.

RLB anticipate that the impact on the estimate may only be in the short to medium term and that long-term impacts may revert to normal circumstances hence this will be subject to ongoing monitoring.

1.3 MAJOR ASSUMPTIONS

This report is based on a number of assumptions, as per Section 3.6 further within this report.

The following assumptions are of particular note:

- Civil Specifications
- Architectural specifications
- Structural details
- Hydraulic, mechanical, electrical and fire protection installations
- FF&E, fittings and equipment supplied by the tenant Jalco Group

1.4 STATEMENT OF RELIANCE

This report is prepared for the reliance for the party/parties for whom it is prepared. Rider Levett Bucknall accepts no responsibility, or liability, to any other party who might use or rely upon this report without our prior knowledge and written consent. Further, no portion of this report (including without limitation any conclusions which may affect value, the identity of Rider Levett Bucknall or its Sub-Contractors, or any individuals signing or associated with this report, or the Professional Associations or Organisations with which they are affiliated) shall be copied or disseminated to third parties, by any means, without the prior written consent and approval of Rider Levett Bucknall.

2.0 PROJECT INFORMATION

2.1 PROJECT TEAM

Client: ESR Investment Management 2 (Australia) Pty Ltd
 Quantity Surveyor: RLB

2.2 PROJECT DESCRIPTION

The site comprises Alterations, Additions and Fit Out to Warehouse 1, Lot 201 Horsley Logistics Park and is located at 8 Johnstone Crescent, Horsley Park NSW. The scope of work covered in this estimate includes the alterations to the warehouse the addition of offices and plant rooms, site works and the Fit Out for the Tenants Storage and Manufacturing.

The approximate areas of the works are:

Warehouse Area	7,300 m ²
Bottle Store	5,400 m ²
Liquid Packaging Area	5,000 m ²
New Office and Amenities	1,150 m ²
New Lunchroom & Smoker's Shed	70 m ²

3.0 BASIS OF REPORT

3.1 PURPOSE AND STATUS OF COST REPORT

This cost report has been prepared to forecast the total cost of the project as currently detailed. It has been based on preliminary information.

As the project progresses, the developing design should be reviewed against the allowances made within this report. The costs should be considered in the context of the current stage of the design.

This Cost Summary Report has been prepared for the purpose of providing an indicative order of development cost suitable to fulfil the concept DA submission requirements for Council. The actual cost of the development will vary depending on numerous matters including but not limited to the method of contractual procurement, staging, quality of finishes and fitments, method of construction, calibre of contractor, timing and implementation of the works, utility provisions outside site boundaries, etc. Hence, this report is for the benefit of Council only and is not to be relied upon by third parties.

3.2 BASIS OF PROCUREMENT

The estimate is based on the assumption that a competitive tender form of procurement process will be conducted with pre-qualified contractors (no less than 3 no.) with the proven capability and relevant experience to successfully deliver a project of this nature.

3.3 PROGRAMME

RLB has not been advised of a planning or delivery programme for this project.

3.4 FORECAST ESCALATION

Forecast escalation is excluded from this estimate.

3.5 INFORMATION USED

The costs in this report are based upon rates applied to measured elemental quantities and square metre rate allowances applied to measured areas and are current as at August 2021.

Information used in preparation of this estimate are:

- Drawings used – refer Appendix B

3.6 KEY ASSUMPTIONS

Due to the stage of the project, some of the report is based on assumptions rather than outline design. These assumptions should be tested as the project progresses.

We have employed the following assumptions in preparing this report:

- There is no work outside the site boundaries.
- There is an existing building.
- Ground conditions normal with no contamination.
- FF& E, fittings and equipment figures provided by the Tenant
- Cost estimating. The estimate includes, but not limited to, \$/m2 allowance for elements including walls, floors, ceilings, finishes and services, based on assumed specifications and preliminary design information.

- Engineering services allowances are based on \$/m2 allowances, based on assumed design, capacities, etc. and system installations.
- No allowance for any works related to hazardous or contaminated material.
- Assume external wall and roof sheeting being composite roof and wall panels.
- FF&E, loose fittings and equipment are included in the estimate.
- The estimate does not include an allowance for staging and/or to complete the works out of sequence.
- It is assumed that the works will be undertaken during normal working hours.

3.7 INCLUSIONS

The estimate includes the following allowances:

- Construction Cost
- Preliminaries and Margin
- Design Contingency
- Professional Fees
- Goods and Services Tax

3.8 EXCLUSIONS

In compiling this DA Estimate, no allowance has been made for the following cost items. Allowances for these items should be added as appropriate to establish the total project cost. If requested, we can provide assistance to assess these allowances:

- Affordable Housing contributions
- Any costs and fees as a result of any development approval resubmissions
- Any special or additional contributions sought by authorities for public or other facilities as a condition of development approval.
- Artworks
- Building Bond lodged with NSW Fair Trading
- Computer installations including wiring.
- Long Service Leave Levy
- Construction Contingencies
- Escalation (Cost increases beyond July 2021)
- Design and management fees (other than allowances expressly included in the estimate)
- Destructive testing
- Diverting existing services
- Environmental impact study costs
- All costs associated with hazardous and contaminated materials
- Fees and charges levied by local government for Development Plan applications, Development Approval, Construction Certification and the like
- Finance costs and interest charges
- Land and legal costs
- Loose furniture, fittings and equipment (other than allowances expressly included in the estimate)
- Plan First fee
- Public utilities' charges, contributions and levies
- Security systems (other than allowances expressly included in the estimate)
- Site investigation and test bores
- Special acoustic costs
- Site decontamination (All costs associated with hazardous and contaminated materials)
- Corporate Signage (other than allowances expressly included in the estimate)

- Telephone services
- Works outside site boundaries
- Augmentation and extensions to existing Authority mains
- Out of sequence works, staging/phasing costs and working outside normal working hours.
- Any upgrade to existing building to comply with current construction code that may be required, but not documented.
- Air-conditioning of warehouse
- Tenant specialist equipment, etc. for the purposes of ultimate occupant business operations
- Excavation in rock
- Treatment of soft spots and special groundwater conditions
- All costs associated with heritage, cultural, archaeological artefacts, etc.
- Truck queueing digital display board
- Sub-station contribution
- Transport Infrastructure levies

3.9 COST SAVINGS AND VALUE ENHANCEMENTS

There may be a benefit to the project to undertake a value management study during the design development process or other stage of the works. Further scope and brief refinement will impact on costs.

4.0 EMPLOYMENT BENEFIT ANALYSIS

As requested, Rider Levett Bucknall (RLB) have undertaken an analysis of the perceived employment benefits derived from the construction of the proposed development. RLB would emphasise that we have assessed the potential “gross” benefits regarding the project. Our approach is that the economic and employment impact of the project has been viewed in isolation, ignoring external contributory influences and we have assumed that all benefits identified are a result of this project alone.

The benefits attributable to the project can be direct, indirect, or induced. The Initial Effect benefits are those derived from the direct employment on site within the construction industry based on the project value. The Production Induced Benefits are those employment outcomes that are derived from all industries that directly support the construction industry by the supply of materials and services directly to the project.

Employment Multiplier Effects Calculation

The following tables highlight the Employment Generation Analysis of the proposed phases of the project (not including land, project design and management, statutory fees, occupancy, and financing costs), highlighting the employment outcomes associated with the project.

The unit measure for employment is the equivalent of one full-time job for one year.

Multiples as at December 2021 (for each \$1m of construction value)

Employment Multiplier (Full Time Job Years)	Initial Effects	Production Induced Effects			Total
		First Round Effects	Industrial Support Effects	Total Production Effects	
Building works (inc. civil)	2.6776	0.8086	0.425	1.2336	3.91123

As at December 2021

Project Value:

\$33.97 million

Employment Output (Full Time Job Years)	Initial Effects	Production Induced Effects			Total Employment Output
		First Round Effects	Industrial Support Effects	Total Production Effects	
Building works (inc. civil)	91.0	27.47	14.44	41.91	132.87

The employment output represents that for each \$1,000,000 of construction work done, the initial employment effect would be that 2.7 workers would be engaged to undertake the works on site, 0.8 workers would be employed in the manufacture and supply of intermediate goods and services used in the construction of the project and a further 0.4 workers would be employed through the indirect supply of goods and services to those companies supplying the construction companies involved.

As noted within this report, the entire project has a forecasted perceived employment contribution throughout the community of 127 job years during the life of the project.

The forecast outcomes are derived from established methodological approaches and measures. As the analysis involves forecasting, it can be affected by a number of unforeseeable variables. It represents, for the party to

whom it is addressed, the best estimates of Rider Levett Bucknall, but no assurance is, or can be, given that the forecast outcomes will be achieved.

APPENDIX A: ESTIMATE DETAILS

LOCATION SUMMARY

GFA: Gross Floor Area
 Rates Current At August 2021

Ref	Location	GFA m ²	GFA \$/m ²	Total Cost \$
A	Alterations and Additions	570	8,578	3,853,210.00
	Preliminaries and Margin			1,036,359.00
	Alterations and Additions Subtotal			4,889,569.00
B	Warehouse Fitout Works	20,311	1,432	29,080,921.00
	ESTIMATED TOTAL COST	20,881	1,627	33,970,490.00

LOCATION ELEMENT ITEM

A Alterations and Additions

GFA: 570 m² Cost/m²: 8,578
Rates Current At August 2021

Ref	Description	Unit	Qty	Rate \$	Total Cost \$
A	Alterations and Additions				
SB	SUBSTRUCTURE				
37	Additional piling to equipment	No	1.0	600,600.00	600,600.00
	SUBSTRUCTURE			1,054/m²	600,600.00
RF	ROOF				
39	Awning to warehouse	m ²	927.0	250.00	231,750.00
	ROOF			407/m²	231,750.00
EW	EXTERNAL WALLS				
33	Blockwalls to LPG tank	m ²	39.0	240.00	9,360.00
40	2150mm high precast dado panel	m ²	300.0	180.00	54,000.00
41	Metal sheeting including girts above dado	m ²	837.0	100.00	83,700.00
	EXTERNAL WALLS			258/m²	147,060.00
ED	EXTERNAL DOORS				
31	Roller shutter doors	No	3.0	7,500.00	22,500.00
	EXTERNAL DOORS			39/m²	22,500.00
FF	FLOOR FINISHES				
36	Additional linemarking	No	1.0	20,000.00	20,000.00
	FLOOR FINISHES			35/m²	20,000.00
SE	SPECIAL EQUIPMENT				
19	New Office and Ammenities	m ²	1,150.0	2,200.00	2,530,000.00
20	New Lunch Room & Smoker's Shed	No	1.0	57,500.00	57,500.00
23	New Site Services	No	1.0	243,800.00	243,800.00
	SPECIAL EQUIPMENT			4,967/m²	2,831,300.00
BP	BUILDER'S PRELIMINARIES AND MARGIN				
42	Builder's Preliminaries (12%)	No	1.0	462,385.00	462,385.00
43	Design Fees (3%)	No	1.0	129,468.00	129,468.00
44	Margin (10%)	No	1.0	444,506.00	444,506.00
	BUILDER'S PRELIMINARIES AND MARGIN			1,818/m²	1,036,359.00
	ALTERATIONS AND ADDITIONS			8,578/m²	4,889,569.00

LOCATION ELEMENT ITEM

B Warehouse Fitout Works

GFA: 20,311 m² Cost/m²: 1,432
Rates Current At August 2021

Ref	Description	Unit	Qty	Rate \$	Total Cost \$
B	Warehouse Fitout Works				
FT	FITMENTS				
34	Additional armco	m	100.0	250.00	25,000.00
35	Additional bollards	No	50.0	550.00	27,500.00
	FITMENTS			3/m²	52,500.00
SE	SPECIAL EQUIPMENT				
1	High Speed Filling Line 1	No	1.0	6,002,983.00	6,002,983.00
2	High Speed Filling Line 2	No	1.0	3,407,983.00	3,407,983.00
3	High Speed Filling Line 3	No	1.0	3,407,983.00	3,407,983.00
4	Automated Warehouse	No	1.0	8,505,000.00	8,505,000.00
5	Tanks	No	1.0	874,500.00	874,500.00
6	Install Internal Bulk Equipment (Silos, Tanks, Liquid Storage, Raw Mats)	No	1.0	863,863.00	863,863.00
9	Installation Liquids Packaging & Processing Equipment	No	1.0	710,659.00	710,659.00
10	Raw Materials Unloading Station	No	1.0	550,000.00	550,000.00
13	Commissioning - Raw Material & Labour	No	1.0	270,500.00	270,500.00
18	New Platforms	No	1.0	277,500.00	277,500.00
21	New Liquid Enzyme Room (Hygiene Assessment)	No	1.0	205,700.00	205,700.00
22	New Instrumentation (as required)	No	1.0	253,000.00	253,000.00
24	Racking at New site	No	1.0	462,000.00	462,000.00
25	Palletising and Collation Area	No	1.0	165,000.00	165,000.00
26	Relocating Lachameir Wrapper	No	1.0	44,000.00	44,000.00
	SPECIAL EQUIPMENT			1,280/m²	26,000,671.00
HS	HYDRAULIC SERVICES				
8	Waste Water Treatment Plant	No	1.0	115,500.00	115,500.00
11	Boiler	No	1.0	103,500.00	103,500.00
15	New Pipework and Instrumentation	No	1.0	575,000.00	575,000.00
	HYDRAULIC SERVICES			39/m²	794,000.00
FP	FIRE PROTECTION				
38	Allowance for additional fire services	No	1.0	200,000.00	200,000.00
	FIRE PROTECTION			10/m²	200,000.00
LP	ELECTRIC LIGHT AND POWER				
12	Bundy clocks	No	1.0	5,750.00	5,750.00
14	Security System (Cameras, Swipe Card, etc)	No	1.0	132,000.00	132,000.00
16	New Distribution Boards	No	1.0	412,500.00	412,500.00
17	New Cabling Works & Cable Trays	No	1.0	330,000.00	330,000.00
32	Kiosk substation work	No	1.0	300,000.00	300,000.00
	ELECTRIC LIGHT AND POWER			58/m²	1,180,250.00

LOCATION ELEMENT ITEM

B Warehouse Fitout Works (continued)

GFA: 20,311 m² Cost/m²: 1,432
 Rates Current At August 2021

Ref	Description	Unit	Qty	Rate \$	Total Cost \$
PR	PROFESSIONAL FEES				
27	Project Manager	No	1.0	390,000.00	390,000.00
28	Draftsmen	No	1.0	163,800.00	163,800.00
29	Project Engineers (2 Project Engineers for 18 months)	No	1.0	187,200.00	187,200.00
30	DG Consultant	No	1.0	112,500.00	112,500.00
	PROFESSIONAL FEES			42/m²	853,500.00
	WAREHOUSE FITOUT WORKS			1,432/m²	29,080,921.00

**APPENDIX B:
DRAWING REGISTER**

DOCUMENT REGISTER

This document was provided by client:

- CH HDBP SPEC SK01_REVISED MARCH 2021

RLB.com

AFRICA | AMERICAS | ASIA | EUROPE | MIDDLE EAST | OCEANIA

