

31 August 2022

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Mecone
Level 12, 179 Elizabeth Street
SYDNEY NSW 2000

Attention: Mr Toom Cook
By Email: tcook@mecone.com.au s

Dear Sirs

**175-177 CLEVELAND STREETN & 6-8 WOODBURN STREET, REDFERN
CAPITAL INVESTMENT VALUE**

As requested, we provide below our report on the Capital Investment Value (CIV) for the above project.

Definition

The **Capital Investment value** of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment other than the following costs:-

- (a) Amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A, of Part 4 of the *Environmental Planning and Assessment Act* or a planning agreement under that Division.
- (b) Costs relating to any part of the development or project that is the subject of a separate development consent or project approval (such as tenant fit-out)
- (c) Land costs (including any costs of marketing and selling land)
- (d) GST (as defined by *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth).

Basis of Valuation

The estimated Capital Investment Value amounts to \$38,000,000 excluding GST. The Estimate breakdown is enclosed for your information.

This estimate includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment.

In compiling this estimate, no allowance has been made for the following cost items based on advice previously provided by the NSW Department of Planning;

- (a) Development Application and Construction Certificate fees;
- (b) Any special or additional contributions sought by authorities for public or other facilities as a condition of development approval;
- (c) Cost increases beyond August 2022.
- (d) Finance costs and interest charges.

Job Creation

We estimate that the number of jobs that would be created by this development of the site would be:-

- (a) During construction – approximately 105 construction personnel per year for 1.5 years, and
- (b) After construction – 50 operational personnel per year

Certification

In accordance with the guidelines created and NSW Planning Circular PS 10-008 dated 10 May 2010, we certify that the CIV of \$38,000,000 excluding GST is fair and reasonable for the scope of work proposed and based on the documentation provided.

Should you require any further assistance, please do not hesitate to contact us.

Yours faithfully

A handwritten signature in black ink, which appears to read 'Richard Rigby'.

Richard Rigby
Director
Rider Levett Bucknall

richard.rigby@au.rlb.com

CAPITAL INVESTMENT VALUE (CIV) AT 30 AUGUST 2022

| Description | ESTIMATE OF CONSTRUCTION COSTS (TIER 3 - AUGUST 2022) | | | | | |
|---|---|-----------|--------------|--------------|------------|------------------|
| | No. | m2/unit | m2 | \$/m2 | \$ | \$ |
| A DEMOLITION AND SITE PREPARATION | | | | | | |
| Type A hoarding to site boundary | | m | 40 | 150 | 6,000 | |
| Type B hoarding to site boundary | | m | 160 | 2,000 | 320,000 | |
| Extra over for gates to site | | No | 2 | 2,500 | 5,000 | |
| Graphics to hoarding | | Note | | | Excluded | |
| Demolition of existing commercial buildings | | m2 | 6,337 | 125 | 792,125 | |
| Extra for tenant strip out - refer make good lease clause | | m2 | 6,337 | | Excluded | |
| Demolition of on grade carpark including fittings and fixtures | | m2 | 184 | 25 | 4,589 | |
| Removal of contaminated material / asbestos from buildings | | Item | | | Excluded | |
| Dilapidation report of adjacent buildings | | Item | | | Excluded | |
| Waterproof protection and battens to adjoining buildings | | Item | | | Excluded | |
| Additional works to adjoining terrace house, eg underpinning, lateral support, shoring, protection, fire rated walls, etc (TBC) | | Item | | | Excluded | |
| Remediation of GSW and contaminated ground | | Item | | | Excluded | |
| Diversion of existing services; undergrounding cables | | Note | | | Excluded | |
| Undergrounding power cables to Eveleigh Street; crossing to Cleveland Street; new street light (alternative solution required) | | Item | | | 150,000 | |
| Undergrounding power cables to Woodburn Street; new street lighting (alternative solution required) | | Item | | | 50,000 | |
| Sub-total for Demolition And Site Preparation | | | | | | 1,327,714 |
| B B1 CAR PARKING AND PLANT | | | | | | |
| Bulk excavation | | m3 | 6,245 | 30 | 187,362 | |
| Extra over for rock excavation | | Item | | | Excluded | |
| Shoring and underpinning to basement perimeter | | m2 | 846 | 750 | 634,500 | |
| Capping beam | | m | 180 | 300 | 54,000 | |
| Disposal of surface water | | Item | | | 25,000 | |
| Excavating below water table | | Item | | | Excluded | |
| Tanked basement construction; hydrostatic slabs; cut off walls | | Item | | | Excluded | |
| Temporary working platform | | Item | | | Excluded | |
| Basement Level (3.50m high); piled foundations | 18 No | 83 | 1,487 | 1,100 | 1,635,700 | |
| UCA to Entry Ramp | | m2 | 106 | 1,200 | 127,200 | |
| Extra for loading dock | | Item | | | Excluded | |
| Extra for OSD tank | | Item | | | 50,000 | |
| Extra for OSR tank | | Item | | | 50,000 | |
| Extra for roof at GF level | | m2 | 430 | 450 | 193,500 | |
| Extra over for carpark management system | | Item | | | Excluded | |
| Sub-total for B1 Car Parking and Plant | 18 No | 89 | 1,593 | 1,856 | | 2,957,262 |
| C CAFÉ | 164,292 per car | | | | | |
| Ground Floor (4.8m high) | | | | | | |
| Commercial café (cold shell) | | m2 | 248 | 2,000 | 495,000 | |
| Extra over for warm shell | | m2 | | | Excluded | |
| Full height glazing | | m2 | 75 | 600 | 45,000 | |
| Extra over for Café furniture | | item | | | Excluded | |
| Canopy | | | | | Excluded | |
| UCA to retail - see Co-Living Units | | Item | | | Excluded | |
| Feature entry to Café | | Item | | | Excluded | |
| Sub-total for Retail | | | 248 | 2,182 | | 540,000 |
| D COMMERCIAL / CO-WORKING | | | | | | |
| Ground Floor (4.8m high) | | | | | | |
| Commercial co-working (cold shell) | | m2 | 426 | 2,000 | 852,000 | |
| Extra over for warm shell | | m2 | 426 | | Excluded | |
| Full height glazing | | item | | | Included | |
| Extra over for FF+E | | item | | | Excluded | |
| Canopy | | item | | | Excluded | |
| Feature entries | | item | | | Excluded | |
| Level 1 (3.1m high) | | | | | | |
| Commercial tenancy (cold shell) | | m2 | 136 | 2,000 | 272,000 | |
| Extra over for warm shell | | m2 | 136 | | Excluded | |
| Full height glazing | | item | | | Included | |
| Extra over for FF+E | | item | | | Excluded | |
| Sub-total for Retail | | | 562 | 2,000 | | 1,124,000 |
| E CO-LIVING UNITS (Levels Grd, 1-6) | | | | | | |
| Front of house common areas to GF level (4.8m) | | m2 | 417 | 3,500 | 1,459,500 | |
| Extra for amenities | | Item | | | 100,000 | |
| Back of house areas to GF level (4.8m) | | m2 | 128 | 2,400 | 307,200 | |
| Lower Entry canopy allowance | | Item | | | Excluded | |
| GF substation | | Item | | | Included | |
| Extra for FF+E to GF | | Item | | | Excluded | |
| UCA to GF | | m2 | 155 | 1,500 | 232,500 | |
| Levels 1 - 5, Internal Floor Area | 218 No | m2 | 6,786 | 3,750 | 25,447,500 | |
| Extra for glazed enclosure to lifts | | Item | | | Excluded | |
| Extra for breezeway | | m2 | 288 | 750 | 216,000 | |

CAPITAL INVESTMENT VALUE (CIV) AT 30 AUGUST 2022

| Description | ESTIMATE OF CONSTRUCTION COSTS (TIER 3 - AUGUST 2022) | | | | | |
|--|---|-------------|----------------|-----------------|-----------|-------------------|
| | No. | m2/unit | m2 | \$/m2 | \$ | \$ |
| Extra for FF+E to rooms | 218 No | | | | Excluded | |
| Common Lounge & Common Kitchen to Level 6 | | m2 | 247 | 4,000 | 988,000 | |
| Extra for FF+E to Level 6 | | Item | | | Excluded | |
| Bridges to Levels 3, 5, and 6 | | m2 | | | Excluded | |
| Extra over for transfer slabs | | | Item | | 100,000 | |
| Balconies | | | Item | | Excluded | |
| Extra for wintergardens | | | Item | | Excluded | |
| Roof terraces and landscaping | | | | | | |
| Level 5 | | m2 | 326 | 600 | 195,600 | |
| Extra for communal BBQ area to Level 5 | | Item | | | Excluded | |
| Level 6 | | m2 | 907 | 600 | 544,200 | |
| Roof over Co-Living units | | | 1,480 | 450 | 666,000 | |
| Roof feature and awnings | | | Item | | 60,000 | |
| BMU | | | Item | | Excluded | |
| Sub-Total for Co-Living Units | 218 No | 35.5 | 7,733 | 3,920 | | 30,316,500 |
| | | | 139,067 | per room | | |
| F EXTERNAL WORKS WITHIN SITE BOUNDARY | | | | | | |
| Landscaping works to ground floor area | | m2 | 447 | 500 | 223,500 | |
| Extra for water feature | | Item | | | 100,000 | |
| FF+E | | Item | | | Excluded | |
| Artwork | | Item | | | Excluded | |
| Landscaping features | | Item | | | Included | |
| External services | | Item | | | 150,000 | |
| Substation and HV | | Item | | | 375,000 | |
| Genset | | Item | | | Excluded | |
| Solar PV system - Embedded Network | | Item | | | Excluded | |
| Sub-total for External Works within Lot Boundary | | | | | | 848,500 |
| G EXTERNAL WORKS OUTSIDE OF THE SITE BOUNDARY | | | | | | |
| Footpath paving works | | m2 | 320 | 600 | 192,000 | |
| Kerb alterations to Eveleigh St | | Item | | | 68,024 | |
| Intersection upgrades | | Item | | | Excluded | |
| VPA works | | Item | | | Excluded | |
| Head work upgrades | | Item | | | Excluded | |
| Sub-total for Works beyond Lot Boundary | | | | | | 260,024 |
| | | | | | | 36,250,000 |
| H CONSTRUCTION COST ESCALATION TO START ON SITE | | Item | | | Excluded | |
| I DESIGN & CONSULTANTS FEES (5%) | | Item | | | 1,750,000 | |
| J DA FEES ETC | | Item | | | Excluded | |
| K DESIGN CONTINGENCIES | | Item | | | Excluded | |
| INDICATIVE ESTIMATE (EXCLUDING GST) | | | | | | 38,000,000 |
| L GOODS & SERVICES TAX – 10% | | | | | | 3,800,000 |
| INDICATIVE ESTIMATE (INCL GOODS & SERVICES TAX) | | | | | | 41,800,000 |