

Appendix B

Cost assessment

Settlement City Shopping Centre – Port Macquarie
Environmental Assessment proposed Stage 1

26th February 2009
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CR/kw

ING Real Estate
Level 11
345 George Street
SYDNEY NSW 2000

Attention: Mr Stacey Fishwick

Dear Sir,

**SETTLEMENT CITY REDEVELOPMENT – STAGE 1, PORT MACQUARIE
PRELIMINARY ESTIMATE NO. 1**

We have pleasure in confirming our Preliminary Estimate No. 1 for the above project as set out below:-

SUMMARISED COSTS

	\$ (excl GST)
Stage 1.1	4,798,185
Stage 1.2	1,120,215
Stage 1.3	14,169,850
Stage 1.4	27,835,855
Sub Total	\$47,924,105
Design Development Contingency	1,437,723
Builder's Preliminaries	6,417,038
Stage 1.4 Cranage	1,000,000
Builder's Overheads and Margin	2,221,134
Estimated Construction Cost as at February 2009	\$59,000,000
Headworks & Authority Charges	Excluded
Demolition of Existing Buildings	Included
Escalation to Commencement, January 2010	Included
Design Consultants Fees	Excluded
Project Contingency	Excluded
Estimated Construction Cost as at Completion, September 2011	\$59,000,000

A detailed elemental estimate is attached in Appendix 1.

BASIS OF ESTIMATE

This estimate is based upon measured approximate elemental quantities with rates applied current as at February 2009.

No allowance has been made for the following

- o Negotiated contract
- o Effects of GST

Our budgets for specialist services are based upon elemental square cost rates based upon similar quality benchmarks. We recommend these be checked when design information becomes available.

Our estimate assumes that the works will be carried out in stages so as to minimise disruption to operations of the existing centre

**SETTLEMENT CITY REDEVELOPMENT – STAGE 1, PORT MACQUARIE
PRELIMINARY ESTIMATE NO. 1**

ESCALATION

Our pricing is based upon fixed price market rates prevailing as at February 2009.

We have incorporated an escalation contingency of Nil to cover market risk between now and the anticipated construction commencement date of January 2010.

CLARIFICATIONS

This cost plan is based upon the following quality assumptions based on our discussions with the Architect, The Buchan Group:-

1. The shopping centre is of a mid market regional centre quality, similar to the existing Settlement City Shopping Centre;
2. Retail tenancies are provided as standard shell space with services provided to a point, no floor wall or ceiling finishes and no shopfronts
3. Cinemas are provided as "cold shell"
4. Office tenancies are provided as "open plan" with fully fitted amenities, carpet acoustic tile suspended ceilings and painted plasterboard walls in office areas
5. Major tenant spaces are provided with standard lessor works in accordance with their generic briefs.

DOCUMENTATION

This estimate is based on architectural sketches prepared by The Buchan Group:-

Drg. No.	Description	Date
ATP 201[1]	Proposed Stage 1 Level Ground Floor Plan	13 Feb 09
ATP 202[1]	Proposed Stage 1 Level Mezzanine Floor Plan	13 Feb 09
ATP 203[1]	Proposed Stage 1 Level 1 Floor Plan	11 Feb 09
ATP 204[1]	Proposed Stage 1 Level 2 Floor Plan	11 Feb 09
ATP 400[-]	Proposed Stage 1 Elevations Sheet 1	6 Feb 09
ATP 401[-]	Proposed Stage 1 Elevations Sheet 2	6 Feb 09
ATP 500[-]	Proposed Stage 1 Section AA	6 Feb 09
ATP 501[-]	Proposed Stage 1 Section BB	6 Feb 09
ATP 502[-]	Proposed Stage 1 Section CC	6 Feb 09
ATP 503[-]	Proposed Stage 1 Section DD	6 Feb 09
ATP 801[-]	Scheme A Stage 1 Retail Areas Ground Level	6 Feb 09

**SETTLEMENT CITY REDEVELOPMENT – STAGE 1, PORT MACQUARIE
PRELIMINARY ESTIMATE NO. 1**

ITEMS SPECIFICALLY EXCLUDED

- Negotiated contract
- Loose soft and hard furnishings
- Retail tenancy and office fitout
- Project Contingency
- Remediation or removal of hazardous materials
- Design Consultants Fees
- Goods and services tax
- Development, land, legal and holding costs

We trust this meets with your satisfaction, if you have any further queries or require clarification please do not hesitate to contact us.

Yours faithfully,



RIDER LEVETT BUCKNALL

(C Robinson)

DIRECTOR

email: *chris.robinson@au.rlb.com*

Encl.

c.c.: Mr Peter Brown – The Buchan Group

APPENDIX 1

Cost Plan Summary

SETTLEMENT CITY MASTERPLAN - STAGE 1 - FEBRUARY 2009

Total Cost Summary

GFA: Gross floor area

Rates current at February 2009

Zone	Level	GFA m ²	Cost/m ²	Total Cost
A STAGE 1.1				
A1	Aldi in Existing (LF1.01)	1,389	341	473,445
A2	Market / Kiosks in Existing	1,431	1,010	1,444,810
A3	Foodcourt in Existing	210	1,130	237,360
A4	Foodcourt - New	145	2,021	293,055
A5	Food & Beverage Tenancies - New	243	1,636	397,530
A6	Retail Tenancies in Existing	242	451	109,055
A7	Retail Tenancies - New	330	1,116	368,335
A8	Back of House - New	144	1,091	157,175
A9	Amenities - New (Temporary)	264	1,875	494,920
A10	Future Substation Preparation			50,400
A11	External Public Spaces			397,800
A12	Loading Bay - New (Temporary)			180,000
A13	External Works			194,300
		4,398	\$1,091	\$4,798,185
B STAGE 1.2				
B1	Mall in Existing	1,429	733	1,047,025
B2	Retail Tenancy - New (R1.01)	42	1,743	73,190
		1,471	\$762	\$1,120,215
C STAGE 1.3				
C1	Car Park			
C2	Demolish Structure on Carpark			32,340
C3	Demolish Carpark			144,000
C4	Carpark Speedramps - New	1,116	765	854,260
C5	Infill Existing Carpark Ramp	320	611	195,560
C6	Level 2 Carpark	6,947	544	3,779,080
C7	Foundation Supplementation			Excl.
C8	Pedestrian Ramp to Level 2	100	1,016	101,600
C9	Reconfigure Existing Carpark			84,000
C10	Retail			
C11	Demolition			212,700
C12	Retail Tenancies in Existing	2,463	387	952,680
C13	Retail Tenancies - New	1,562	1,242	1,939,325
C14	Food & Beverage - New	264	1,370	361,575
C15	Mini Major - New	1,395	1,019	1,421,590
C16	Mini Major - New But Tempoary	529	853	451,480
C17	Mall in Existing	97	729	70,725
C18	Mall - New - Ground Level	178	2,003	356,570
C19	Mall Entry Statememt (In 2 No.)			300,000
C20	Mall Terrace - New - Level 1	656	1,012	663,720
C21	Vertical Transportation			576,800
C22	Commercial			
C23	Level 1 Commercial	415	1,628	675,580
C24	Amenities			
C25	Level 1 Amenities	90	4,160	374,400
C26	External Works			
C27	Pavement / Roads			319,775
	Carried forward	22,001	\$899	\$19,786,160

SETTLEMENT CITY MASTERPLAN - STAGE 1 - FEBRUARY 2009

Total Cost Summary

GFA: Gross floor area
Rates current at February 2009

Zone	Level	GFA m ²	Cost/m ²	Total Cost
	Brought forward	22,001	\$899	\$19,786,160
C STAGE 1.3	Cont'd			
	C28 Landscaping			302,090
		16,132	\$878	\$14,169,850

D STAGE 1.4

D1	Ground Level			
D2	Demolition			60,750
D3	Car Park - New	5,145	323	1,659,275
D4	Retail Tenancies - New	512	1,058	541,610
D5	Food & Beverage Tenancies - New	420	1,084	455,250
D6	Mini Majors - New	1,916	960	1,839,140
D7	Cinema Lobby - New Cold Shell	286	1,552	443,840
D8	Commercial Lobby - New	69	4,655	321,225
D9	Gym Lobby - New	120	3,033	363,900
D10	Transportation Systems			1,112,400
D11	Mezzanine Level			
D12	Car Park - New	4,896	542	2,651,960
D13	Level 1			
D14	Car Park - New	7,458	540	4,027,530
D15	Pedestrian Bridge Link	70	1,707	119,500
D16	Carpark Bridge Link	400	1,282	512,600
D17	Level 2			
D18	Commercial - New	2,320	1,325	3,073,300
D19	Cinemas - New Cold Shell	3,707	1,735	6,432,660
D20	Club Bowl - New Cold Shell	1,338	943	1,262,150
D21	Leisure Gym / Health Spa	1,997	1,283	2,563,065
D22	External Works			
D23	Pavement / Roads			220,100
D24	Landscaping			175,600
		30,654	\$908	\$27,835,855

Net Cost	52,655	\$910	\$47,924,105
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Margin & Adjustments

Design Development Contingency	3.0%	1,437,723
Builder's Preliminaries	13.0%	6,417,038
Stage 1.4 Cranage	1.8%	1,000,000
Builder's Overheads and Margin	3.9%	2,221,134

Furniture, Fittings and Equipment	Excl.
Design Consultants Fees	Excl.
Headworks and Authority Charges	Excl.
Escalation to Completion	Excl.
Project Contingency	Excl.
Effects of GST	Excl.

Total Cost	52,655	\$1,121	\$59,000,000
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