LOT 7020 PROJECT PRE-FEASIBILITY ANALYSIS

FINAL REPORT

AUGUST 2019

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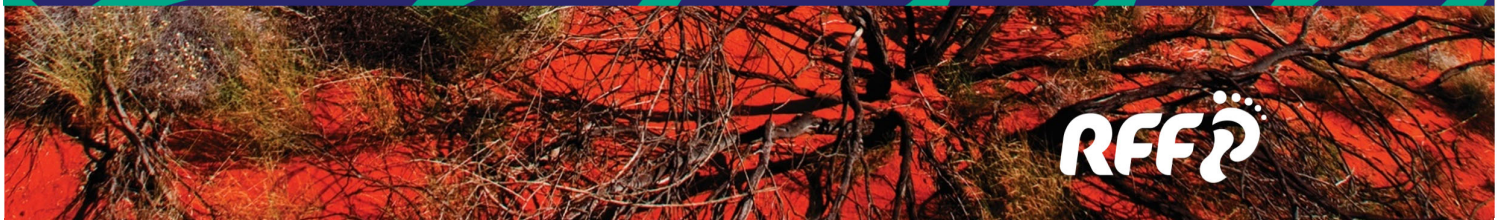

Executive Summary

The City of Karratha engaged a consultant team to evaluate the initial feasibility of developing a multi-storey mixed-use development on Lot 7020 Sharpe Avenue at the entrance to the Karratha City Centre. The overarching objectives of the project are to:

- Identify opportunities to enable continued investment and development of the Karratha City Centre;
- Identify and evaluate opportunities for community and cultural activation at the entrance to the Karratha City Centre; and
- Explore the feasibility of high-quality workforce accommodation within the Karratha City Centre consistent with the City's established position on operational workforce accommodation in its Draft and adopting Local Planning Policies.

The project scope of work has included:

- Detailed site analysis and development controls;
- Residential and workforce accommodation projections
- Residential, workforce and commercial supply and demand analysis;
- Desktop evaluation of cultural and historical content and the merits of developing additional community and cultural infrastructure in the City of Karratha;
- Concept design development and project development costing; and
- Property feasibility analysis of the preferred development outcome.

Throughout the project, the project team has engaged with and consulted the City executive. The key outcomes of the project evaluation are summarized in the table below.

Consideration	Finding	Recommendation
Supply and Demand	The due diligence and feasibility assessment have determined that there is substantial upside opportunity in terms of demand for both residential and short stay/FIFO accommodation associated with the potential investment cycle under planning and definitive feasibility by the resources sector within the City of Karratha Local Government Area. This requires forward planning by the property sector to develop accommodation solutions in anticipation of forward potential demand.	Subject to a position on community and cultural infrastructure, development of an innovative mixed use accommodation solution should be pursued at Lot 7018 and 7020.
Cultural Infrastructure	The City and other organisations within the Karratha LGA also have a substantive amount of historical and culturally significant content which could be celebrated and contribute to the sense of place and identity of Karratha. There is presently no museum representing the broader history of Aboriginal and European settlement north of Geraldton. A museum leveraging this content would make a significant contribution towards Karratha becoming In becoming, 'Australia's Most Liveable Regional City'. However, further detailed analysis and stakeholder engagement with the State Government and other community representative organisations is required to clarify the overall feasibility of such a project.	The City should pursue a specific feasibility analysis and engagement process to evaluate viability and funding opportunities to establish a museum in the Karratha City Centre within a discrete, appropriately designed building.
Site Design and Lot	The general arrangement of the lot 7020 limits the overall accommodation yield of the site without	Realignment of the boundaries between lot 7018 and 7020, increasing the depth

Suitability	reaching heights reflective of Pelago which would be disproportionate in scale to the Red Earth Arts Precinct. The provision of car parking on-site is limited also due to the depth and shape of the block which further impacts on the overall yield of the development without variations to minimum parking requirements being granted through a development approval process.	of Lot 7020 would enable an improvement development outcome and yield. The City should consider adopting a local development plan which provides guidelines around integrated development of both Lot 7018 and 7020, whilst also addressing car parking requirements.
Development Cost	The cost of the project is a significant factor in overall project feasibility. Either cost reduction through careful design management or capital grants towards construction are critical to project viability.	Early engagement with an experienced commercial project builder with a track record in regional areas, particularly in northern Australia would be a valuable partner in the design development and cost planning process. The City investigate opportunities which would justify public or private sector capital contribution to the project.
Finance and Development	A fund through development arrangement offers a method to progress a project to development ready, capable of attracting investment from large scale institutional investors where the end tenant and associated terms are of suitable quality. However, this demand is inextricably linked to external decisions by major industry which represent significant risk the conventional development sector, which is used to linear, stable growth.	The City and LandCorp are well placed to invest in developing a project by contributing the 'risk capital' towards design, cost management, approvals and user agreements which are unlikely to be put up by the private sector.

Assuming the development outcome is generally consistent with the concept design in this pre-feasibility, we consider the most likely opportunity to progress the project forward would be to:

- Work with LandCorp to release an Expression of Interest to the Market for development of a multi-story, mixed use commercial and accommodation development on Lot 7018/7020 based on a joint venture development scenario with the private sector;

- The City of Karratha collaborate with Joint Venture as one or more of the following:

    - financial contributor;
    - major tenant of the end development outcome;
    - lead facilitator of engagement with major industry on the end development/ user outcome.

- Criteria for evaluation of any Expression of Interest should focus on:

    - Investment criteria, particularly minimum required return on investment to proceed with the project;
    - Financial and human resources commitment to early design development and approvals;
    - Strength in multi-storey development and cost management.

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1. Introduction

This report summarizes the final design brief, preferred financial model and feasibility outcomes undertaken to inform potential development opportunities for Lot 7018 Sharpe Avenue, Karratha. The purpose of the pre-feasibility investigation is to:

- Define the preferred development outcome on the site which also aligns with City's aspirations for the development of the City Centre's main entrance points;
- Establish project development estimates to undertake the project; and
- Determine the most likely financial model, financing arrangements and take-off agreements which might be necessary to enable a project to proceed.

The feasibility has been undertaken by a multi-disciplinary team including:

- RFF (Project Lead, Due Diligence and Demand Profile)
- Possibilities (Feasibility Analysis)
- KPA Architects (Concept Design)
- RBB (Quantity Surveyors).

2. Background

2.1 Due Diligence

An initial site due diligence report was provided to the City of Karratha. The report considered the regulatory environment and demand profile for additional residential, short-stay and commercial demand based on the potential investment cycle commencing in the Pilbara region, and specifically around Karratha. The due diligence analysis confirmed that:

- There is potential the City will experience heightened demand for both residential and short-stay accommodation if positive final investment decisions are made in association with several major industry projects under definitive feasibility assessment.

- Locating Visitor's Centres within the City Centre where there is much higher likelihood of incidental domestic and visitor traffic tends to improve overall viability of the operations.

- The City of Karratha and several other institutions have significant historical and cultural content in place which could be utilised in a cultural interpretive/ museum space alongside a relocated visitor's centre from its current location into the City Centre. Lot 7020 is ideally suited to support such uses given its connection to nearby community, civic and cultural uses.

- The nature of civic and cultural uses is that the buildings are uniquely designed for a specific purpose and include substantive additional costs associated with architectural design and fit-out. Development of such buildings therefore tends to be driven as a stand-alone project by the public sector as opposed to being integrated into multiple use and occupier buildings.

- The risk profile of any new commercial or residential project of scale in the City Centre is significant. And end user or purchaser, depending on the final product delivered would need to be secure for 70 – 80% of the product volume proposed for development.

- Given the challenges accessing conventional finance, expected challenges in selling down multiple units to the investor market through a strata style solution and the City's desire to ensure a high-quality built form outcome, a fund through development arrangement was determined to be preferred. This is explained further below. An alternative solution could be to finance the project through engagement with the Northern Australia Infrastructure Facility on a residential build to rent arrangement.

2.2 Concept Design

2.2.1 Design Brief

A preferred design brief was workshopped for the purpose of the pre-feasibility analysis only with the City's Executive. The agreed brief in the table below.

Table 2.2.1 Design Brief Description

Element	Description
Building Height	2- 4 Storey
Building Design	High Quality Built Form outcome reflective of a private commercial development project such as Pelago or the Quarter. Allowance for some additional articulation/ height of the building on the southern corner to ensure entrance statement is developed.
Building Setbacks	Nil Setbacks with Hard, Activated Frontage to the Street
Ground Floor	- 600 – 1000m^2 tenancy for community use on the corner of Dampier Road and Sharpe Avenue.

	- Food and Beverage Tenancy suitable for catering for 60 – 80 persons located on the corner of Welcome Road and Sharpe Avenue. - Commercial Gym Tenancy capable of 100-person capacity. - Balance Office Space - Internal Lobby/ Reception Entrance to Upper Floor
1 – 3rd Floor Accommodation	Serviced Style Apartment: - 150 accommodation units (dependent on the number of levels) - 16 – 24m^2 Plot Ratio Area p/unit - 4m^2 Balcony - Double Loaded internal corridor for access - Allowance for disable unit provision
Integration	The design considers possible integration with future development of later stages on Lot 7018 having consideration to: - Additional high-quality built form mixed use development; - Potential for centralised common parking.
Parking	Parking Bays provided at the following ratios: - Accommodation units - 1 /p 0.45 rooms and .45 additional bays for every ten rooms for staff; - Food and Beverage – 1/p13.4 m^2 dining area - Gym – 1/p44m^2 NLA - Office – 1/ p66m^2 NLA

2.2.2 Concept Design Development

KPA Architects progressed concept design with a focus on achieved the desired development outcome for Lot 7018. The final concept design achieved the following development outcome. The concept plans are included in **Appendix 1**.

Table 2.2.2 Concept Design Summary

Land Use	No. / Area
Serviced Units	104 (30m^2 per/unit)
Community/ Visitors Centre	600m^2
Gym	212m^2
Office	326m^2
F&B	203m^2

The accommodation units were designed to cater for future demand in the medium term for an operational fly-in fly-out workforce with the capacity for future conversion into 2-bedroom residential units later. The design of accommodation is consistent with equivalent standards and expectations for professional fly-in/fly-out employees in the resources sector.

The concept design found that:

- Without multi-storey car parking, particularly in the case of permanent residential development overall development yields are heavily restricted;

- A short-stay accommodation scenario catering for a transient workforce would still require substantial car parking variations to achieve scale in the development outcome without having to develop multi-storey car parking;

- The layout of the current lot would either require an unconventional building shape impacting on development costs or surplus landscape space at grade which would not be capable of use for parking;

- The slope of the site and relationship with the adjoining streets made at-grade street entrances with a nil setback for buildings particularly difficult to achieve.

To achieve more affordable building design and development solution a minimum of 900m^2 of the south-eastern portion of Lot 7018 would need to be amalgamated into Lot 7020. The alternative would be a building with many more storeys than contemplate which would undermine the significance and architectural merits of the Red Earth Art's Precinct.

The City should also investigate adoption of a specific local development plan over Lot 7018 and 7020 which provides greater certainty regarding potential car parking variations and built form outcomes to mitigate approvals risks for any future developer, where the outcome aligns with the City's aspirations.

Alternative options for a unique, multi-building and lot development which considered a public building, civic space alongside private development was discussed. However, further detailed investigation regarding the operational viability of any new civic/ cultural space is required to better evaluate the City's capacity to enable this development which would take some time to complete. As such, a simplified development solution as outlined above was agreed to progress this pre-feasibility analysis to progress within the agreed period with LandCorp, the landowner.

2.3 Project Development Costs

Ralph Beattie Bosworth Construction Cost Consultants were engaged to evaluate the total potential development costs of the project. The project cost estimates assumed a ground floor insitu construction methodology and a modular construction methodology for the subsequent levels. The total cost summary is below, and detailed cost summary is provided in **Appendix 2.** Based on a gross floor area of 6,733m^2 this equate to an overall development cost of **$5,390 p/m^2.**

Table 2.3.1 Project Cost Summary

No.	Cost Item	Amount
1	Building Works	23,000,000
2	External Works and Services	2,400,000
3	**Sub-Total (Net Construction Cost)**	**25,400,000**
4	Design Contingency (10%)	2,600,000
5	Construction Contingency (5%)	1,300,000
6	Headworks & Statutory Charges, Allowance	Included
7	Building Act Compliance	150,000
8	Public Art; allowance	300,000
9	Land Acquisition & Native Title Compensation	N/A
10	Loose Furniture and Equipment	By Client
11	Other Costs - Special Provisions	Excluded
12	Commissioning, Relocation Costs & Disbursements	Excluded
13	ICT / AV	N/A
14	Professional Fees & Disbursements (14%)	4,170,000
15	**TOTAL NET PROJECT COST (at Current Prices)**	**33,920,000**
16	Escalation to Tender: August 2022	2,380,000

17	**ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST (excl GST)**	**36,300,000**
18	GOODS AND SERVICES TAX	3,630,000
19	**ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST (incl GST)**	**39,930,000**

3. Project Feasibility

3.1 Fund-Through Arrangement

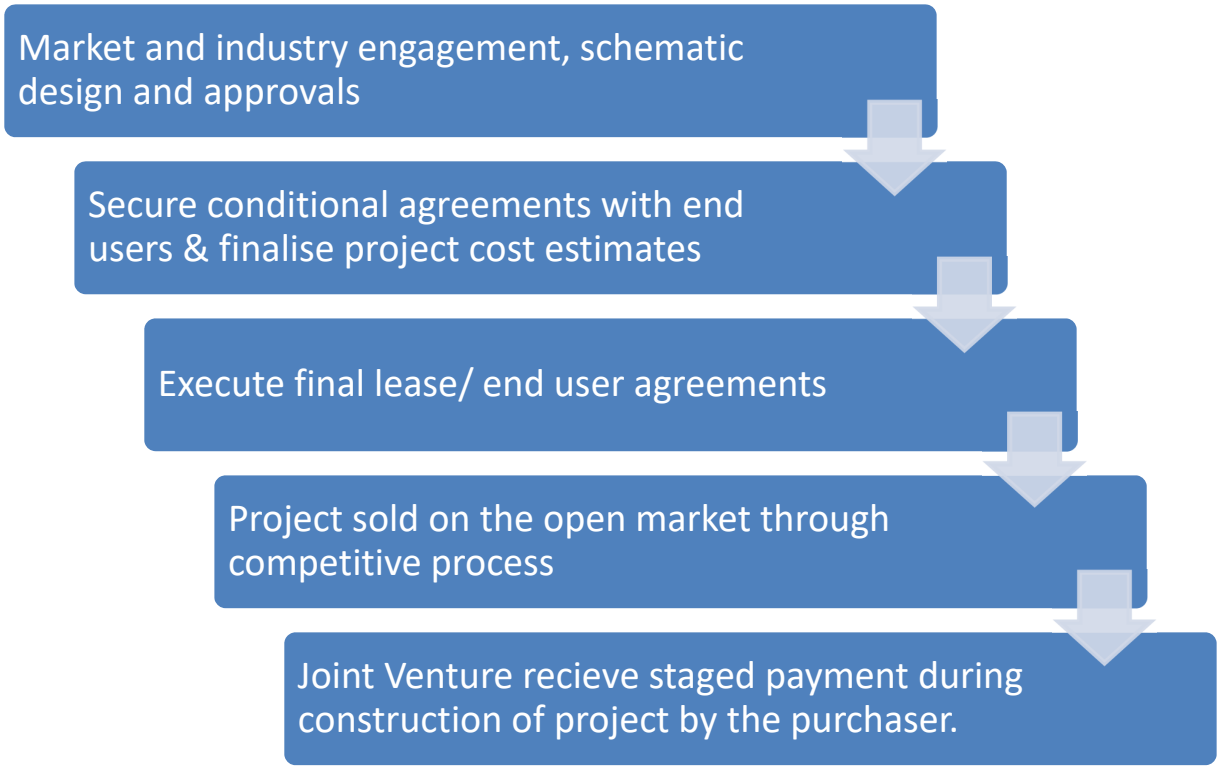
The concept design, finance challenges and importance placed on the built form outcome have led the project team to determine a fund-through arrangement for the development would be the most suitable project development model. In the arrangement, we are assuming LandCorp would work with a development partner in a Joint Venture arrangement. The City would be a third-party project facilitator.

The development scenario delivers a final development product that is effectively 'build to rent' arrangement whereby the entire project has a single owner, acquiring the development prior to construction and then making payments to the development entity to deliver the project based on a fixed return. The major benefit of this arrangement is that it:

- has substantial savings for the project with respect to stamp duty;
- avoids conventional finance solution, with finance coming form the end buyer, typically an institutional investor;
- enables the City to leverage its relationships with potential end users to secure agreements; and
- provides a methodology to control the quality and design of the final development outcome.

The project development arrangement would 'flow' in a manner shown below.

Figure 3.1.1 Fund Through Development Arrangement



3.2 Static Feasibility Model

The feasibility assumptions for the initial model are in the table below.

Table 3.2.1 Feasibility Assumptions

Assumption	Rate	Source
Net Room Rate P/Night	$52	Net Profit p/room achieved for equivalent facility in Karratha
Commercial Lease Rate	$450 p/m^2	Equivalent Lease Rates for New Commercial Space in the Karratha City Centre
Net Annual Yield (Cap Rate)	9%	Metropolitan projects are secure sales at 7% yield. Given the higher project risk a higher return on investment would be expected.
Lease Terms	30-years	Based on Equivalent Workforce Accommodation Projects in Karratha with long-term agreements with Industry
Operational Costs	N/A	Excluded for the purpose of Feasibility. Project has focused on capacity to deliver adequate return after costs. Operational Modelling could progress as part of a subsequent phase of design development and feasibility.
Interest on Development	10%	Commercial interest Rates for Private Development
Development Period	2-Years	Based on Project Scale
Land Cost	N/A	Entire Development Value being considered.
Hurdle Rate (Developer Return)	20%	Representative of the higher end of the standard hurdle rate sought by developer given the project development and construction risk

The initial feasibility model identified the project is unviable based on the initially developed project assumptions by some margin. The project would have a Net Present Value of just over **$29 million,** a 38% discount on the total project development cost.

3.3 Sensitivity Analysis

An initial sensitivity analysis was undertaken considering higher rent rates compared to current market based on a higher quality of product along side anticipated heightened demand lifting prices. Even if the net room rate as to double returns remain unsatisfactory.

Table 3.3.1 Net Accommodation Rental Sensitivity

Net Rate Per/Room	Projected Return
$52	-38%
$78	-14.36%
$104	9%

A secondary Sensitivity Analysis was undertaken which factors a lower capital outlay, either through improved building methodology or a capital grant to the project. This was factored in alongside potential increases in the net rate per room and is reflected in the table below.

Table 3.3.2 Net Rental and Capital Reduction Sensitivity

Net Rate P/Room	Capital Outlay Reduction	Projected Return
$52	$16,500,000	20.63%
$78	$9,700,000	20.21%
$104	$3,200,000	20.39%

Finally, investigation to establish the impact of a lower net yield (capitalisation rate) might have on the project were considered based on the initial assumptions to understand impact on project value.

Table 3.3.3 Capitalisation Rate Sensitivity

Capitalisation Rate	Projected Return
4.6%	20.8%

A fixed assumption in all models is that the City of Karratha would lease 600m2 of space on the ground floor of the development at $450 p/m^2 for a community or civic use.

3.4 Summary Feasibility Findings

The initial feasibility and subsequent sensitivity analysis demonstrate that the project has the capacity to deliver a feasible development outcome under the nominated fund through model provided:

- The overall development cost can be substantially reduced; or a capital grant towards the construction can be secured;

- A long-term lease to a 'blue chip' end user can be secured which delivers a lower risk profile, enabling a lower capitalisation rate for the project; and

- An improve net rental yield per/room can be secured on the premise that the development is of a higher quality and better location compared to similar, older product in the marketplace.

The City of Karratha is ideally placed to assist as a project facilitator with the key factors because of its:

- unique capacity to negotiate the structure and terms of an end user agreement with industry; and

- track record participating in enabling private sector initiatives, such as the Quarter Hotel project using its capital reserves.

4. Summary and Recommendations

The due diligence and feasibility findings and recommendations are summarised in the following table.

Table 3.4.1 Project Findings and Recommendations

Consideration	Finding	Recommendation
Supply and Demand	The due diligence and feasibility assessment have determined that there is substantial upside opportunity in terms of demand for both residential and short stay/FIFO accommodation associated with the potential investment cycle under planning and definitive feasibility by the resources sector within the City of Karratha Local Government Area. This requires forward planning by the property sector to develop accommodation solutions in anticipation of forward potential demand.	Subject to a position on community and cultural infrastructure, development of an innovative mixed use accommodation solution should be pursued at Lot 7018 and 7020.
Cultural Infrastructure	The City and other organisations within the Karratha LGA also have a substantive amount of historical and culturally significant content which could be celebrated and contribute to the sense of place and identity of Karratha. There is presently no museum representing the broader history of Aboriginal and European settlement north of Geraldton. A museum leveraging this content would make a significant contribution towards Karratha becoming In becoming, 'Australia's Most Liveable Regional City'. However, further detailed analysis and stakeholder engagement with the State Government and other community representative organisations is required to clarify the overall feasibility of such a project.	The City should pursue a specific feasibility analysis and engagement process to evaluate viability and funding opportunities to establish a museum in the Karratha City Centre within a discrete, appropriately designed building.
Site Design and Lot Suitability	The general arrangement of the lot 7020 limits the overall accommodation yield of the site without reaching heights reflective of Pelago which would be disproportionate in scale to the Red Earth Arts Precinct. The provision of car parking on-site is limited also due to the depth and shape of the block which further impacts on the overall yield of the development without variations to minimum parking requirements being granted through a development approval process.	Realignment of the boundaries between lot 7018 and 7020, increasing the depth of Lot 7020 would enable an improvement development outcome and yield. The City should consider adopting a local development plan which provides guidelines around integrated development of both Lot 7018 and 7020, whilst also addressing car parking requirements.
Development Cost	The cost of the project is a significant factor in overall project feasibility. Either cost reduction through careful design management or capital grants towards construction are critical to project viability.	Early engagement with an experienced commercial project builder with a track record in regional areas, particularly in northern Australia would be a valuable partner in the design development and cost planning process. The City investigate opportunities which would justify public or private sector capital contribution to the project.
Finance and	A fund through development arrangement offers a	The City and LandCorp are well placed to

Development	method to progress a project to development ready, capable of attracting investment from large scale institutional investors where the end tenant and associated terms are of suitable quality. However, this demand is inextricably linked to external decisions by major industry which represent significant risk the conventional development sector, which is used to linear, stable growth.	invest in developing a project by contributing the 'risk capital' towards design, cost management, approvals and user agreements which are unlikely to be put up by the private sector.

5. Next Steps

There are several potential options which could be pursued to progress the project forward beyond this initial pre-feasibility. Of significance to this way forward, is the City's perspective on the use or development of Lot 7020 either partially or entirely for a larger scale community/ cultural use, such as a museum or cultural centre.

Assuming the development outcome is generally consistent with the concept design in this pre-feasibility, we consider the most likely opportunity to progress the project forward would be to:

- Work with LandCorp to release an Expression of Interest to the Market for development of a multi-story, mixed use commercial and accommodation development on Lot 7018/7020 based on a joint venture development scenario;

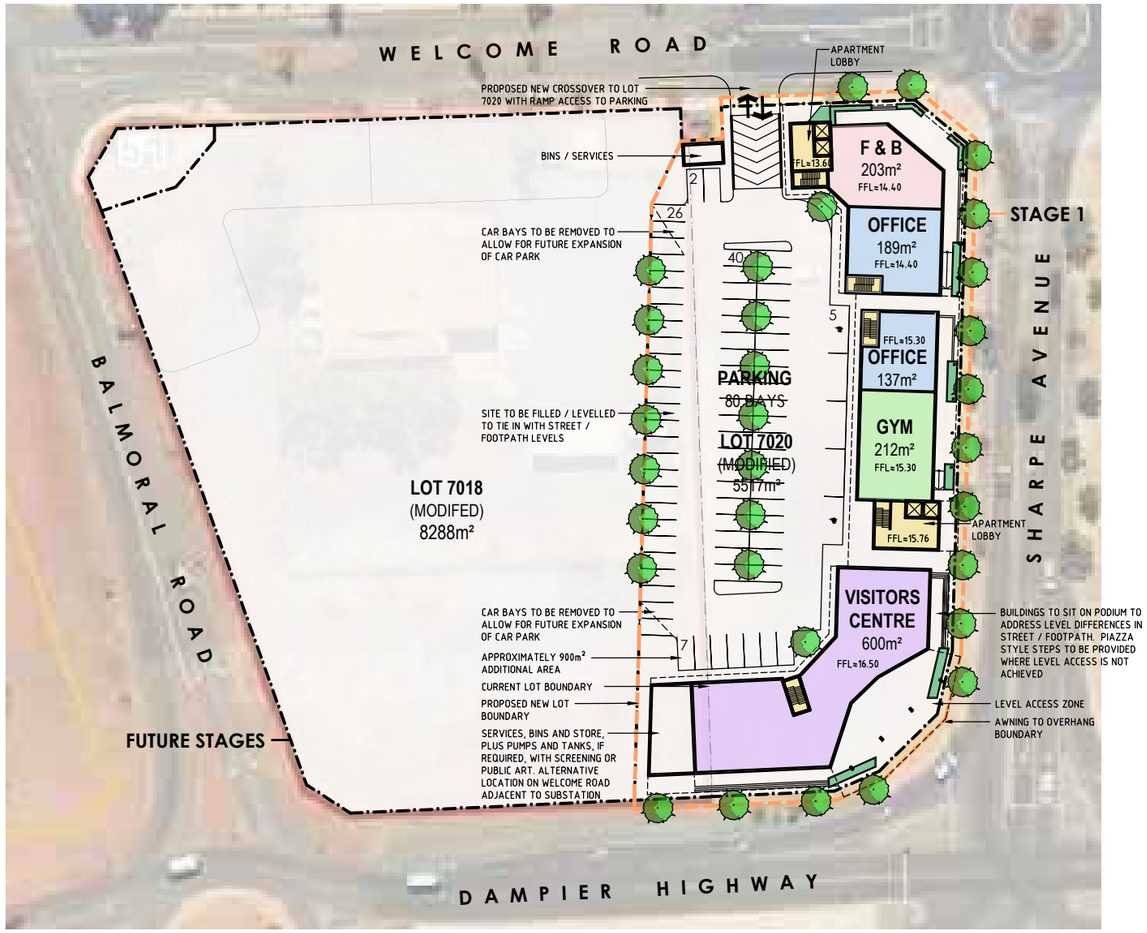
- The City of Karratha collaborate with Joint Venture as one or more of the following:

    - financial contributor;
    - major tenant of the end development outcome;
    - lead facilitator of engagement with major industry on the end development/ user outcome.

- Criteria for evaluation of any Expression of Interest should focus on:

    - Investment criteria, particularly minimum required return on investment to proceed with the project;
    - Financial and human resources commitment to early design development and approvals;
    - Strength in multi-storey development and cost management.

Appendix 1
Concept Design

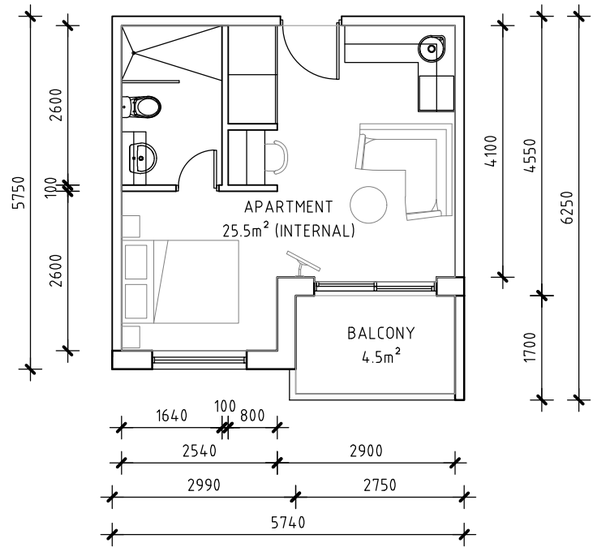


GROUND LEVEL

SCALE 1:1000 @ A3

LEVELS 2 - 4

SCALE 1:1000 @ A3



TYPICAL APARTMENT LAYOUT

SCALE 1:100 @ A3

KARRATHA COMMERCIAL DEVELOPMENT
PRE-FEASIBILITY STUDY - SCHEMATIC SITE PLAN (ISSUED FOR COMMENT)

05/08/2019 KPA PROJECT NO : 19-003 SCALE AS NOTED @ A3

PRE-FEASIBILITY
SK04 DRAWING
C REVISION

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KPA Architects

SHARPE AVENUE ELEVATION - PART 1

SCALE 1:200 @ A3

SHARPE AVENUE ELEVATION - PART 2

SCALE 1:200 @ A3

KARRATHA COMMERCIAL DEVELOPMENT
PRE-FEASIBILITY STUDY - SCHEMATIC ELEVATIONS

05/08/2019 KPA PROJECT NO : 19-003 SCALE AS NOTED @ A3

PRE-FEASIBILITY
SK05 DRAWING
B REVISION

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Appendix 2
Detailed Cost Summary

GROUND LEVEL

SCALE 1:1000 @ A3

Lot 7020 Sharpe Avenue Karratha

Order of Probable Cost Estimate – Rev 1

8 August 2019

RBB Project Number 19991

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7/53 Coppin St Richmond VIC 3121
Ph: (03) 8548 7888

REF	DESCRIPTION			TOTAL $
1	BUILDING WORKS			23,000,000
2	EXTERNAL WORKS AND SERVICES			2,400,000
3	**SUB-TOTAL (NET CONSTRUCTION COST)**			**25,400,000**
4	Design Contingency	10	%	2,600,000
5	Construction Contingency	5	%	1,300,000
6	Headworks & Statutory Charges, allowance			Included
7	Building Act Compliance	0.5	%	150,000
8	Public Art; allowance	1	%	300,000
9	Land Acquisition & Native Title Compensation			N/A
10	Loose Furniture and Equipment			By Client
11	Other Costs - Special Provisions			Excluded
12	Commisssioning, Relocation Costs & Disbursements			Excluded
13	ICT / AV			N/A
14	Professional Fees & Disbursements	14	%	4,170,000
15	**TOTAL NET PROJECT COST (at Current Prices)**			**33,920,000**
16	Escalation to Tender: August 2022			2,380,000
17	**ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST (excl GST)**			**36,300,000**
18	GOODS AND SERVICES TAX			3,630,000
19	**ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST (incl GST)**			**39,930,000**

NOTES & EXCLUSIONS

This is an 'Order of Probable Cost Estimate' based on preliminary info and such should be considered as a indicative only

This cost plan assumes that the works will be competitively procured

This estimate is based on the following "Pre-Feasibility" drawings prepared/provided by KPA Architects:
- SK04/b; SK05/a; Site Fill diagram; Parking Calculations;
- Site photos provided by KPA

Escalation has been estimated based on the anticipated tender date of August 2022 utilising the 'CCIF - Construction Cost Index Forecast' AIQS publication

No allowances have been made for the following:-

- Works outside the site boundary (other than the required verge works)

- Development Costs

REF	DESCRIPTION	TOTAL $
	- Food & Beverage fit-out/equipment	
	- Gym fit-out/equipment	
	- Loose Furniture & Equipment	
	- CCTV	
	- Out of hours works	
	- Goods and services tax	

REF	DESCRIPTION	UNIT	QTY	RATE $	TOTAL $
	BUILDING WORKS				
	COMMERCIAL TENNANCIES (IN-SITU)				
	Ground Floor				
1	Office	m2	320	3,150.00	1,008,000
2	Food and Beverage; cold shell only (including provision for mech exhaust and A/C)	m2	109	3,300.00	359,700
3	Lobby to Food and Beverage	m2	47	3,750.00	176,250
4	Gym	m2	200	2,700.00	540,000
5	Lobby to Gym	m2	76	3,750.00	285,000
6	Visitors Centre	m2	600	3,750.00	2,250,000
7	Access zones / corridors, un-enclosed covered area	m2	71	1,800.00	127,800
8	Sundries	Item	1	53,250.00	53,250
	Vertical Transportation				
9	Stairs; included with apartments	Item	1		Ref. Apartments
10	Lifts; included with apartments	Item	1		Ref. Apartments
	SUB-TOTAL COMMERCIAL TENNANCIES (IN-SITU)				**4,800,000**
	LEVELS 1 -3 - APARTMENTS (MODULAR)				
	First Floor				
11	Apartments	m2	1,151	3,600.00	4,143,600
12	Circulation	m2	323	2,550.00	823,650
13	Balconies	m2	168	1,350.00	226,800
14	Laundry and storage	m2	20	3,900.00	78,000
	Second Floor				
15	Apartments	m2	1,151	3,600.00	4,143,600
16	Circulation	m2	323	2,550.00	823,650
17	Balconies	m2	168	1,350.00	226,800
18	Laundry and storage	m2	20	3,900.00	78,000
	Third Floor				
19	Apartments	m2	1,151	3,600.00	4,143,600
20	Circulation	m2	323	2,550.00	823,650
21	Balconies	m2	168	1,350.00	226,800
22	Laundry and storage	m2	20	3,900.00	78,000

REF	DESCRIPTION	UNIT	QTY	RATE $	TOTAL $
	LEVELS 1 -3 - APARTMENTS (MODULAR) (Cont'd)				
	Roof				
23	Solar panels	Item	1		Excluded
	Vertical Transportation				
24	Stair - internal (dog leg type)	m/r	38	4,050.00	153,900
25	Stair - external	m/r	25	3,750.00	93,750
26	Lift serving three levels	No	4	150,000.00	600,000
	Facade Embellishment				
27	Allowance for facade embellishment	m2	2,866	375	1,074,750
	Other				
28	Roof deck entertainment area	m2	200	1,800.00	360,000
29	Sundries	Item	1	101,450.00	101,450
	SUB-TOTAL LEVELS 1 -3 - APARTMENTS (MODULAR)				**18,200,000**

REF	DESCRIPTION	UNIT	QTY	RATE $	TOTAL $
	EXTERNAL WORKS AND SERVICES				
	XP - SITE PREPARATION				
30	Demolish exising structures	Item	1		N/A
31	Clear topsoil vegetation, 150 deep and remove	m2	5,500	9	49,500
32	Imported fill, approx 1m across site	m3	5,500	50	275,000
33	Trim, level and compact	m2	5,500	6	33,000
34	Allowance to form batter to adjoining lot 7018	Item	1	15,000.00	15,000
35	Allowance for retaining wall along new lot 7020 boundary	m2	278		N/A
36	Allowance for removal of trees	Item	1		Excluded
37	Allowance for removal of hazardous waste	Item	1		Excluded
	SUB-TOTAL XP - SITE PREPARATION				**372,500.00**
	XR - ROADS, FOOTPATHS AND PAVED AREAS				
38	On ground parking, including drainage, light and power	m2	2,783	117	325,611
39	Paving around carpak and adjacent to building	m2	748	90	67,320
40	Wheel stop; provisional quantity	No	50	100	5,000
41	Piazza/podium	Item	1	50,000.00	50,000
42	Allowance for access stairs, access ramps due to level changes	Item	1	50,000.00	50,000
43	Extra over for car ramp	Item	1	7,000.00	7,000
44	Crossover to 'Welcome Rd'	Item	1	5,000.00	5,000
45	Boom gates	Item	1		N/A
46	Allowance for bollards	Item	1	6,000.00	6,000
	SUB-TOTAL XR - ROADS, FOOTPATHS AND PAVED AREAS				**515,931.00**
	XN - BOUNDARY WALLS, FENCING AND GATES				
47	Allowance for fencing between lots 7018 and 7020	m	130	130	16,900
	SUB-TOTAL XN - BOUNDARY WALLS, FENCING AND GATES				**16,900.00**
	XL - LANDSCAPING AND IMPROVEMENTS				
48	Shade trees; provisional quantity	No	20	2,000.00	40,000
49	Allowance for verge planting	Item	1	20,000.00	20,000
50	Allowance for planter boxes alont the street frontage	Item	1	25,000.00	25,000
51	Allowance for miscelanous soft landscaping	Item	1	30,000.00	30,000

REF	DESCRIPTION	UNIT	QTY	RATE $	TOTAL $
	XL - LANDSCAPING AND IMPROVEMENTS (Cont'd)				
52	Allowance for street furniture	Item	1	20,000.00	20,000
53	Allowance for signage	Item	1	50,000.00	50,000
	SUB-TOTAL XL - LANDSCAPING AND IMPROVEMENTS				**185,000.00**
	XK - EXTERNAL STORMWATER DRAINAGE				
54	Stormwater drainage to roof areas	Item	1	50,000.00	50,000
55	Stormwater drainage to paved areas	Item	1	20,000.00	20,000
	SUB-TOTAL XK - EXTERNAL STORMWATER DRAINAGE				**70,000.00**
	XD - EXTERNAL SEWER DRAINAGE				
56	Allowance for sewer pipe and connection to main	Item	1	10,000.00	10,000
	SUB-TOTAL XD - EXTERNAL SEWER DRAINAGE				**10,000.00**
	XW - EXTERNAL WATER SUPPLY				
57	Allowance for connection	Item	1	10,000.00	10,000
58	Water Corp headworks	Item	1	250,000.00	250,000
	SUB-TOTAL XW - EXTERNAL WATER SUPPLY				**260,000.00**
	XG - EXTERNAL GAS				
59	Allowance for gas connection	Item	1	20,000.00	20,000
	SUB-TOTAL XG - EXTERNAL GAS				**20,000.00**
	XF - EXTERNAL FIRE PROTECTION				
60	Fire tanks and pumps (concrete tanks), including enclosure	Item	1	350,000.00	350,000
61	Fire hydrant	Item	1	5,000.00	5,000
	SUB-TOTAL XF - EXTERNAL FIRE PROTECTION				**355,000.00**
	XE - EXTERNAL LIGHT AND POWER				
62	Allowance for light and power	Item	1	50,000.00	50,000
63	Horizon Power headworks allowance; transformer	Item	1	200,000.00	200,000

REF	DESCRIPTION	UNIT	QTY	RATE $	TOTAL $
	XE - EXTERNAL LIGHT AND POWER (Cont'd)				
	SUB-TOTAL XE - EXTERNAL LIGHT AND POWER				**250,000.00**
	XC - EXTERNAL COMMUNICATIONS				
64	Allowance for communications	Item	1	10,000.00	10,000
65	Headworks, allowance	Item	1	5,000.00	5,000
	SUB-TOTAL XC - EXTERNAL COMMUNICATIONS				**15,000.00**
	PR - PRELIMINARIES				
66	Preliminaries	Item	1	329,668.65	329,669
	SUB-TOTAL PR - PRELIMINARIES				**329,668.65**