

26 August 2010

EG Funds Management  
Level 14, 345 George Street  
SYDNEY NSW 2000

**ATTENTION: MARK SYKE**

Dear Sir,

**RE: SUMMER HILL FLOUR MILL  
CAPITAL INVESTMENT VALUE (CIV)**

We understand that you will be submitting a concept plan for the development of the Summer Hill Flour Mill in accordance with Part 3A of the State Environmental Planning Policy – Major Development 2005 (Major Development SEPP).

We further understand that in accordance with the Director General's requirements (item 10) that 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 capital cost for the proposed concept plan for this proposal and we advise you that the estimated cost at rates current in August 2010 is \$164,900,000 (excluding GST).

We note that the Director General's requirements defines "Capital Investment Value" (CIV) as follows:

*the capital investment value of a 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)...*

For further clarification we note that CIV includes the cost of site preparation, site infrastructure services and civil works, building works, head contractors preliminaries, supervision, overheads and margins together with design and consultant fees, authority fees and contributions, sales and marketing costs / fees, project management and development management fees and costs to provide BASIX and ESD principles. The CIV, however, excludes land costs, developer's margin, GST, finance costs and escalation in costs beyond August 2010.

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and Construction  
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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**

CC: Matt Pullinger, Hassell

Scott Barwick, SJB

**SUMMARY OF ESTIMATED COSTS**

	\$	\$
<b>A. CONSTRUCTION</b>		
DEMOLITION	1,500,000	
SITE CLEARING, BULK EARTHWORKS, SHORING	4,900,000	
SITE REMEDIATION - PROVISION ONLY	500,000	
BASEMENT CARPARK (550 No. CARS IN BASEMENT)	13,500,000	
RETAIL	5,200,000	
COMMERICAL	9,200,000	
RESIDENTIAL APARTMENTS/TERRACES (300 No. DWELLINGS)	89,000,000	
COMMUNITY FACILITIES – PROVISION ONLY	500,000	
ESD INITIATIVES – PROVISION ONLY	2,000,000	
EXTERNAL WORKS	3,900,000	
PUBLIC OPEN SPACE	3,000,000	
ROADWAYS	1,700,000	
INFRASTRUCTURE/TRAFFIC LIGHTS/ROUNDAABOUT	3,200,000	
STAGING PROVISION	2,000,000	
		140,100,000
<b>B. DEVELOPMENT AND OTHER COSTS</b>		
CONSULTANT FEES – 8.5%	11,900,000	
DEVELOPMENT MANAGEMENT FEES – 3%	4,200,000	
DEVELOPMENT COSTS / AUTHORITY FEES - Allow	1,000,000	
SECTION 94 CONTRIBUTIONS – DEVELOPMENT LEVY – 1%	1,400,000	
MARKETING FEES	1,400,000	
SALES COSTS / FEES	4,900,000	
ESCALATION IN COSTS	Excluded	
		24,800,000
<b>SUGGESTED BUDGET AT AUGUST 2010 RATES (EXCLUDING GST)</b>		<b>\$164,900,000</b>
GOODS & SERVICES TAX – 10%		16,490,000
<b>SUGGESTED BUDGET AT AUGUST 2010 RATES (INCLUDING GST)</b>		<b>\$181,390,000</b>