

# BMT & ASSOC

## QUANTITY SURVEYORS



a perspective on the past



a solution for the present



a vision for the future

## Preliminary Cost Plan

Project Contact: Steven Way  
Associate Director Responsible: Pedro Cardoso  
Direct Contact Number: (02) 9261 1107

Client:  
Property Address:  
  
Date:

Mr Sung Ki Lee  
6-16 Atchison Street, ST LEONARDS, NSW  
2065  
November 5, 2009

**Thursday, 5 November 2009**

Mr Sung Ki Lee

Bancor Developments Pty Limited

C/- Southern Cross Asset, Suite 501, 460 Pacific Hwy

**ST LEONARDS, NSW 2065**

**RE - 6-16 Atchison Street, ST LEONARDS, NSW 2065 - 80 m Option**

Dear Sung Ki,

Please find attached our Preliminary Cost Plan for the above-mentioned development.

BMT & ASSOC Pty Ltd note that in accordance with the definition of Capital Investment Value, our estimated development cost includes for all costs necessary to establish and operate the development, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment.

Please refer to the attached indicative elemental trade breakup for an indication of the respective costs of the projects elements. Please note the following indicative elemental trade breakup has been derived from the total project costs, and only illustrates a very broad indication of the percentage of the total cost that can be allocated to the projects trade elements.

These figures have been derived from previous projects of a similar nature and do not necessarily reflect this project directly and as such can only be treated as a very broad indication.

We draw your attention to the lists of "Exclusions" and "Finishes" appended.

Yours Sincerely,



BMT & ASSOC Pty Ltd

# Preliminary Cost Plan For 6-16 Atchison Street, ST LEONARDS, NSW 2065

Prepared for: Mr Sung Ki Lee

Prepared by:

**BMT & ASSOC Pty Ltd**

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## **Disclaimer**

The information provided in this report has been prepared by BMT & ASSOC Pty Ltd (Quantity Surveyors), as Construction Cost Consultants and not in any other capacity, on the basis of estimated costs and information provided to us by the client. It is intended for use by the parties to whom directed. The contents should thus be treated as advice on construction costs and like matters, and not as legal or accounting advice.

## 1.0 Financial Summary

Based on our professional opinion and the material provided to BMT & ASSOC Pty Ltd, we believe the attached development cost summary reflects a fair and competitive indication of the cost to complete the development.

The BMT & ASSOC Pty Ltd Preliminary Cost Plan for construction cost totals \$87,182,500 exclusive of GST or \$95,900,750 inclusive of GST, with a further \$19,180,150 payable in consultants fees and \$4,500,000 payable in council fees.

When a contingency allowance of \$4,359,125 is factored in the total development cost totals \$115,221,775 exclusive of GST or \$126,293,953 inclusive of GST.

Item	Total Cost GST Exclusive	Total Cost GST Inclusive	Cost Per Unit GST Exclusive
<b>BMT Estimate</b>			
Construction Cost	\$87,182,500	\$95,900,750	\$352,966
Council / Authority Fees	\$4,500,000	\$4,500,000	\$18,219
Consultants Fees	\$19,180,150	\$21,098,165	\$77,652
Development Contingency	\$4,359,125	\$4,795,038	\$17,648
<b>Total Development Cost</b>	<b>\$115,221,775</b>	<b>\$126,293,953</b>	<b>\$466,485</b>
<b>Program</b>			
Anticipated Construction Period		156	Weeks

The development consists of a total gross floor area (fully enclosed and unenclosed covered area) of 28,407 square metres.

## 2.0 Construction Program

BMT & ASSOC Pty Ltd anticipate a period of 156 weeks to be appropriate for the construction of a development of this nature.

## 3.0 Descriptive Summary

The development involves the construction of a Mixed Use development containing 245 residential units and 2 retail units, located at 6-16 Atchison Street, ST LEONARDS, NSW 2065.

An appropriate quality level of finishes has been allocated to the development.

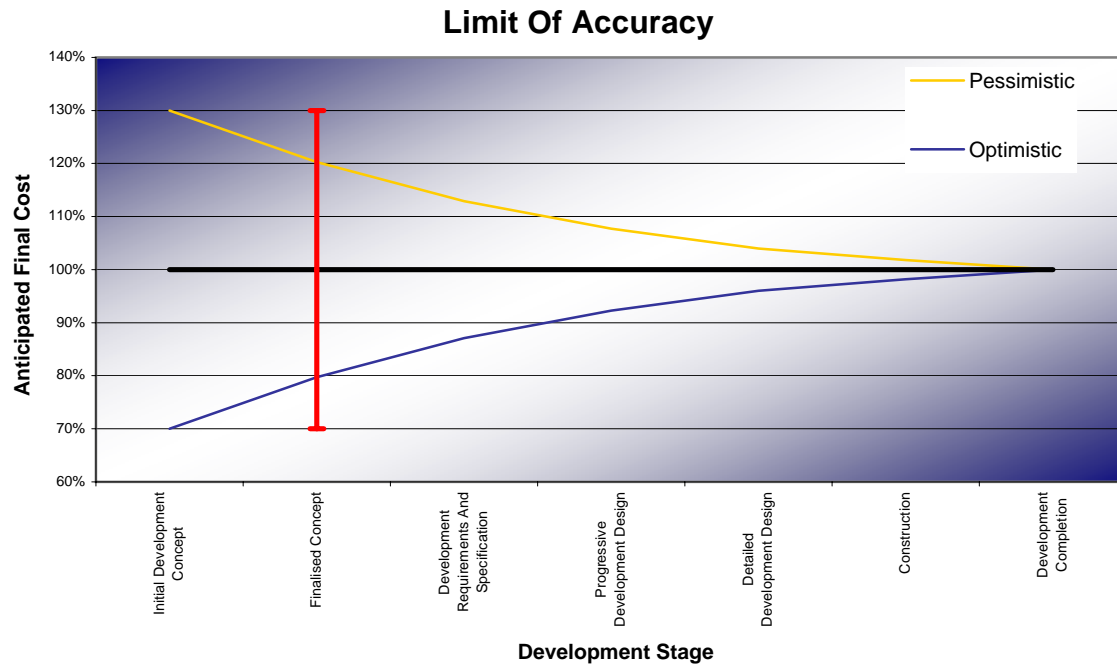
Please refer to attached Schedule of Finishes which have been allowed for within our estimate.

The development cost per square metre of gross floor area (fully enclosed covered area and unenclosed covered area) is \$4,056 exclusive of GST or \$4,446 inclusive of GST.

#### 4.0 Limit of Accuracy

As with any development, the limit of accuracy for any level of cost and risk control is dictated by the level, and quality of documentation associated with its construction.

Figure 1. Below illustrates the effect of cost planning on a client's perception of the final cost of the proposed development.



For any given stage, anticipation of actual final cost can only improve as the design itself becomes more refined. Estimates can fall anywhere between the two curves. The vertical red line illustrates the current level of documentation available for the completion of the BMT & ASSOC Pty Ltd budget estimate, and the limit of accuracy that can be achieved given this.

#### 5.0 Cash Flow Analysis

Please refer to the attached cash flow diagram for the development. The forecast cash flow for this development has been derived using the CSIRO - Bromilow 20/20 curve that generates a mean cashflow for developments of this nature.

For a further detailed explanation of the scope of works, please refer to the attached trade break up estimate.

## 6.0 Disclaimer

BMT & ASSOC Pty Ltd have prepared this report in part on the basis of information supplied in the ordinary course of business by Mr Sung Ki Lee of Bancor Developments Pty Limited.

Whilst all professional care and skill have been exercised to validate its accuracy and authenticity, BMT & ASSOC Pty Ltd is unable to provide any guarantee in that regard, and will not be liable to any party for any loss arising as a result of any such information subsequently being found to be inaccurate or lacking authenticity.

## 7.0 Conclusion

Should you have any queries or require any further clarification, please do not hesitate to contact Pedro Cardoso of this office.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'BMT & ASSOC', with a stylized flourish at the end.

BMT & ASSOC Pty Ltd

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## Project Information

Project Number	115636.1
Project Description	Mixed Use Development
Project Address	6-16 Atchison Street, ST LEONARDS, NSW 2065
Version Number	1
Version Description	Preliminary Cost Plan
Rates Current	November 5, 2009
Gross Floor Area	28,407m <sup>2</sup>
<b>Total Cost (GST Exclusive)</b>	<b>\$115,221,775</b>
<b>Cost/m<sup>2</sup> (GST Exclusive)</b>	<b>\$4,056</b>
Total Cost (GST Inclusive)	\$126,293,953
Cost/m <sup>2</sup> (GST Inclusive)	\$4,446

## Schedule of Exclusions

- Land cost
- Rise and fall
- Holding costs and interest charges
- Delay costs
- Unknown ground conditions allowance
- Leasing costs
- Finance costs
- Staging, phasing or delay costs
- Removal of contaminated soil/materials
- Cost increases beyond September 2009



## Schedule of Information

Following is a schedule of information used in the preparation of the Preliminary Cost Plan.

- Written and verbal information as provided by Peter Zervos of Southern Cross Asset
- Architectural Drawings: Project No: EA Submission Drawing No's: SK -101 - SK -113, dated September 2009, as prepared by Francis-Jones Morehen Thorp
- Draft Pre EA Design Report: prepared by FJMT Architects, dated September 2009

## Schedule of Finishes

Following is a schedule of assumed finishes used in the preparation of the Preliminary Cost Plan.

- Curtain glazed walls to façade
- Frameless glass façade to lobby and café with stone clad cores
- High quality fitout to apartments
- Community level core shell only - tenant to fitout
- Polished concrete paving to ground floor

## Schedule of Areas

The costs within this report are calculated based on a Gross Floor Area (GFA) rate. Typically GFA can be determined as the sum of the Fully Enclosed Covered Floor Area (FECA) and the Unenclosed Covered Floor Area (UCA) of the building at all floor levels, measured in a square metre rate.

### Fully Enclosed Covered Areas Include

- Basements
- Attics
- Garages
- Penthouses
- Lift Shafts
- Staircases
- Columns and Piers
- Equipment rooms

### Unenclosed Covered Areas Include

- Roofed Balconies
- Open Verandahs
- Porches and Porticos
- Attached Covered Walkways
- Useable Space Under Buildings

# Preliminary Cost Plan

## Indicative Trade Summary

Mixed Use Development - 6-16 Atchison Street, ST LEONARDS, NSW 2065

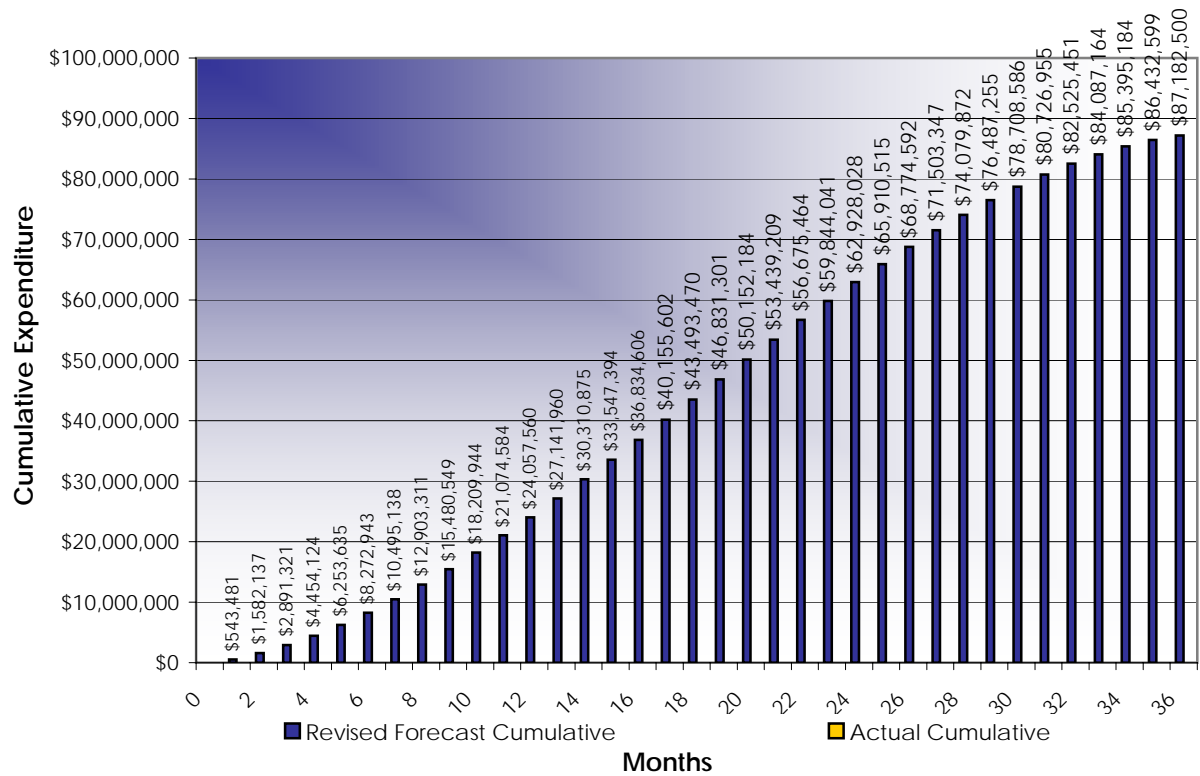
Number Of Units - 245

Trade	\$/sqm	%	Total Cost	Cost/Unit
Preliminaries & Margin	439	14.3%	\$12,480,161	\$50,939
Demolition	9	0.3%	\$249,603	\$1,019
Excavation	69	2.3%	\$1,969,092	\$8,037
Substructure	117	3.8%	\$3,328,043	\$13,584
Columns	40	1.3%	\$1,137,081	\$4,641
Upper Floors	259	8.4%	\$7,349,428	\$29,998
Staircases	38	1.2%	\$1,081,614	\$4,415
Roof	20	0.6%	\$554,674	\$2,264
External Walls	117	3.8%	\$3,328,043	\$13,584
Windows & Glazing	264	8.6%	\$7,488,097	\$30,564
Internal Walls	307	10.0%	\$8,708,379	\$35,544
External Doors	35	1.1%	\$990,575	\$4,043
Internal Doors	51	1.7%	\$1,442,152	\$5,886
Wall Finishes	52	1.7%	\$1,485,863	\$6,065
Floor Finishes	100	3.2%	\$2,828,837	\$11,546
Ceiling Finishes	80	2.6%	\$2,264,172	\$9,242
Fixtures (PC Items)	332	10.8%	\$9,429,455	\$38,488
Fitments	132	4.3%	\$3,744,048	\$15,282
Electrical Services	146	4.8%	\$4,160,054	\$16,980
Hydraulic Services	152	5.0%	\$4,316,079	\$17,617
Mechanical Services	127	4.1%	\$3,605,380	\$14,716
Fire Services	70	2.3%	\$1,996,826	\$8,150
Transportation Services	67	2.2%	\$1,913,625	\$7,811
Site Works	16	0.5%	\$443,739	\$1,811
External Services	31	1.0%	\$887,478	\$3,622
<b>Sub Total</b>	<b>3,069</b>	<b>100%</b>	<b>\$87,182,500</b>	<b>\$355,847</b>
Contingency Allowance	153	3.8%	\$4,359,125	\$17,792
Consultants Fees	675	16.6%	\$19,180,150	\$78,286
Council Fees	158	3.9%	\$4,500,000	\$18,367
<b>Total</b>	<b>4,056</b>		<b>\$115,221,775</b>	<b>\$470,293</b>

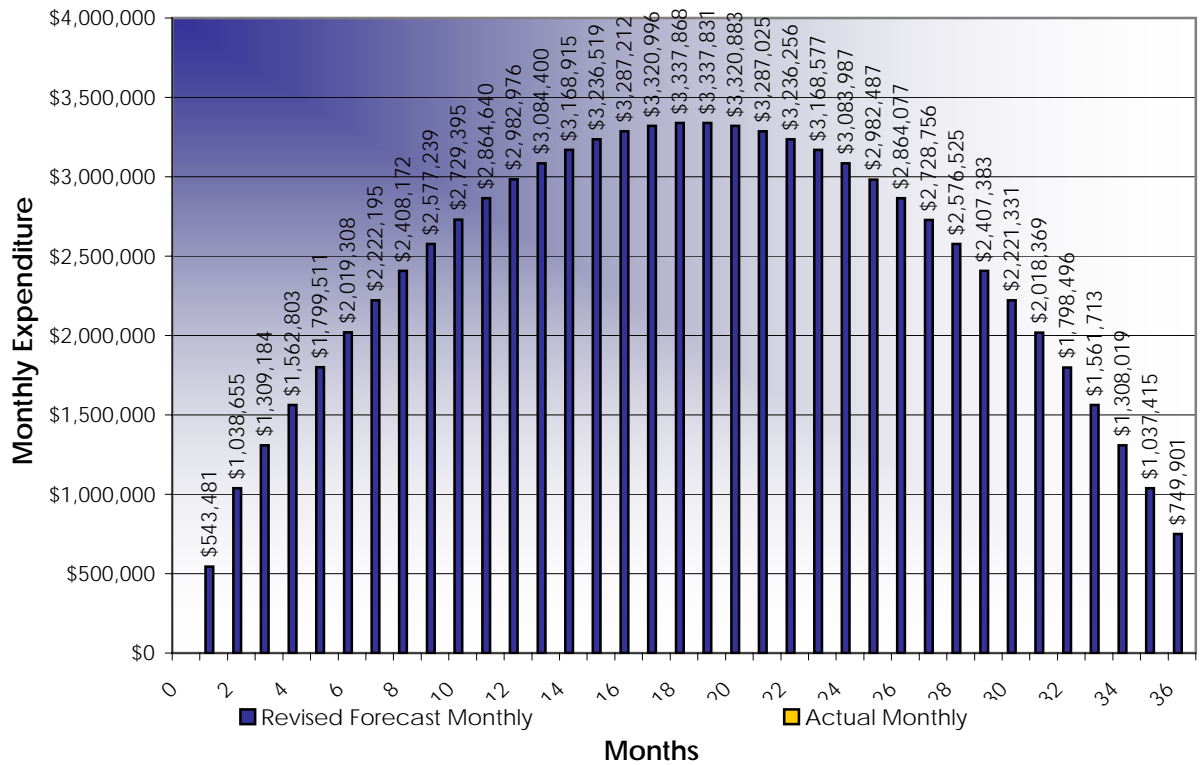
Please note the above trade costs have been derived from previous project of similar nature and do not necessarily reflect this project directly and as such can only be treated as a very broad indication.

# Cashflow Forecast

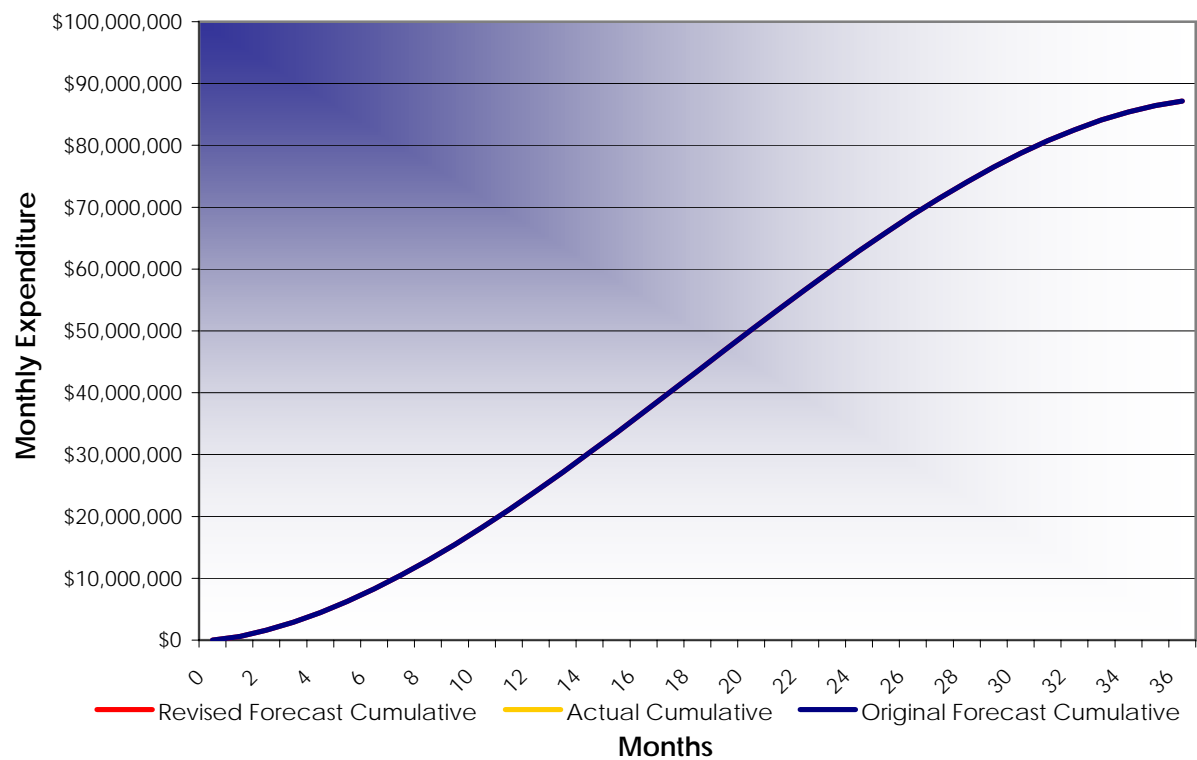
## Cumulative Cash Flow Forecast



## Revised Monthly Cash Flow Forecast



## Original Vs Revised Cash Flow Comparison





## Cash Flow Calculations

Anticipated Total Construction Cost		\$87,182,500				
Anticipated Construction Period		36 Months				
Total Works To Date		\$0				
Month	Anticipated Expenditure	Actual Expenditure	Variance	Forecast Cumulative	Actual Cumulative	Cumulative Variance
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	\$ 543,481			\$ 543,481		
2	\$ 1,038,655			\$ 1,582,137		
3	\$ 1,309,184			\$ 2,891,321		
4	\$ 1,562,803			\$ 4,454,124		
5	\$ 1,799,511			\$ 6,253,635		
6	\$ 2,019,308			\$ 8,272,943		
7	\$ 2,222,195			\$ 10,495,138		
8	\$ 2,408,172			\$ 12,903,311		
9	\$ 2,577,239			\$ 15,480,549		
10	\$ 2,729,395			\$ 18,209,944		
11	\$ 2,864,640			\$ 21,074,584		
12	\$ 2,982,976			\$ 24,057,560		
13	\$ 3,084,400			\$ 27,141,960		
14	\$ 3,168,915			\$ 30,310,875		
15	\$ 3,236,519			\$ 33,547,394		
16	\$ 3,287,212			\$ 36,834,606		
17	\$ 3,320,996			\$ 40,155,602		
18	\$ 3,337,868			\$ 43,493,470		
19	\$ 3,337,831			\$ 46,831,301		
20	\$ 3,320,883			\$ 50,152,184		
21	\$ 3,287,025			\$ 53,439,209		
22	\$ 3,236,256			\$ 56,675,464		
23	\$ 3,168,577			\$ 59,844,041		
24	\$ 3,083,987			\$ 62,928,028		
25	\$ 2,982,487			\$ 65,910,515		
26	\$ 2,864,077			\$ 68,774,592		
27	\$ 2,728,756			\$ 71,503,347		
28	\$ 2,576,525			\$ 74,079,872		
29	\$ 2,407,383			\$ 76,487,255		
30	\$ 2,221,331			\$ 78,708,586		
31	\$ 2,018,369			\$ 80,726,955		
32	\$ 1,798,496			\$ 82,525,451		
33	\$ 1,561,713			\$ 84,087,164		
34	\$ 1,308,019			\$ 85,395,184		
35	\$ 1,037,415			\$ 86,432,599		
36	\$ 749,901			\$ 87,182,500		