

28 February 2011

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Dear Sonja,

**Main Building Works – UTS Broadway Building  
Capital Investment Value (CIV) - Report**

As requested, we have prepared the attached report for the purposes of establishing the Capital Investment Value (CIV) for the main building works.

In summary, our assessment of CIV is in the order of \$223m in accordance with the definition of Capital Investment Value included in Clause 3(2)(a) of State Environmental Planning Policy (Major Development) 2005.

You are referred to the report for full details including information relied upon.

We trust this satisfies your immediate requirements. However, should you have any queries please do not hesitate to contact the undersigned at your earliest convenience.

Yours faithfully

Alan Bailey  
Associate Principal

**Global property & construction consultants**

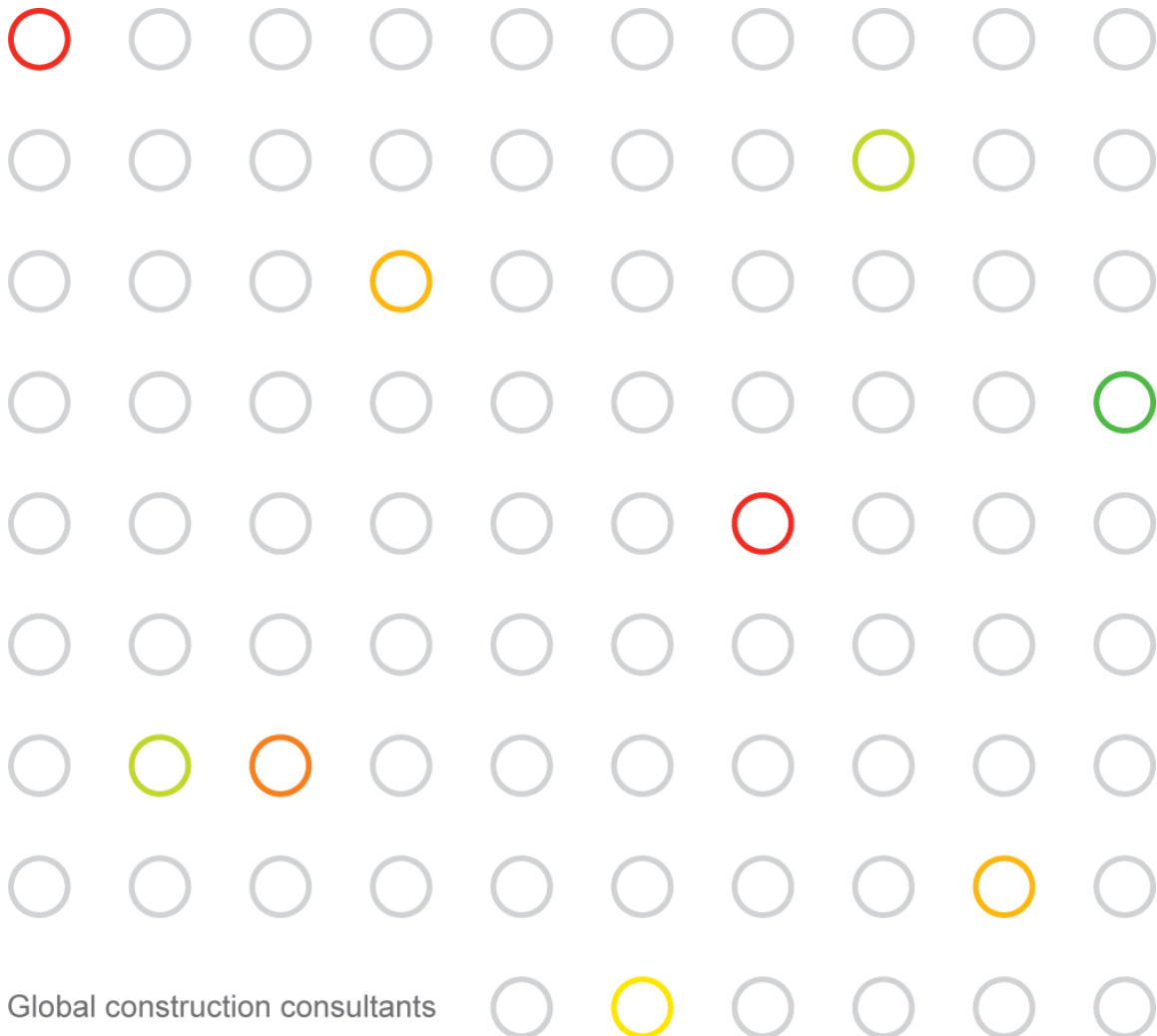
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## UTS BROADWAY BUILDING

Capital Investment Value (CIV) - Report | 28 February 2011



Project Contacts	
<b>Client:</b>	University of Technology Sydney
<b>Project Manager:</b>	DCM
<b>Architect:</b>	DCM
<b>Structural Engineer:</b>	Aurecon
<b>Services Engineer:</b>	Waterman AHW
<b>Cost Manager:</b>	Davis Langdon

## CONTENTS

INTRODUCTION	2
CAPITAL INVESTMENT VALUE (CIV)	2
Definition	2
Calculation of CIV	2
INFORMATION RELIED UPON	3
DEVELOPMENT NOTES	4
Programme	4
Statutory Fees	4
Design & Management Fees	4
Contingencies	4
Escalation	4
Sales and Marketing Costs	4
Finance Costs	4
SPECIFIC EXCLUSIONS	5
REPORT PARAMETERS	5

## Appendix A – Order of Cost Estimate

DL Quality System					
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0	25/02/2011	Initial issue	VA	AB
1	28/02/2011	Revised Issue (1)	VA	AB

## INTRODUCTION

Davis Langdon has been engaged by University of Technology Sydney (UTS) to provide Cost Management Services to the proposed re-development located on the corner of Broadway and Wattle Street, Ultimo. In undertaking our commission, we have also been requested to assess the Capital Investment Value (CIV) for the development.

In brief, the re-development works comprise of the construction of a 12 storey above ground new build predominantly made up of education, teaching and office space, 1 level of retail space plus 3 levels of in ground basement parking and associated infrastructure works.

## CAPITAL INVESTMENT VALUE (CIV)

### Definition

Capital Investment Value (CIV) is defined by clause 3(2)(a) of State Environmental Planning Policy (Major Development) 2005 as:

*“the **capital investment value** of development includes 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 (but excluding GST, as defined by A new Tax System (Goods and Services Tax) Act 1999 of the commonwealth and land costs)”.*

### Calculation of CIV

To calculate CIV, Davis Langdon has prepared a Concept Cost Estimate for the new building construction works.

A separate CIV has been issued on the 03 March 2010 for Stage 1 Early works incorporating the demolition of existing structures, bulk earthworks and ground stabilisation.

Stage 2 Main works CIV includes the proposed basement parking, above ground structure and external works. We have also added the development costs prepared by UTS to determine the CIV.

The total Capital Investment Value of \$223,000,000 may be summarised as follows:

Demolition & Hazardous Materials removal	Incl in CIV1
Site Preparation (incl Bulk Excavation)	Incl in CIV1
New Construction	\$138,342,731
External Work	\$775,015
Preliminaries & Profit	\$30,327,668
UTS ITD Infrastructure	\$3,572,200
UTS EIF Inclusions	\$2,732,680
Escalators B2/B3	\$1,003,632
Relocation Works	\$250,000
<b>Sub-total Construction Works</b>	<b>\$177,003,926</b>
Selling & Marketing Costs	Excl
Finance Costs	Excl
Statutory Fees	Excl
Professional fees	\$17,091,329
Development Management Fees	\$8,217,580
Escalation (4%)	\$6,777,817
Contingency	\$13,754,225
<b>Sub-total Development Costs</b>	<b>\$45,840,951</b>
<b>TOTAL ESTIMATED CIV</b>	<b>\$222,844,877</b>

The Schematic Cost Estimate summary is included at Annexure 1 of this report. Please note that in preparing the estimate we have undertaken a full elemental measure of the proposed building.

## INFORMATION RELIED UPON

In preparing this report, Davis Langdon has relied on the following information provided by others:

### **Denton Corker Marshall Architects Drawings (Dated 16 February 2011)**

#### **Floor Plans**

Level B4 Basement Floor Plan  
Level B3 Basement Floor Plan  
Level B2 Basement Floor Plan  
Level B2 Mezzanine Floor Plan  
Level B1 Basement Floor Plan  
Level 00 Floor Plan  
Level 01 Floor Plan  
Level 2/3 Floor Plan  
Level 04 Floor Plan  
Level 05 Floor Plan  
Level 06 Floor Plan  
Level 07 Floor Plan  
Level 08 Floor Plan  
Level 09 Floor Plan  
Level 10 Floor Plan  
Level 11 Floor Plan  
Level 12 Floor Plan  
Level 13 Floor Plan  
Roof Plan

#### **Sections**

Cross Section AA  
Long Section CC

#### **Elevations**

Broadway Elevation  
Jones St Elevation  
Wattle St Elevation  
Laneway Elevation  
Broadway Elevation - Screen  
Jones St Elevation - Screen  
Wattle St Elevation - Screen  
Laneway Elevation - Screen  
Typical Shopfront Details  
Typical Curtain Wall Details  
Typical Glazed Entry Details  
BB11/CB10 Link Bridges West End (Wattle St Plans)  
BB11/CB10 Link Bridges West End (Wattle St Sections)  
BB11/CB10 Link Bridges East End (Jones St Plans)  
BB11/CB10 Link Bridges East End (Jones St Sections)  
BB11/CB10 Link Bridges Laneway Section

## DEVELOPMENT NOTES

### Programme

We note that the development is considered in 2 stages. For the purposes of calculating this CIV all works associated with Stage 1 works (demolition, excavation and ground stabilisation) has been included under a separate CIV submission.

We have assessed the construction duration for Stage 2 works at 24 months and the entire development at 30 months. This is based on an anticipated practical completion date of December 2013.

### Statutory Fees

Statutory fees & charges have been excluded for the purposes of CIV assessment.

### Design & Management Fees

We have based the Design & Management Fees on the Budget Summary Report costs prepared by UTS. The design & management fees comprise the following:

1. Design fees
2. Project Management & Quantity Surveying Fees
3. Development Management Fees

### Contingencies

The calculation of CIV includes the following contingencies:

1. Design Development Contingency in the sum of \$3,754,225
2. Construction Contingency in the sum of \$10,000,000

### Escalation

For the purposes of calculating CIV, escalation has been assessed as follows:

Escalation to Midpoint of Construction (March 2011 to Dec 2012) = **4.00%** (based on BPI (EBA) indices)

Please note that the calculation of Contract escalation has considered a standard S-curve cashflow of construction, thereby reducing the annualised rate of escalation in accordance with anticipated cashflow and the timing of contract lettings.

### Sales and Marketing Costs

No allowance has been made for Sales & Marketing based upon the final usage of the Building.

### Finance Costs

No allowance has been made for Financing Costs as the works will be funded privately by the University.

## SPECIFIC EXCLUSIONS

The following items have been specifically excluded from our estimate for the purposes of this report:

1. Stage 1 – Early works – Demolition, Excavation and Ground stabilisation
2. Statutory Fees & Charges
3. Land & legal costs
4. Holding costs on land
5. Loose furniture & fittings (FF&E)
6. Stand-by generators
7. Any costs associated with Green star ratings or upgrades
8. Tenant fitout costs to commercial tenancies – subject of separate DA applications
9. Tenant incentives to commercial tenancies – subject of separate DA applications
10. Goods and Services Tax

## REPORT PARAMETERS

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## **Appendix A**

< Schematic Cost Estimate Summary



**Project : UTS Broadway****Cost Plan : CIV****Rev : A- Main Works CIV****Project Summary**

No.	Description	Unit	Quantity	Rate	Total
	<b>Demolition Works - CPS</b>				
1	Demolition Works - CPS Anticipated FA	Excl			
	<b>Early Works</b>				
2	Bulk Excavation	Excl			
	<b>Main Contract Works</b>				
3	Main Building Works	m2	44,467	3,811	169,445,414
	<b>Sub Total</b>				<b>169,445,414</b>
4	UTS ITD Infrastructure Budget				3,572,200
5	UTS C21 ITE Education Investment Fund				2,732,680
	<b>Construction Sub Total</b>				<b>175,750,294</b>
6	Escalators to B3-B2 & B2-B1 installed during main contract				1,003,632
7	Relocation Works				250,000
	<b>Total</b>				<b>177,003,926</b>

**Base Date : 1st Qtr 2011****Location Factor : 1.00****DL Project No. 27267****28-Feb-2011****Page 1**

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