

27 September 2010

Philon Pty Ltd
Level 21, Goldfields House
SYDNEY NSW 2000

ATTENTION: ANDREW COLLIER

Dear Sir,

**RE: SCOTTISH HOSPITAL, PADDINGTON - REDEVELOPMENT
CAPITAL INVESTMENT VALUE (CIV)**

We understand that you will be submitting a concept plan for the development of the Scottish Hospital site in Paddington in accordance with the State Environmental Planning Policy (Major Development) 2005 (MD SEPP).

We further understand that as part of the proposal we are required to prepare a report identifying the Capital Investment Value (CIV) for the concept plan.

We confirm that we have prepared an estimate of the Capital Investment Value for the concept plan for this proposal and we advise you that the estimated cost at rates current in September 2010 is \$93,800,000 (excluding GST).

We note the estimate has been based on JPR Architects drawings DA 200 to 210 Revision 7 dated 7 June 2010 & DA 302 to 310 Revision 8 dated 5 August 2010.

We further note we have prepared the estimated Capital Investment Value based on the Planning Circular - PS 10-008 issued 10 May 2010 'New Definition of Capital Investment Value'.

We specifically note that the above estimate is based on preliminary and conceptual design information made available to ourselves at this point and therefore we have made a number of assumptions in relation to the project requirements. The estimates may be subject to change as design develops.

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

Yours faithfully
WT PARTNERSHIP


JOHN FERRARIN

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SUMMARY OF ESTIMATED COSTS

	\$	\$
A. CONSTRUCTION		
DEMOLITION WORKS	1,000,000	
SITE PREPARATION	3,300,000	
SITE REMEDIATION	500,000	
NURSING HOME – 100 BEDS	20,100,000	
NURSING HOME SENIOR INDEPENDENT LIVING – 4 No. APARTMENTS	1,700,000	
SENIOR INDEPENDENT LIVING – 78 No. APARTMENTS	35,400,000	
HERITAGE BUILDING	7,500,000	
CARPARKING	5,800,000	
CENTRAL COURTYARD	2,200,000	
PARK	300,000	
EXTERNAL WORKS	1,500,000	
CIVIL SERVICES	1,100,000	
WORK OUTSIDE BOUNDARY - ALLOW	500,000	
CONSTRUCTION PHASING	900,000	
		81,800,000
B. DEVELOPMENT AND OTHER COSTS		
CONSULTANT FEES – 10%	8,200,000	
DEVELOPMENT MANAGEMENT FEES	2,300,000	
DEVELOPMENT COSTS / AUTHORITY FEES	Excluded	
SECTION 94 CONTRIBUTIONS – DEVELOPMENT LEVY	Excluded	
MARKETING FEES	Excluded	
FURNITURE, FITTINGS & EQUIPMENT (OPERATING EQUIPMENT)	1,500,000	
SALES COSTS / FEES	Excluded	
ESCALATION IN COSTS	Excluded	
FINANCE COSTS / FEES	Excluded	
		12,000,000
SUGGESTED BUDGET AT SEPTEMBER 2010 RATES (Excluding GST)		\$93,800,000