

30 October 2019
File Ref: 2154073538/AA - CIV

Katrina Lim
Landcom
Level 14
60 Station Street
PARRAMATTA NSW 2150

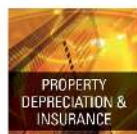
Dear Katrina

**Hills Showground Station Precinct
State Significant Development Application
Capital Investment Value (CIV) Report for Department of Planning, Industry and
Environment**

Please find below the Capital Investment Value for the concept proposal for a mixed-use development at Hills Showground Station Precinct. We certify that the Capital Investment Value has been calculated in accordance with the EPA Regulation 2000 definition and is accurate at the date of preparation. The Capital Investment Value for the proposed development is **\$995,550,839 (excl GST)**. An analysis of the estimated cost is summarised below:

Total Development

Development Costs		
Basement Carparking (2,291 spaces)		\$ 182,276,772
Commercial/Retail/Community		\$ 17,488,792
Apartments		\$ 627,488,451
Fittings (excl Disabled)		\$28,891,147
Disabled Access		\$ 3,488,083
Terraces / Balconies		\$ 33,049,615
Infrastructure Works		\$ 13,232,952
External Works		\$ 14,107,430
External Services		\$3,065,160
SUB-TOTAL		\$ 923,088,400
Professional Fees	(7.5%)	\$ 69,231,630
Long Service Leave Levy	(0.35%)	\$ 3,230,809
TOTAL CIV WORKS		\$ 995,550,839



Sydney

Adelaide

Melbourne

Perth

Brisbane

Singapore



Staged Development

Development Costs	Precinct West	Doran Drive Precinct	Precinct East	Total
Basement Carparking (2,291 spaces)	\$ 31,618,217	\$ 46,786,591	\$ 103,871,964	\$ 182,276,772
Commercial/Retail/Community Apartments	\$ 3,785,667	\$ 13,703,125	\$ 0	\$ 17,488,792
Fittings (excl Disabled)	\$ 102,098,912	\$ 142,084,108	\$ 383,305,431	\$ 627,488,451
Disabled Access	\$ 5,170,049	\$ 9,086,339	\$ 14,634,759	\$ 28,891,147
Terraces / Balconies	\$ 646,783	\$ 646,783	\$ 2,194,517	\$ 3,488,083
Infrastructure Works	\$ 5,609,824	\$ 7,891,971	\$ 19,547,820	\$ 33,049,615
External Works	\$ 1,368,450	\$ 2,755,338	\$ 9,109,164	\$ 13,232,952
External Services	\$ 766,161	\$ 2,467,426	\$ 10,873,843	\$ 14,107,430
	\$ 571,704	\$ 854,112	\$ 1,639,344	\$ 3,065,160
SUB-TOTAL	\$ 151,635,766	\$ 226,275,792	\$ 545,176,842	\$ 923,088,400
Professional Fees (7.5%)	\$ 11,372,682	\$ 16,970,684	\$ 40,888,263	\$ 69,231,630
Long Service Leave Levy (0.35%)	\$ 530,725	\$ 791,965	\$ 1,908,119	\$ 3,230,809
TOTAL CIV WORKS	\$ 163,539,174	\$ 244,038,442	\$ 587,973,224	\$ 995,550,839

Note that the foregoing costs are exclusive of development contribution charges, Project Management fees, land costs, finances and GST (Goods and Services Tax).

We have made the following assumptions in preparation of Staged Development Cost Analysis;

- Doran Drive Precinct anticipated construction commencement is Early 2021 and occupation Mid 2023 for calculation of escalation
- Precinct West anticipated construction commencement is Mid 2024 (potential to move this out to 2027) and occupation Mid 2026 (potential to move this out to 2029) – where we have adopted the average/mid construction commencement as Early 2026 and respectively occupation Early 2028 in calculation of escalation
- Precinct East anticipated construction commencement is 2026 (potential to move this out to 2029) and occupation 2028 (potential to move this out to 2031) – where we have adopted the average/mid construction commencement as Early 2028 and respectively occupation Early 2030 in calculation of escalation
- Anticipated price escalation is 3.55% per annum and have calculated escalation on compound basis

In addition we have prepared an estimate of the labour work force to be engaged on the project. We note that the jobs created during the operation of the development outside of the construction period such as builders management and maintenance is subject to varying factors that are outside of our area of expertise. Refer to the EIS for calculation of jobs expected during operation.

<u>Site Labour Estimate</u>	
Construction Cost	\$ 923,088,400
Labour Component - say 50% @ \$70/hr	6,594,000 man hrs
Construction duration 54 months, average 22 days per month	6,000 ave man hrs/day
Workers per day (peak)	800 workers/day
Average including on site & offsite labour @ 60%	480 workers/day
Estimate of total number of worker days over construction period	570,300 work days



Approximate numbers of jobs created over the construction period (for varying durations):

Average number of 480 workers per day x phase work multiplier factor of 4
= 1,920 site based jobs.

Approximate numbers of jobs created over the Operational period
= 674 operation based jobs.

This excludes factory based jobs.

In preparing our estimate we have:

- Reviewed Hills Showground Station Precinct Urban Design and Landscape Report dated September 2019
- Reviewed information email – Adopting maximum number of car spaces dated 29 October 2019 as prepared by AVER
- Reviewed Yield and area Schedule including site wide summary dated 28 October 2019 as prepared by COX
- Reviewed Preliminary Site Investigation (Rev A) dated 19 September 2019 as prepared by JBS&G Australia Pty Ltd
- Reviewed Utility Servicing Strategy Report dated 25 July 2019 as prepared by WSP
- Reviewed Showground station Precinct Site presentation dated September 2019 as prepared by Landcom
- Reviewed information email – High level timing for staging and Jobs during operational phase dated 9 October 2019 as prepared by Landcom
- Reviewed Report on UST Validation dated May 2016 as prepared by Douglas Partners
- Prepared and attached an elemental estimate generally in accordance with the Australian Cost Management Manuals from Australian Institute of Quantity Surveyors
- Calculated the development costs at current prices
- Included GST in the calculation of the development cost
- GFA calculated based on the GBA in yield and area schedule provided by COX deducting perimeter walls area allowance with balconies allowed at 10% of the calculated GFA.
- Measured Gross Floor Area (GFA) in accordance with the Method of Measurement of Building Areas in the AIQS Cost Management Manual Volume 1, Appendix A2
- Included works as indicated on the drawings and within the site boundary.
- Prepared this estimate as a Capital Investment Value Report. This is not a tender estimate.

If you should wish to discuss this matter further, please contact Peter Hammond of this office.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Peter Hammond', with a stylized flourish at the end.

Peter Hammond MCIOB FRICS AAIQS No. 9898

Director

Napier & Blakeley Pty Ltd

ENCL



Report Parameters

This report is the opinion of Napier & Blakeley Pty Ltd ACN 006 386 278 atf Napier & Blakeley Unit Trust ABN 87 601 474 307 (**Napier & Blakeley**) and is to be read together with and is subject to the term and conditions of our engagement. Our opinions in this report are based on the information referred to in this report that has been made available to us by or on behalf of the addressee (**Information**).

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