Street Smart. World Wise.

Altus Page Kirkland

31st May 2016

c/o Paul Solomon
Frasers Property Australia
Level 3, Building C,
1 Homebush Bay Drive,
Rhodes, NSW, 2138

To Whom it Concerns,

Re: Lot 2 (Proposed Industrial Facility), Corner of Horsley Drive & Cowpasture Rd, Horsley Pk – Capital Investment Value

Further to a recent request from Frasers Property Australia, we wish to confirm our current estimated Capital Investment Value (CIV) for the above proposed industrial facility to be **$12,314,616.65** as set out below:

Item	Amount ($)
Estimate of Construction Costs (incl. Design Fees)	12,271,665.82
Long Service Levy	42,950.83
Capital Investment Value	**12,314,616.65**

Our estimate of construction costs is based on an independent review of the enclosed construction cost estimate, which was carried out by cost planners employed by Frasers.

The Construction Cost (Capital Investment Value) has been calculated in accordance with the definition contained in State Environmental Planning Policy Amendment (Capital Investment Value) 2010 stated as: *"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 [a] amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A or Part 4 of the Environmental Planning and Assessment Art 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 (as defined by A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).*

Research, Valuation & Advisory | Cost Consulting & Project Management | Realty Tax Consulting | Geomatics
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We certify that the information provided in this letter is accurate as at the date of preparation – 31st May 2016

Should you require any further information please do not hesitate to contact the undersigned.

Yours Faithfully,
Altus Group Cost Management Pty Ltd

Joe Bergin
Associate, BSc (Hons) ConstEconMgt, MRICS

Encl.

Frasers Property Australia Pty Limited
A member of the Frasers Centrepoint Group

QUANTITY SURVEYOR'S REPORT

PROPOSED LOT 2 WITHIN THE HORSLEY DRIVE BUSINESS PARK, CORNER OF HORSLEY DRIVE AND COWPASTURE ROAD, WETHERILL PARK, FAIRFIELD

DEVELOPMENT APPLICATION SSD 7564 FOR CONSTRUCTION OF A WAREHOUSE/ DISTRIBUTION AND INDUSTRIAL FACILITY INCLUDING TWO WAREHOUSES AND ANCILLARY OFFICES WITH A GROSS FLOOR AREA OF APPROXIMATELY 18,800 M2

Frasers Property Australia Pty Limited ABN 89 600 448 726
Level 3, Building C, 1 Homebush Bay Drive, Rhodes NSW 2138 Australia Tel: +61 2 9767 2000

Quantity Surveyor Report

Definition

The Capital Investment Value of a development or projects 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:

- 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.
- 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).
- Land costs (including any costs of marketing and selling land).
- GST (as defined by *A New Tax System (Good s and Services Tax) Act 1999 of the Commonwealth).*

Basis of Valuation

The estimated Capital Investment Value amounts to $12,271,665 excluding GST.

The estimate include all costs necessary to establish and operate the project, including the design and construction of buildings, structures associated infrastructure and fixed or mobile 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;

- Development Application and Construction Certificate fees;
- Any special or additional contributions sought by authorities for public or other facilities as a condition of development approval;
- Cost increases beyond May 2016;
- Finance costs and interest charges.

Below is a summary of the estimate benchmarking included in the Capital Investment Value for Lot 2 within the Horsley Drive Business Park, corner of Horsley Drive and Cowpasture Road, Wetherill Park, Fairfield.

- Preliminary design concepts have been provided for the Structural, Civil, Electrical, Fire Protection and Mechanical Systems. These design concepts have been used to develop the cost plan along with the Development Application Architectural Package and associated reports.

- Trade cover represents 51.5% of the budget including electrical services, civil works, fire services, lift services, mechanical services, structural steel, dock levellers and shutters, precast concrete, roofing and cladding.

- Design fees, including GreenStar Rating design fees represent 2.8% of the budget and benchmarked against the forecast costs of Lend Lease at Eastern Creek 2.9% and the forecast costs of HDBP Survitec at Horsley Drive Business Park 3.2%.

- Preliminaries represent 9.4% of the budget and have been work up from first principles and benchmarked against the forecast costs of HDBP Survitec 9.1% and Lend Lease 9.5%.

- The balance of the construction represents 36.3% of the total budget and has been priced based on trade rates. The trade rates were benchmarked against the forecast costs and lettings on Lend Lease and HDBP Survitec.

The total construction costs equates to a rate of \$654/m2 on GLA for an 18,770m2 building. By comparison the Lend Lease Development at Eastern Creek current forecast construction cost is \$670/m^2 for a 15,843m^2 building. With approximately 14.2/m2 resulting from the client upgrades which would not be included in the standard base building. These results support the accuracy of our current estimate.
Refer Appendix A for a copy of the Cost Plan.

Job Creation
It is expected the development will generate approximately 300 construction jobs and 50 operational jobs per facility, totalling 100 operational jobs.

Regards,

Anthony O'Neill
Cost Planning Manager Northern Region
Frasers Property Australia
20 May 2016

FRASERS PROPERTY

Lot 2, Speculative Warehouse/Industrial Facility
Horsley Drive Business Park

Description	Quantity	UOM	Rate	Total
Site Preparation	34,538	m2	$ 4.77	$ 164,724.00
Warehouse	17,670	m2	$ 269.12	$ 4,755,306.47
Warehouse Awnings	2,030	m2	$ 180.38	$ 366,166.84
Office 01	550	m2	$ 1,623.04	$ 892,669.96
Office 02	550	m2	$ 1,662.94	$ 914,616.06
External Works	15,768	m2	$ 91.02	$ 1,435,218.94
Site services	18,770	m2	$ 82.31	$ 1,544,882.81
Design	18,770	m2	$ 16.99	$ 318,822.73
Preliminaries	25	Wks	$ 46,015.12	$ 1,150,378.00
Base Building Subtotal:	**18,770**	**$/m2**	$	**$ 11,542,785.82**
Building Upgrades	18,770	m2	$ 31.72	$ 595,476.00
Green Star Rating	6	Star	Certified	$ 133,404.00
Project Total				**$ 12,271,665.82**