



# COST ESTIMATE REPORT



## The Quincy Hotel

Capital Investment Value Report | For Essence Project Management

**MBM1741-0006 -23<sup>rd</sup> January 2023**



QUANTITY SURVEYING | BUILDING CONSULTANCY |  
TAX & ASSET SERVICES | PPP ADVISORY | INFRASTRUCTURE |  
FACILITIES MANAGEMENT ADVISORY | EXPERT WITNESS





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# 1. Executive Summary

MBM have been requested to prepare a Capital Investment Value (CIV) report for the proposed development at 75 Harrington Street, The Rocks.

The project comprises of an 8 storey hotel, an extension to the basement carpark (existing), bar and dining facilities and an extended retail area. The retail, food and beverage areas allows for cold shell fitout only. Surrounding the site is a vibrant mixture of heritage buildings, retail, restaurant, and bars, which facilitate activation at street level. We note that the refurbishment works to the existing hotel (Rendezvous) is not included within this estimate

We highlight that this is an estimate based on the DA documentation provided by Essence Project Management on 22<sup>nd</sup> November 2022.

This report has been prepared for the sole purpose of providing a Cost Estimate for an indicative Capital Investment Value Report and DA Council Submission only.

## 1.1 Capital Investment Value

Capital Investment Value (CIV) is defined by Clause 3 of the Environmental Planning and Assessment Regulation 2000 to be: "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 7.1 or 7.2 of the 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,
- c) land costs (including any costs of marketing and selling land),
- d) GST (within the meaning of A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth)."

## 1.2 Summary of CIV

Description	Total excl. GST
Gross Construction Cost	70,688,744
* Consultant/Design Fees	5,655,100
Statutory Fees	1,060,331
Escalation	EXCL
Contingency	EXCL
Subtotal	77,404,175
GST	7,740,418
Total Estimated CIV (Incl. GST)	85,144,593

\* Consultant / Design Fees is an allowance for principal consultants such project management, architect, engineers, town planners and quantity surveying as required to for design and delivery of the project.



### 1.3 Basis of Cost Plan Estimate

The Report is based on information provided by Essence Project Management and the supporting consultants.

MBM costs are presented in an elemental format with quantities measured where possible and costs applied at market rates. Where no documentation exists, rates and provisional items have been applied based on previous experience and knowledge of projects on a similar size.

Our general approach to pricing has been to adopt the data and methodology from our previous experience on similar projects. It is important to note that the rates and costs contained are developed from our internal project database.

Preliminaries and Builders Margin have been applied at benchmarked percentages taking into account the project specifics such as size, location and site access.

### 1.4 Exclusions

- Hazardous materials/ site contamination except where specifically allowed
- Escalation beyond 2023
- Dilapidation Reports
- Latent Conditions
- Council contributions
- Out of hours works other than allowances made
- Staging of works
- Flood proofing works
- EPA requirements
- HV Works
- Audio Visual equipment above allowances made to the hotel
- Site allowance & enterprise agreements
- White goods
- Legal costs
- Works beyond extent shown on drawings
- GST (Goods & Service Tax)
- Operation & Maintenance Costs
- Refurbishment works to existing hotel (Rendezvous)
- Garbage compactor, dock leveller, turntables to basement
- Porte Cochere
- Appliances and white goods (assumed part of OSE)
- General operating supplies and equipment including (front of office, Food & beverage, office, first aid, uniforms and operating inventory)
- PMU and VMU mock ups



## 1.5 Assumptions

- The contract will be based on a competitive traditional lump sum tender
- Estimated cost includes preliminaries and margin
- Builder to be a tier two or three builder
- Structural allowances have been assumed
- Fitout allowances and finishes have been assumed
- Services have been applied at benchmarked rates
- Builder to be a tier two contractor
- Cold shell to all retail spaces
- Medium to high level of finishes
- 4.5 Star hotel



## 2. Cost Estimate Summary



# SUMMARY



Client: Essence Project Management  
Project: Quincy Hotel, 75 Harrington St

Details: 230123 Quincy Hotel Cost Estimate CP6 CIV R2  
1741-0006  
Date - 23/01/2023

Code	Description	Page	% of Cost	Cost/m2	Total
1	New Basement Carpark	4	6.80		5,264,562
2	Retail	4	6.39		4,943,810
3	Clocktower	5	52.23		40,429,651
4	Rendezvous				EXCL
5	External Works & Services	5	3.29		2,547,016
6	Preliminaries (21%)		14.43		11,168,858
7	Builders Margin (4%)		3.33		2,574,156
8	<b>SUBTOTAL</b>		86.47		<b>66,928,053</b>
9	BCA Compliance Works (0.5%)		0.43		334,640
10	Signage	5	0.73		566,280
11	Hotel Artwork	5	0.47		362,136
12	ICT, AV, IT Systems and Equipment	5	2.11		1,631,226
13	Substation	6	0.46		356,756
14	Mock Ups/ Prototype	6	0.66		509,652
15	<b>ESTIMATED TENDER COST</b>		91.32		<b>70,688,744</b>
16	Construction Contingency (5%)				EXCL
17	<b>EXTIMATED TOTAL CONSTRUCTION COST</b>		91.32		<b>70,688,744</b>
18	Professional Fees (8%)		7.31		5,655,099
19	Authority Fees (1.5%)		1.37		1,060,331
20	Escalation to 4th quarter 2023				EXCL
21	<b>SUBTOTAL PROJECT COST</b>		100.00		<b>77,404,174</b>
22	Risk Items				EXCL
23	Investigative Works				EXCL
24	Loose Furniture and OSE				EXCL
25	Project Contingency (5%)				EXCL

**Project Total (excl GST): 77,404,174**

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# OUR LOCATIONS

MBM has offices in Sydney, Melbourne, Brisbane, Perth, Canberra, Adelaide and the Gold Coast.

We operate as a single entity and are able to utilise specialised skills from any office to deliver a successful outcome for your project or development.

## **Sydney**

Level 5  
1 Chifley Square  
Sydney NSW 2000  
02 9270 1000  
nsw@mbmpl.com.au

## **Melbourne**

Level 6  
500 Collins Street  
Melbourne VIC 3000  
03 9603 5200  
vic@mbmpl.com.au

## **Brisbane**

Suite 12.1, Level 12  
100 Creek Street  
Brisbane QLD 4000  
07 3234 4000  
qld@mbmpl.com.au

## **Parramatta**

Suite 1A, Level 8  
111 Phillip Street,  
Parramatta, NSW 2150  
02 9270 1000  
nsw@mbmpl.com.au

## **Canberra**

Level 2, Suite B  
Ethos House  
28-36 Ainslie Place  
Canberra ACT 2601  
02 6152 0996  
act@mbmpl.com.au

## **Perth**

Level 32  
152 St Georges Terrace  
Perth WA 6000  
08 9322 1795  
wa@mbmpl.com.au

## **Adelaide**

Level 1  
89 Pirie Street  
Adelaide 5000  
08 8423 4540  
sa@mbmpl.com.au

**mbmpl.com.au**



## 3. Our Expertise



### Quantity Surveying

- Feasibility studies
- Cost planning and estimating
- Bills of Quantities
- Tender estimates, analysis and evaluation
- Contract administration
- Financier reporting
- Replacement cost analysis



### PPP Advisory

- Business case and reference project
- Technical and services specifications
- Public sector comparator (PSC)
- Bid evaluation and negotiation
- Post contract administration and audit
- Support to private sector bidder



### Building Consultancy

- Technical due diligence
- Make good schedules
- Condition audits
- Life cycle costing
- Asset registers
- Sinking funds
- Capital expenditure forecasting and analysis
- BCA consultancy and certification
- Sustainability services



### Infrastructure

- Independent/Probabilistic estimating
- Cost planning
- Cost & contract administration
- Audits/assurance reviews
- Expert witness and dispute resolution



### Tax & Assets Services

- Tax depreciation and capital allowance schedules
- Management of fixed asset registers
- Depreciation modelling and auditing
- Transaction support for acquisition, disposal and leasing



### Facilities Management Advisory

- Review of maintenance services
- Redevelopment of contract models
- Preparation/review of scope of works and specifications
- Procurement of FM maintenance and cleaning
- Assistance with transition



### Expert Witness

- Financial evaluation of claims
- Negotiation of costs
- Dispute Resolution
- Tribunal and Court Proceedings
- Quantum Reports