

# MEMORANDUM / EMAIL

**WT PARTNERSHIP****COMPANY:** WELLES THOMAS PTY LTD**ATTENTION:** LANDY DONG**FROM:** JOHN FERRARIN**Fax No:** via email**Job No/Ref:** 9522 Welles Thomas Plaza PBE  
(November 2009)**Date:** 6 November 2009**Total Pages:** 8**Job Name/Subject:** WELLES THOMAS PLAZA – CAPITAL INVESTMENT VALUATION**Copy:****REMARKS:**☐ **URGENT**  
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ASAP☐ **For your**  
Information☐ **Original in**  
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As requested, we have prepared a Capital Investment Valuation (CIV) for this project and advise you that the estimated cost at rates current in November 2009 is \$147,000,000 exclusive of G.S.T. (\$161,700,000 inclusive of G.S.T) as shown in the attached Main Summary of Costs.

We note that the CIV is defined in the EPA Regulation 2000, Definition Section 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 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).

We attach our Executive Summary Report for your reference which includes the following:

- Main Summary of Costs;
- Schedule of Areas;
- Schedule of Apartments and Car Parking Spaces;
- Schedule of Information used;
- Schedule of Exclusions.

We draw your specific attention to the Schedule of Exclusions on page 5 of the attached report which identifies the items that have been excluded from the estimate and which should be considered separately in your overall feasibility study, where applicable. We specifically note that site remediation and diversion of existing services has been excluded from the estimated costs.

We note that this estimate should be regarded as indicative as it is based on preliminary architectural drawings and therefore we have made several assumptions for undefined / undesigned aspects of the design, particularly in relation to specification, finishes, fitments, structural frame, footings and engineering services. We therefore recommend that a detailed estimate be prepared from design developed documentation prior to finalising feasibility studies.

Should you require any further information or wish to discuss any aspect of the attached, please do not hesitate to contact us.

Regards,

**JOHN FERRARIN**

<b>CONTENTS</b>	<b>PAGE NO.</b>
<b>A. SUMMARY OF COSTS</b>	<b>1</b>
<b>B. SCHEDULE OF AREAS</b>	<b>2</b>
<b>C. SCHEDULE OF APARTMENTS AND CAR PARKING SPACES</b>	<b>3</b>
<b>D. SCHEDULE OF INFORMATION USED</b>	<b>4</b>
<b>E. SCHEDULE OF EXCLUSIONS</b>	<b>5</b>

**A. MAIN SUMMARY OF COSTS**

	\$	\$
SITE PREPARATION		
HOARDINGS	490,000	
BULK EXCAVATION	2,870,000	
SHORING	<u>1,780,000</u>	
		5,140,000
BASEMENT CAR PARK		12,280,000
COMMERCIAL TOWER		
RETAIL	1,340,000	
PLANT	2,940,000	
COMMERCIAL – LEVEL 1 & 3 - 20	<u>47,410,000</u>	
		51,690,000
RESIDENTIAL TOWER		
RETAIL	2,760,000	
COMMUNAL FACILITIES	3,040,000	
CIRCULATION	1,750,000	
PLANT	1,630,000	
APARTMENTS – LEVELS 3 - 28	<u>56,160,000</u>	
		65,340,000
EXTERNAL WORKS & SERVICES		2,050,000
PRELIMINARIES, OVERHEADS AND PROFIT		INCL
		<u>136,500,000</u>
DESIGN AND CONSULTANT FEES		8,000,000
CONTINGENCY		2,500,000
PROVISION FOR STAGING		EXCL.
PROVISION FOR ESCALATION		EXCL.
<b>TOTAL ESTIMATED CONSTRUCTION COST AT RATES CURRENT IN NOVEMBER 2009 (Excl. GST)</b>		<b>\$147,000,000</b>
GOODS & SERVICES TAX – 10%		14,700,000
<b>TOTAL ESTIMATED CONSTRUCTION COST AT RATES CURRENT IN NOVEMBER 2009 (Incl. GST)</b>		<b>\$161,700,000</b>

**B. SCHEDULE OF AREAS**

	<b>CAR PARK (m<sup>2</sup>)</b>	<b>COMMERCIAL TOWER (m<sup>2</sup>)</b>	<b>RESIDENTIAL TOWER (m<sup>2</sup>)</b>	<b>TOTAL (m<sup>2</sup>)</b>
BASEMENT CAR PARK	20,860	-	-	20,860
RETAIL/CAFES/RESTAURANT	-	429	891	1,320
CIRCULATION	-	138	675	813
PLANT	-	2,249	1,157	3,406
COMMUNAL FACILITIES	-	-	1,461	1,461
LOBBIES	-	451	136	587
MANAGERS' APARTMENT	-	-	119	119
APARTMENTS (L3 – L28)	-	-	23,854	23,854
COMMERCIAL (L1 & L3 – L20)	-	22,408	-	22,408
<b>TOTAL GFA (m<sup>2</sup>)</b>	<b>20,860</b>	<b>25,675</b>	<b>28,293</b>	<b>74,828</b>

**C. SCHEDULE OF APARTMENTS AND CAR PARKING SPACES**

**APARTMENTS**

	<b>Studio</b>	<b>1 Bed</b>	<b>Dual Key</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>Total</b>
	<b>(No.)</b>	<b>(No.)</b>	<b>(No.)</b>	<b>(No.)</b>	<b>(No.)</b>	<b>(No.)</b>
L3 – L6 (4 Levels)	8	8	8	16	-	40
L7 – L10 (4 Levels)	8	8	-	-	24	40
L11 – L18 (8 Levels)	-	-	-	64	-	64
L19 – L20 (2 Levels)	-	2	-	12	2	16
L21 – L28 (8 Levels)	-	-	-	16	32	48
<b>Total</b>	<b>16</b>	<b>18</b>	<b>8</b>	<b>108</b>	<b>58</b>	<b>208</b>

**CAR PARKING SPACES**

	<b>Public</b>	<b>Residential</b>	<b>Commercial</b>	<b>Total</b>
	<b>(No.)</b>	<b>(No.)</b>	<b>(No.)</b>	<b>(No.)</b>
Basement 1	11	18	-	29
Basement 2	75	39	-	114
Basement 3	82	39	-	121
Basement 4	82	39	-	121
Basement 5	-	57	64	121
<b>Total</b>	<b>250</b>	<b>192</b>	<b>64</b>	<b>506</b>

#### D. SCHEDULE OF INFORMATION USED

The estimate is based upon the following architectural drawings prepared by PTW Architects:

Drawing No.	Title	Date
SK-005	Elevations	August 2009
SK-011	Diagrammatic Section	August 2009
A-0152 Rev 4	Schedule of Car Parking	November 2009
A-0111 Rev 4	Basement 1 Plan	October 2009
A-0112 Rev 3	Basement 2 Plan	October 2009
A-0113 Rev 3	Basement 3 Plan	October 2009
A-0114 Rev 3	Basement 4 Plan	October 2009
A-0115 Rev 4	Basement 5 Plan	October 2009
A-0100 Rev 1	Ground Floor Plan	September 2009
A-0101 Rev 1	Level 1 Plan	September 2009
A-0102 Rev 1	Level 2 Plan	September 2009
A-0103 Rev 1	Level 3 – 6 plan	September 2009
A-0104 Rev 1	Level 7 – 10 plan	September 2009
A-0105 Rev 1	Level 11 – 18 plan	September 2009
A-0106 Rev 1	Level 19 – 20 plan	September 2009
A-0107 Rev 1	Level 21 – 28 plan	September 2009
A-1032 Rev 1	Section - Residential	September 2009

## E. SCHEDULE OF EXCLUSIONS

The following items have been specifically excluded from the suggested construction budgets and if considered applicable should be provided for separately in the feasibility study.

1. Land costs and legal fees;
2. Interest/Finance Charges, Holding Costs;
3. DA & CC fees and charges, Levies and/or Council Contributions, Licenses and permit fees, Development Levy, Long Service Leave Levy, Headwork Charges;
4. Payments to adjoining properties for access for temporary works (anchors) or the like;
5. Removal of contaminated materials;
6. Piled foundations;
7. Diversion of existing above and below ground services;
8. Fitout to retail, cafes and restaurant;
9. Furniture, fittings and equipment to apartments;
10. Premium finishes to Penthouse apartments;
11. Sales and marketing suite;
12. Works outside the site boundary;
13. Staging costs;
14. Development contingency;
15. Escalation in costs beyond November 2009.