

19 May 2015
Our Ref: 24285 MJPmrf
Your ref: DA277-11-2004

Director-General
Department of Planning and Infrastructure
GPO Box 39
Bridge St Office
SYDNEY NSW 2001

Attention: Ms Kate MacDonald – Senior Planner

Dear Ms MacDonald

**PROPOSED RESIDENTIAL SUBDIVISION AT NOS 74 & 92 ISLAND POINT RD FOR SOUTHERN LAND
NOMINEES PTY LTD**

I refer to the Department of Planning & Environment's request for an updated Capital Investment Value for this project.

APA has extensive experience in the project management of all subdivision activities for many projects throughout the Shoalhaven LGA. As part of this work, we collect actual cost data to enable us to estimate the cost of undertaking subdivision development activities. We also are engaged by various financial institutions as quantity surveyors to undertake cost estimation and loan "draw down" verification activities. The Department has previously accepted APA's opinion on CIV for other subdivisions of this nature.

Section 3 of the Major Projects SEPP determines that "Capital Investment Value" is defined as per the Environmental Planning and Assessment Regulation 2000. Section 3 of the Regulation defines this as follows:

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 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).

In addition, Planning Circular PS10-008, provides additional clarification as to the items that should be included and excluded from the Capital Investment Value Calculations.

The following Capital Investment Value calculations are based upon the following aspects of the proposed development:

- Provision of land and infrastructure for 62 standard residential lots ranging from 500-600m²
- Stormwater detention basin

In accordance with the above definition, the estimated cost per lot is broken up as follows:

Land Only Costs

• DA Costs/Consultants/Reports (pre DA)	\$ 595
• Consultants (post DA)	\$ 5,300
• Civil Construction incl. site clearing (*)	\$32,050
• Underground Electricity	\$ 7,420
• Telecommunications	\$ 1,000
• Landscaping/Water Quality	\$ 2,500
• Water Services	\$ 750
• Council Design and Inspection Fees	<u>\$ 350</u>
TOTAL	\$49,965/lot (excluding GST)

(*) – excluding possible latent conditions e.g. rock

Therefore, the Capital Investment Value is \$3,097,830 for 62 lots.

Please note that Developer Contributions (Section 94 contributions for local infrastructure and Section 64 contributions for water and sewer) have been excluded from the above cost estimate.

If you wish to discuss this matter further, please do not hesitate to contact the writer.

Yours faithfully
ALLEN, PRICE & ASSOCIATES



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