

slattery

Bassendean Community Centre
Crn Old Perth Road and James Street,
Bassendean WA
Preliminary Cost Indication
11 October, 2013

Bassendean Community Centre Crn Old Perth Road and James Street Preliminary Cost Indication

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Bassendean Community Centre

Crn Old Perth Road and James Street

Preliminary Cost Indication

1. Introduction

This cost plan has been prepared to provide an independent assessment of the construction cost associated with the development located at the corner of Old Perth Road and James Street, Bassendean WA.

This preliminary cost indication is based on schematic architectural drawings dated September 2013 (refer to Appendix B of this report for details).

The preliminary cost indication aims to set the budgets for each building areas/components for the further cost control.

2. Preliminary Cost Indication Summary

Our office has completed an elemental cost indication which is appended to this report. Our preliminary cost indication can be summarised as follows:

Preliminary Cost Plan - October 2013	Amount	Cost/m2
Building Cost	\$ 12,971,838	\$ 2,941
External Works & Services	\$ 1,397,394	\$ 317
Contingency	\$ 1,077,692	\$ 244
Escalation	\$ 308,938	\$ 70
Professional Fees	\$ 1,544,692	\$ 350
Authorities Fees and Charges	\$ 100,000	\$ 23
Total Construction Cost excl GST	\$ 17,400,554	\$ 3,946
GST	\$ 1,740,055	\$ 394.57
Total Construction Cost incl GST	\$ 19,140,610	\$ 4,340.27

Building Cost as summarized above comprising the following functional areas and costs:

DEVELOPMENT DATA		TOTAL COST
Car parking Level 12.6 (No. 24 cars)	630	\$673,580
Car parking Level 15.6 (No. 40 cars)	990	\$1,091,360
Childcare Level 15.6 (m2)	900	\$4,084,598
Commercial + Community Level 18.6 (m2)	1,030	\$3,902,602
Community Centre Level 22.2 and 25.8 (m2)	860	\$3,219,698
FECA (m2)/TOTAL	4,410	\$12,971,838
Number of levels	Three	

Bassendean Community Centre

Crn Old Perth Road and James Street

Preliminary Cost Indication

3. Basis

The above excludes the following:

- Open Space Levy
- Tenancy Incentives / Tenancy Fit out Contribution
- Land, Finance, Legal, Letting Costs, etc
- Home Automation / Audio Visual / IT Equipment and Infrastructure
- Furniture, Fittings and Equipment
- Light Fittings
- Works to upgrade existing services
- Space heating services
- Art allowance
- Dewatering
- Works other than specifically noted in the attached cost models

4. Project Specifics

Specific assumptions and basis are as follows:

- The allowances contained in these cost models are preliminary and subject to confirmation from further cost planning exercises verify or otherwise costs, quantities and design assumptions
- This preliminary cost indication has been prepared for exclusive use by our client and as such Slattery Australia accepts no liability or responsibility to any third party to whom the report is disclosed or otherwise made available. This cost plan is not to be used for any public or private offering or similar where the contents are used by third parties for any purpose

Bassendean Community Centre
Crn Old Perth Road and James Street
Preliminary Cost Indication

Appendix_A

Slattery Preliminary Cost Indication

Cost Models

Preliminary Cost Plan - October 2013	Amount	Cost/m2
Building Cost	\$ 12,971,838	\$ 2,941
External Works & Services	\$ 1,397,394	\$ 317
Contingency	\$ 1,077,692	\$ 244
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Number of levels	Three	

DEVELOPMENT DATA	
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Childcare Level 15.6 (m2)	900
Commercial + Community Level 18.6 (m2)	1,030
Community Centre Level 22.2 and 25.8 (m2)	860
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$41.33	\$ 182,269
CE	Centralised Energy Systems			\$0.00	\$ -
AR	Alterations and Renovations			\$0.00	\$ -
XP	Site Preparation			\$64.12	\$ 282,750
XR	Roads, Footpaths and Paved Areas			\$9.30	\$ 41,000
XN	Boundary Walls, Fencing and Gates			\$6.55	\$ 28,875
XB	Outbuildings and Covered Ways			\$0.00	\$ -
XL	Landscaping and Improvements			\$36.28	\$ 160,000
	External Works Subtotal (CE to XL)			\$116.24	\$ 512,625
XK	External Stormwater Drainage			\$10.20	\$ 45,000
XD	External Sewer Drainage			\$14.74	\$ 65,000
XW	External Water Supply			\$41.95	\$ 185,000
XG	External Gas			\$1.70	\$ 7,500
XF	External Fire Protection			\$38.55	\$ 170,000
XE	External Electric Light and Power			\$45.35	\$ 200,000
XC	External Communications			\$3.40	\$ 15,000
XS	External Special Services			\$3.40	\$ 15,000
	External Services Subtotal (XK to XS)			\$159.30	\$ 702,500
XX	External Alterations and Renovations			\$0.00	\$ -
YY	Special Provisions			\$0.00	\$ -
	TOTAL EXTERNAL WORKS AND SERVICES COST			\$316.87	\$1,397,394

DEVELOPMENT DATA	
Car parking Level 12.6 (No. 24 cars)	630
Car parking Level 15.6 (No. 40 cars)	990
Childcare Level 15.6 (m2)	900
Commercial + Community Level 18.6 (m2)	1,030
Community Centre Level 22.2 and 25.8 (m2)	860
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$150.00	\$ 94,500
SB	Substructure	630	\$380.00	\$380.00	\$ 239,400
CL	Columns	49		\$17.11	\$ 10,780
UF	Upper Floors incl in Childcare	0		\$0.00	\$ -
SC	Staircases	3		\$9.52	\$ 6,000
RF	Roof incl in Childcare	0		\$0.00	\$ -
EW	External Walls	114	\$650.00	\$117.62	\$ 74,100
WW	Windows	0		\$0.00	\$ -
ED	External Doors	1		\$28.57	\$ 18,000
NW	Internal Walls	118	\$218.64	\$40.95	\$ 25,800
NS	Internal Screens and Borrowed Lights	0		\$0.00	\$ -
ND	Internal Doors	5		\$11.90	\$ 7,500
	Superstructure Subtotal (CL to ND)			\$225.68	\$ 142,180
WF	Wall Finishes	270	\$35.56	\$15.24	\$ 9,600
FF	Floor Finishes	630	\$35.00	\$35.00	\$ 22,050
CF	Ceiling Finishes	630	\$15.00	\$15.00	\$ 9,450
	Finishes Subtotal (WF to CF)			\$65.24	\$ 41,100
FT	Fitments			\$21.59	\$ 13,600
SE	Special Equipment			\$1.59	\$ 1,000
	Fittings Subtotal (FT & SE)			\$23.17	\$ 14,600
SF	Sanitary Fixtures			\$0.00	\$ -
PD	Sanitary Plumbing			\$0.00	\$ -
WS	Water Supply			\$0.00	\$ -
GS	Gas Service			\$0.00	\$ -
SH	Space Heating			\$0.00	\$ -
VE	Ventilation	630		\$45.00	\$ 28,350
EC	Evaporative Cooling			\$0.00	\$ -
AC	Air Conditioning			\$0.00	\$ -
FP	Fire Protection	0	#DIV/0!	\$7.94	\$ 5,000
LP	Light and Power	630	\$65.00	\$65.00	\$ 40,950
CM	Communications			\$0.00	\$ -
TS	Transportation Systems			\$107.14	\$ 67,500
SS	Special Services			\$0.00	\$ -
	Services Subtotal (SF to SS)			\$225.08	\$ 141,800
	BUILDING COST TOTAL			\$1,069.17	\$ 673,580

DEVELOPMENT DATA	
Car parking Level 12.6 (No. 24 cars)	630
Car parking Level 15.6 (No. 40 cars)	990
Childcare Level 15.6 (m2)	900
Commercial + Community Level 18.6 (m2)	400
Community Centre Level 22.2 and 25.8 (m2)	1,490
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$174.85	\$ 173,100
SB	Substructure	990	\$350.00	\$350.00	\$ 346,500
CL	Columns	63		\$14.00	\$ 13,860
UF	Upper Floors incl in Community Centre	0		\$0.00	\$ -
SC	Staircases	3		\$6.06	\$ 6,000
RF	Roof incl in Community Centre	0		\$0.00	\$ -
EW	External Walls	288	\$742.50	\$216.00	\$ 213,840
WW	Windows	0		\$0.00	\$ -
ED	External Doors	1		\$18.18	\$ 18,000
NW	Internal Walls	78	\$303.85	\$23.94	\$ 23,700
NS	Internal Screens and Borrowed Lights	0		\$0.00	\$ -
ND	Internal Doors	5		\$8.28	\$ 8,200
	Superstructure Subtotal (CL to ND)			\$286.46	\$ 283,600
WF	Wall Finishes	474	\$26.71	\$12.79	\$ 12,660
FF	Floor Finishes	990	\$35.00	\$35.00	\$ 34,650
CF	Ceiling Finishes	990	\$15.00	\$15.00	\$ 14,850
	Finishes Subtotal (WF to CF)			\$62.79	\$ 62,160
FT	Fitments			\$8.59	\$ 8,500
SE	Special Equipment			\$2.02	\$ 2,000
	Fittings Subtotal (FT & SE)			\$10.61	\$ 10,500
SF	Sanitary Fixtures			\$0.00	\$ -
PD	Sanitary Plumbing			\$0.00	\$ -
WS	Water Supply			\$0.00	\$ -
GS	Gas Service			\$0.00	\$ -
SH	Space Heating			\$0.00	\$ -
VE	Ventilation	990		\$45.00	\$ 44,550
EC	Evaporative Cooling			\$0.00	\$ -
AC	Air Conditioning			\$3.54	\$ 3,500
FP	Fire Protection	990	\$70.05	\$70.05	\$ 69,350
LP	Light and Power	990	\$65.00	\$65.00	\$ 64,350
CM	Communications			\$0.00	\$ -
TS	Transportation Systems			\$34.09	\$ 33,750
SS	Special Services			\$0.00	\$ -
	Services Subtotal (SF to SS)			\$217.68	\$ 215,500
	BUILDING COST TOTAL			\$1,102.38	\$ 1,091,360

DEVELOPMENT DATA	
Car parking Level 12.6 (No. 24 cars)	630
Car parking Level 15.6 (No. 40 cars)	990
Childcare Level 15.6 (m2)	900
Commercial + Community Level 18.6 (m2)	1,030
Community Centre Level 22.2 and 25.8 (m2)	860
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$591.67	\$ 532,500
SB	Substructure incl outdoor play area	1,040	\$350.00	\$404.44	\$ 364,000
CL	Columns	1,670		\$102.06	\$ 91,850
UF	Upper Floors incl outdoor play areas	720		\$613.22	\$ 551,900
SC	Staircases	3		\$6.67	\$ 6,000
RF	Roof incl outdoor play areas	1,465		\$639.81	\$ 575,825
EW	External Walls	360	\$552.67	\$221.07	\$ 198,960
WW	Windows	53		\$58.67	\$ 52,800
ED	External Doors	15		\$75.00	\$ 67,500
NW	Internal Walls	616	\$326.06	\$223.17	\$ 200,850
NS	Internal Screens and Borrowed Lights	70		\$42.64	\$ 38,375
ND	Internal Doors	32		\$29.33	\$ 26,400
	Superstructure Subtotal (CL to ND)			\$2,011.62	\$ 1,810,460
WF	Wall Finishes	1,747	\$65.64	\$127.43	\$ 114,688
FF	Floor Finishes	900	\$114.17	\$114.17	\$ 102,750
CF	Ceiling Finishes	900	\$165.83	\$165.83	\$ 149,250
	Finishes Subtotal (WF to CF)			\$407.43	\$ 366,688
FT	Fitments			\$277.78	\$ 250,000
SE	Special Equipment			\$38.89	\$ 35,000
	Fittings Subtotal (FT & SE)			\$316.67	\$ 285,000
SF	Sanitary Fixtures			\$29.44	\$ 26,500
PD	Sanitary Plumbing			\$60.28	\$ 54,250
WS	Water Supply			\$41.11	\$ 37,000
GS	Gas Service			\$16.67	\$ 15,000
SH	Space Heating			\$0.00	\$ -
VE	Ventilation	220		\$40.33	\$ 36,300
EC	Evaporative Cooling			\$0.00	\$ -
AC	Air Conditioning			\$285.00	\$ 256,500
FP	Fire Protection	900	\$40.56	\$40.56	\$ 36,500
LP	Light and Power	990	\$160.00	\$176.00	\$ 158,400
CM	Communications			\$20.00	\$ 18,000
TS	Transportation Systems			\$75.00	\$ 67,500
SS	Special Services			\$22.22	\$ 20,000
	Services Subtotal (SF to SS)			\$806.61	\$ 725,950
	BUILDING COST TOTAL			\$4,538.44	\$ 4,084,598

DEVELOPMENT DATA	
Car parking Level 12.6 (No. 24 cars)	630
Car parking Level 15.6 (No. 40 cars)	990
Childcare Level 15.6 (m2)	900
Commercial + Community Level 18.6 (m2)	1,030
Community Centre Level 22.2 and 25.8 (m2)	860
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$494.21	\$ 509,040
SB	Substructure incl in carpark Level 15.6	0		\$0.00	\$ -
CL	Columns	1,400		\$74.76	\$ 77,000
UF	Upper Floors	1,400		\$655.39	\$ 675,050
SC	Staircases	3		\$5.83	\$ 6,000
RF	Roof incl in Community Centre Level 25.8	1,164		\$395.53	\$ 407,400
EW	External Walls	555	\$879.67	\$474.00	\$ 488,218
WW	Windows	60		\$37.80	\$ 38,935
ED	External Doors	4		\$36.89	\$ 38,000
NW	Internal Walls	411	\$248.72	\$99.25	\$ 102,225
NS	Internal Screens and Borrowed Lights	140		\$84.47	\$ 87,000
ND	Internal Doors	23		\$19.81	\$ 20,400
	Superstructure Subtotal (CL to ND)			\$1,883.72	\$ 1,940,228
WF	Wall Finishes	1,315	\$67.38	\$86.00	\$ 88,584
FF	Floor Finishes	1,030	\$106.43	\$106.43	\$ 109,625
CF	Ceiling Finishes	1,030	\$169.30	\$169.30	\$ 174,375
	Finishes Subtotal (WF to CF)			\$361.73	\$ 372,584
FT	Fitments			\$208.74	\$ 215,000
SE	Special Equipment			\$145.63	\$ 150,000
	Fittings Subtotal (FT & SE)			\$354.37	\$ 365,000
SF	Sanitary Fixtures			\$14.85	\$ 15,300
PD	Sanitary Plumbing			\$30.58	\$ 31,500
WS	Water Supply			\$20.87	\$ 21,500
GS	Gas Service			\$0.00	\$ -
SH	Space Heating			\$0.00	\$ -
VE	Ventilation	220		\$12.01	\$ 12,375
EC	Evaporative Cooling			\$0.00	\$ -
AC	Air Conditioning			\$264.25	\$ 272,175
FP	Fire Protection	900	\$45.61	\$39.85	\$ 41,050
LP	Light and Power	990	\$260.10	\$250.00	\$ 257,500
CM	Communications			\$20.00	\$ 20,600
TS	Transportation Systems			\$32.77	\$ 33,750
SS	Special Services			\$9.71	\$ 10,000
	Services Subtotal (SF to SS)			\$694.90	\$ 715,750
	BUILDING COST TOTAL			\$3,788.93	\$ 3,902,602

DEVELOPMENT DATA	
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Childcare Level 15.6 (m2)	900
Commercial + Community Level 18.6 (m2)	1,030
Community Centre Level 22.2 and 25.8 (m2)	860
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$493.26	\$ 212,100
SB	Substructure incl in Commercial Level 18.6	0		\$0.00	\$ -
CL	Columns	430		\$55.00	\$ 23,650
UF	Upper Floors	550		\$649.53	\$ 279,300
SC	Staircases	3		\$13.95	\$ 6,000
RF	Roof incl in Community Centre Level 25.8	120		\$97.67	\$ 42,000
EW	External Walls	324	\$1,017.35	\$766.56	\$ 329,620
WW	Windows	32		\$75.35	\$ 32,400
ED	External Doors	3		\$31.40	\$ 13,500
NW	Internal Walls	177	\$618.47	\$254.58	\$ 109,470
NS	Internal Screens and Borrowed Lights	108		\$160.47	\$ 69,000
ND	Internal Doors	4		\$12.56	\$ 5,400
	Superstructure Subtotal (CL to ND)			\$2,117.07	\$ 910,340
WF	Wall Finishes	565	\$63.08	\$82.89	\$ 35,644
FF	Floor Finishes	430	\$102.79	\$102.79	\$ 44,200
CF	Ceiling Finishes	430	\$168.37	\$168.37	\$ 72,400
	Finishes Subtotal (WF to CF)			\$354.06	\$ 152,244
FT	Fitments			\$46.51	\$ 20,000
SE	Special Equipment			\$0.00	\$ -
	Fittings Subtotal (FT & SE)			\$46.51	\$ 20,000
SF	Sanitary Fixtures			\$16.40	\$ 7,050
PD	Sanitary Plumbing			\$26.16	\$ 11,250
WS	Water Supply			\$16.28	\$ 7,000
GS	Gas Service			\$0.00	\$ -
SH	Space Heating			\$0.00	\$ -
VE	Ventilation	15		\$5.76	\$ 2,475
EC	Evaporative Cooling			\$0.00	\$ -
AC	Air Conditioning			\$285.00	\$ 122,550
FP	Fire Protection	430	\$46.63	\$46.63	\$ 20,050
LP	Light and Power	430	\$250.00	\$250.00	\$ 107,500
CM	Communications			\$20.00	\$ 8,600
TS	Transportation Systems			\$78.49	\$ 33,750
SS	Special Services			\$23.26	\$ 10,000
	Services Subtotal (SF to SS)			\$767.97	\$ 330,225
	BUILDING COST TOTAL			\$3,778.86	\$ 1,624,909

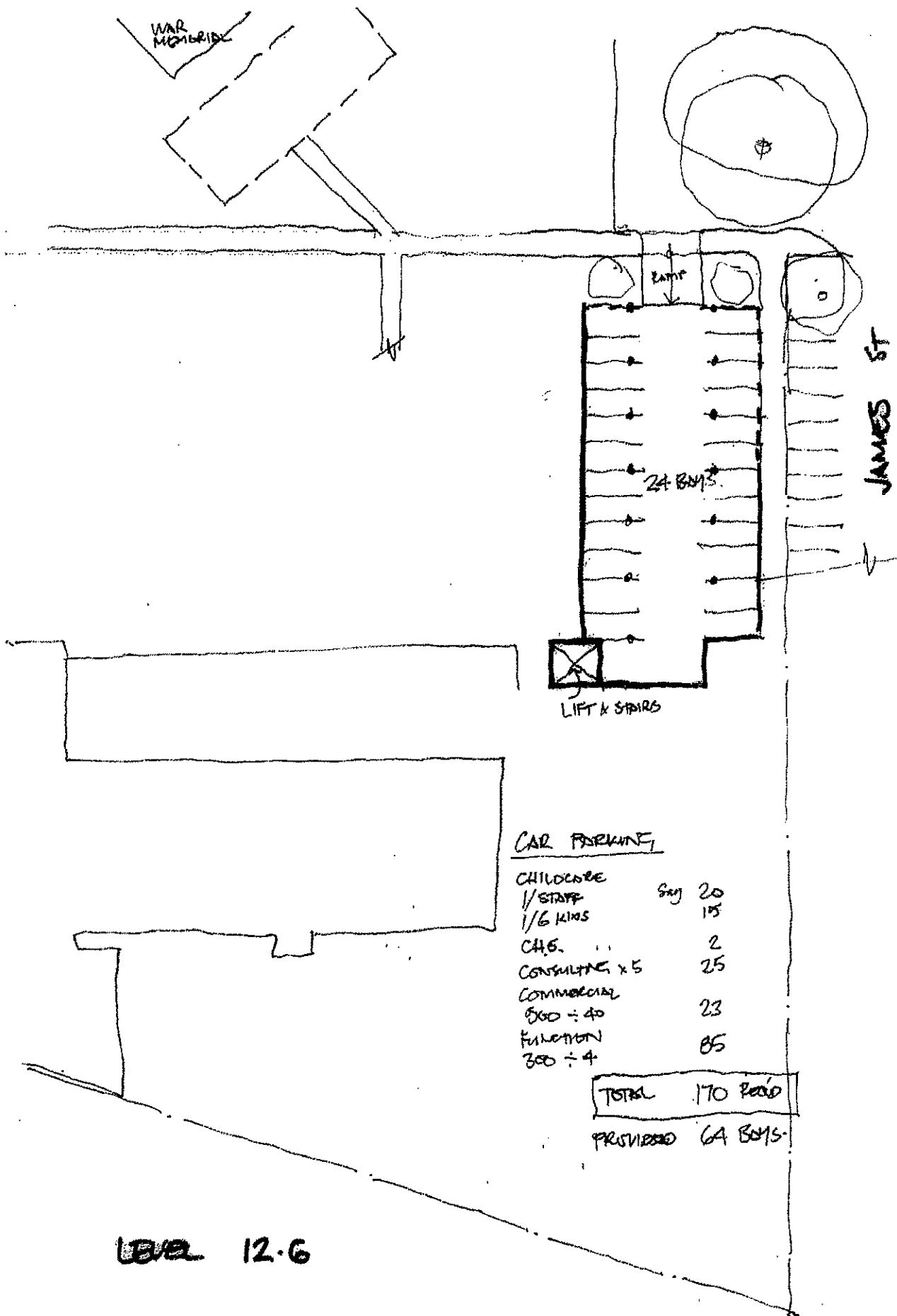
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Community Centre Level 22.2 and 25.8 (m2)	860
FECA (m2)	4,410
Number of levels	Three

Code	AIQS Element	Elemental Quantity	Elemental Rate	FECA Rate	Elemental Cost
PR	Preliminaries			\$483.77	\$ 208,020
SB	Substructure incl in Community Centre Level 22.2	0		\$0.00	\$ -
CL	Columns	430		\$55.00	\$ 23,650
UF	Upper Floors	430		\$450.00	\$ 193,500
SC	Staircases	3		\$13.95	\$ 6,000
RF	Roof	516		\$420.00	\$ 180,600
EW	External Walls	324	\$1,017.35	\$766.56	\$ 329,620
WW	Windows	32		\$48.98	\$ 21,060
ED	External Doors	3		\$31.40	\$ 13,500
NW	Internal Walls	177	\$237.12	\$97.60	\$ 41,970
NS	Internal Screens and Borrowed Lights	108		\$160.47	\$ 69,000
ND	Internal Doors	4		\$12.56	\$ 5,400
	Superstructure Subtotal (CL to ND)			\$2,056.51	\$ 884,300
WF	Wall Finishes	565	\$63.08	\$82.89	\$ 35,644
FF	Floor Finishes	430	\$102.79	\$102.79	\$ 44,200
CF	Ceiling Finishes	430	\$168.37	\$168.37	\$ 72,400
	Finishes Subtotal (WF to CF)			\$354.06	\$ 152,244
FT	Fitments			\$46.51	\$ 20,000
SE	Special Equipment			\$0.00	\$ -
	Fittings Subtotal (FT & SE)			\$46.51	\$ 20,000
SF	Sanitary Fixtures			\$16.40	\$ 7,050
PD	Sanitary Plumbing			\$26.16	\$ 11,250
WS	Water Supply			\$16.28	\$ 7,000
GS	Gas Service			\$0.00	\$ -
SH	Space Heating			\$0.00	\$ -
VE	Ventilation	15		\$5.76	\$ 2,475
EC	Evaporative Cooling			\$0.00	\$ -
AC	Air Conditioning			\$285.00	\$ 122,550
FP	Fire Protection	430	\$46.63	\$46.63	\$ 20,050
LP	Light and Power	430	\$250.00	\$250.00	\$ 107,500
CM	Communications			\$20.00	\$ 8,600
TS	Transportation Systems			\$78.49	\$ 33,750
SS	Special Services			\$23.26	\$ 10,000
	Services Subtotal (SF to SS)			\$767.97	\$ 330,225
	BUILDING COST TOTAL			\$3,708.81	\$ 1,594,789

Bassendean Community Centre
Crn Old Perth Road and James Street
Preliminary Cost Indication

Appendix_B

Architectural Schematic Drawings



CAR PARKING

CHILDREN	SAY	20
1/STAFF		15
1/6 KIDS		2
CHS.		25
CONSULTING x 5		23
COMMERCIAL		40
500 ÷ 4		85

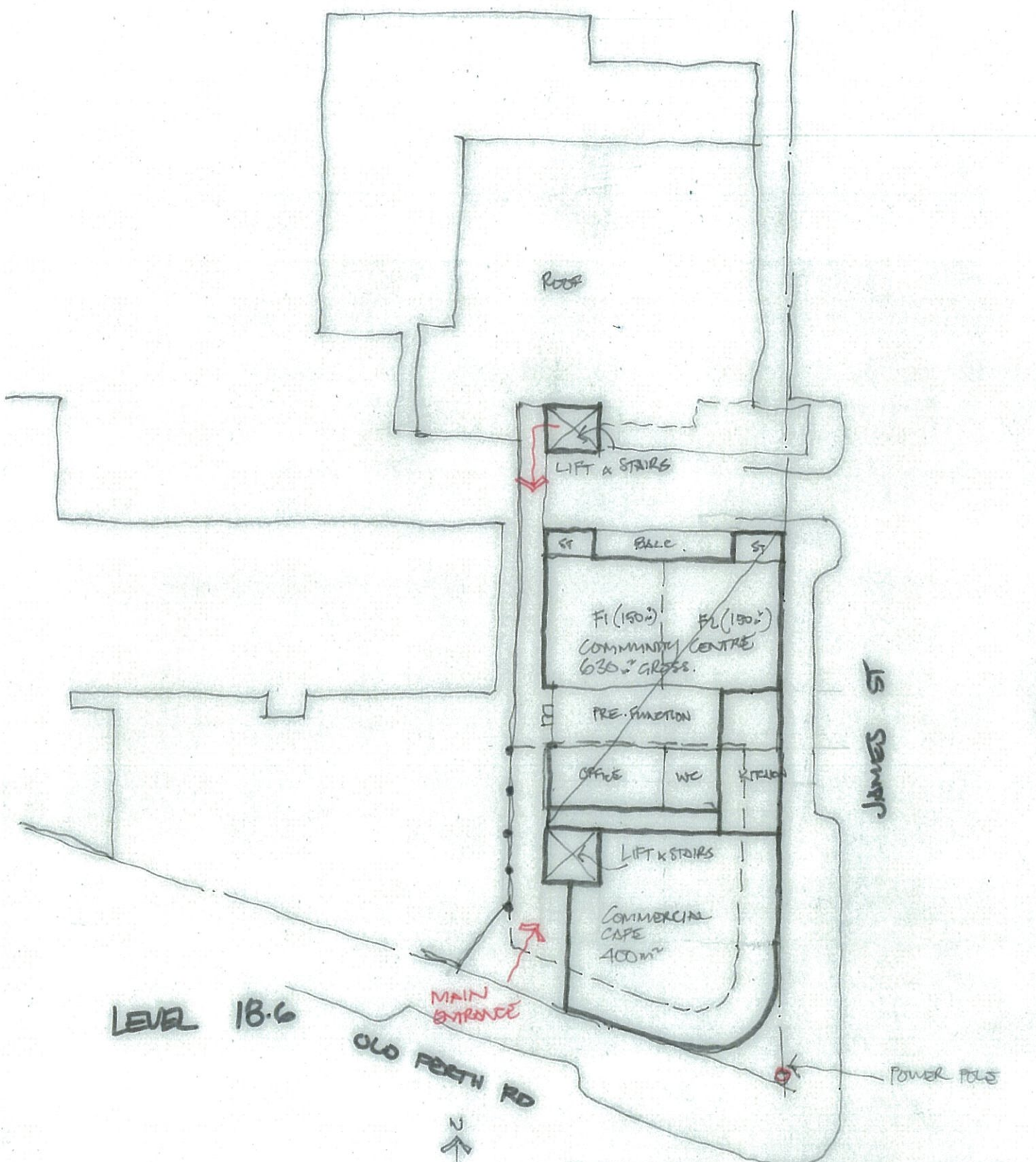
TOTAL 170 PERS.

PROVIDED 6A BMS.

LEVEL 12.6



BASSENDEN COMMUNITY CENTRE
 M'DONALD JONES ARCHITECTS
 1:500 SEPT 13 1262



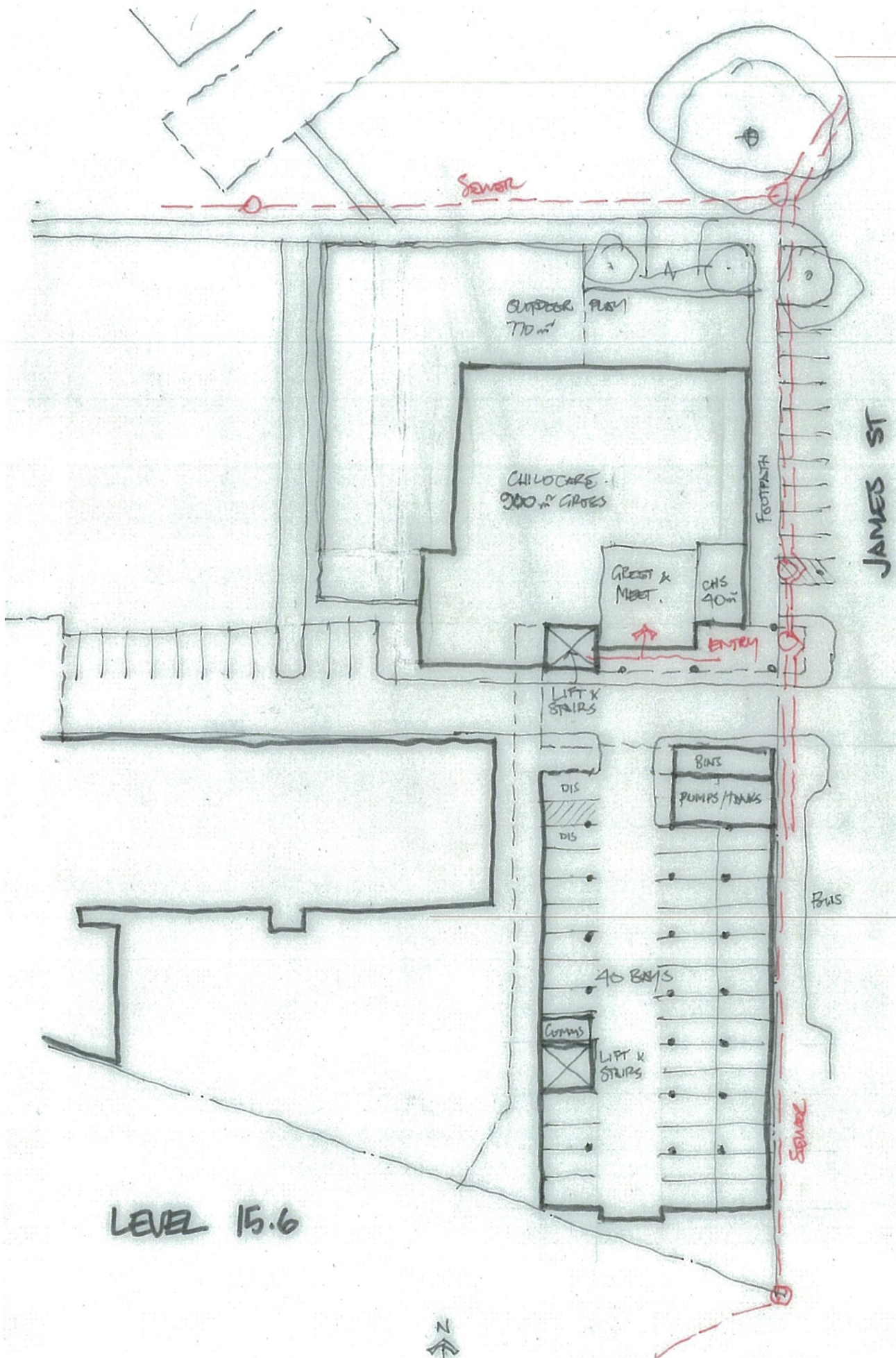
LEVEL 1B.6

OLD PEETH RD

JAMES ST



BASSENDEN COMMUNITY CENTRE
 MCDONALDO JONES ARCHITECTS
 1:500 SEPT 13 1262



BASSENDERAN COMMUNITY CENTRE

MCDONALD

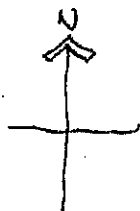
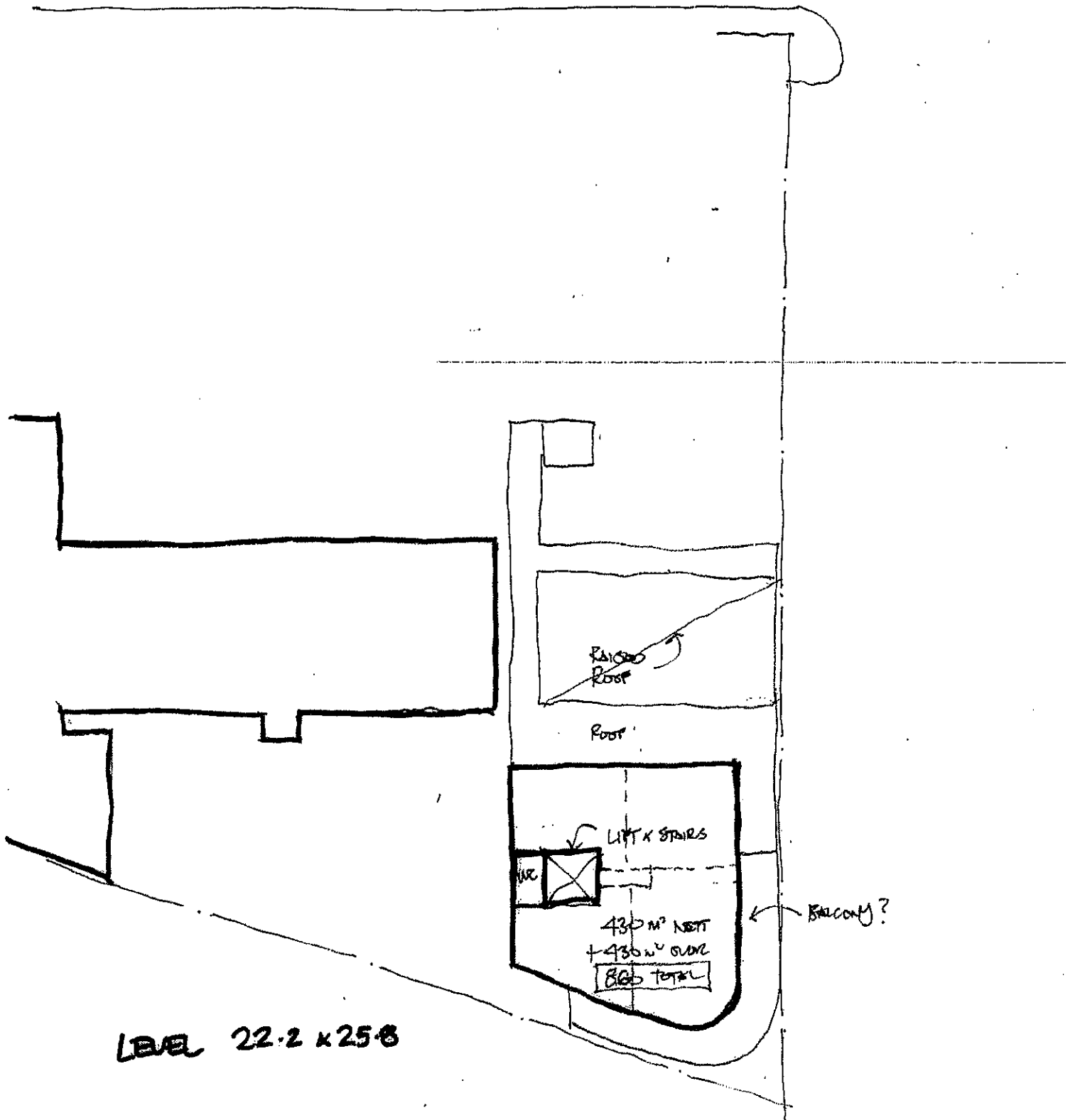
JONES

ARCHITECTS

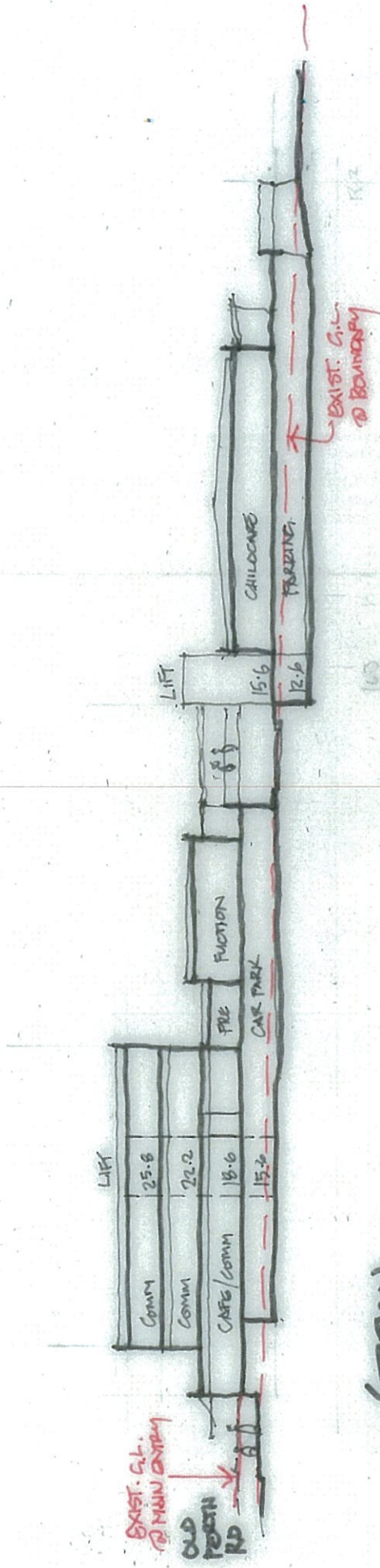
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SEPT 13

1262



BASSENDEN COMMUNITY CENTRE
 McDONALD JONES ARCHITECTS
 1:500 SEPT 13 1262



BASSENDEN COMMUNITY CENTRE
 MCDONALD ARCHITECTS
 JONES
 SEPT '68
 1:500
 1262

MEMORANDUM



To: Graeme Haggart **Date:** 1 November 2013
From: Richard Johnston, Integral Project Creation (IPC) **Ref:** IPC/12-052/FR
Client: Town of Bassendean
Project: Community and Child Care Centre
Subject: Updated Feasibility (Community Centre Option)

COMMERCIAL IN CONFIDENCE – CLIENT USE ONLY

Dear Graeme,

The following information is a summary of the financial analysis prepared for the proposed Community and Child Care Centre within Bassendean.

We have undertaken an analysis of two potential delivery options for the facility. Option 1 includes the full delivery of the proposed facility which incorporates a Child Care Centre, Community and Senior Citizen Centre and Commercial and Retail Components. Option 2 is a reduced delivery option which includes the Child Care Centre only.

We note the key assumptions made in undertaking our analysis of the facility:

- The analysis is based on a planning / approvals period 18 months, a construction period of 24 months for Option 1 and 15 months for Option 2 and an operating period of 10 years.
- An allowance of \$295/sqm has been made for commercial rent and \$400/sqm for retail rent. Both the commercial and retail rental income has been escalated at 3.0% p.a.
- Sale of the existing site has been estimated at \$1,000,000. No separate allowance for demolition or site works prior to sale (net sale value assumed). Estimated settlement date is 3 months post completion of the facility.
- Child care fees are structured based on forecast operating costs for the Financial Year i.e. cost neutral scenario. The feasibility assumes there is a 4 month "letting up" period to full occupancy – 80% of full operating costs applied during this period.
- Community and Senior Citizen Centre income has been increased by 20% from the current hire budget to \$18,240 p.a. based on the assumption that a new facility would likely attract additional bookings at higher rates.
- Community and Senior Citizen Centre operational costs have been estimated based on the 2012 actual operating cost and the 2013 Volunteers Centre operational budget, with suitable increases apportioned.
- Agent letting fees for the commercial tenant have been assumed at 10% of the annual rental and outgoings. A marketing allowance of \$3,000 for letting of commercial space and a legal and settlement cost allowance of \$5,000 have been incorporate.
- Depreciation has been calculated at 2.0% p.a. based on a building life of 40 years (straight line method).
- Finance costs have been calculated based on an interest rate of 4.77% p.a. as provided by WA Treasury and a loan term of 20 years with bi-annual payments.

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- The cash flow assumes that \$2,000,000 equity from cash reserves will be provided by the Town of Bassendean towards the constructions cost with all finance costs incurred during the development phases being funded by the Town from operational reserves.
- Assumed full drawdown of loan at commencement of the construction phase rather than the planning phase with Town equity being utilised to fund planning phase activities and surplus loan funds during the construction earning interest at 4.0% p.a.

We have included below the summary financial findings of two options for comparison.

Option 1 – Including Community Centre, Retail and Commercial

OPTION 1					
Capital and Operating Financials					
Expenditure	Development	Operational			
		Yr 1	Yr 2	Yr 5	Yr 10
Development Cost:					
Acquisition / Sunk Costs	0				
Construction Costs	14,800,309				
Professional Fees	1,591,033				
Marketing & Leasing	61,970				
Holding & Maintenance Costs	0				
Finance Costs	1,831,507				
Contingency	1,110,023				
Development Costs	100,000				
Total Development Costs	19,494,842				
Operating Income:					
Commercial Tenant		413,700	426,111	465,623	539,785
WIW - Fees & Grants		1,525,797	1,746,190	1,908,109	2,212,022
Community Centre		38,000	39,140	42,769	49,581
Total Income p.a.		1,977,497	2,211,441	2,416,501	2,801,387
Operating Costs:					
Holding & Maintenance Costs	N/A	397,758	397,758	397,758	397,758
Finance Costs - Interest		652,416	628,461	549,432	390,150
Finance Costs - Principal		496,285	520,240	599,268	758,551
WIW - All Operating Costs		1,525,797	1,746,190	1,880,321	2,212,022
Community Centre Operating Costs		222,097	254,178	273,702	321,985
Total Operating Costs		3,294,354	3,546,827	3,700,483	4,080,466
Net Operating Profit p.a.		-1,316,857	-1,335,386	-1,283,981	-1,279,078
Loan Facility Requirement	15,663,335	14,663,335	14,663,335	14,663,335	14,663,335
Facility NOP (Excl. Finance)		-168,156	-186,685	-135,280	-130,378

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Option 2 – Excluding Community Centre, Retail and Commercial

OPTION 2					
Capital and Operating Financials					
Expenditure	Development	Operational			
		Yr 1	Yr 2	Yr 5	Yr 10
Development Cost:					
Acquisition / Sunk Costs	0				
Construction Costs	7,464,340				
Professional Fees	802,417				
Marketing & Leasing	8,000				
Holding & Maintenance Costs	0				
Finance Costs	505,290				
Contingency	559,825				
Development Costs	100,000				
Total Development Costs	9,439,872				
Operating Income:					
Commercial Tenant		0	0	0	0
WIW - Fees & Grants		1,525,797	1,746,190	1,908,109	2,212,022
Community Centre		0	0	0	0
Total Income p.a.		1,525,797	1,746,190	1,908,109	2,212,022
Operating Costs:					
Holding & Maintenance Costs	N/A	200,604	200,604	200,604	200,604
Finance Costs - Interest		275,052	265,803	235,291	173,794
Finance Costs - Principal		191,609	200,858	231,370	292,866
WIW - All Operating Costs		1,525,797	1,746,190	1,908,109	2,212,022
Community Centre Operating Costs		0	0	0	0
Total Operating Costs		2,193,062	2,413,455	2,575,374	2,879,287
Net Operating Profit p.a.		-667,265	-667,265	-667,265	-667,265
Loan Facility Requirement	6,934,582	5,934,582	5,934,582	5,934,582	5,934,582
Facility NOP (Excl. Finance)		-200,604	-200,604	-200,604	-200,604

Summary

Based on our analysis a number of findings can be drawn in relation to the options assess, these findings are summarised below:

- At \$1,316,857, Option 1 has a higher estimated initial annual operating shortfall than Option 2 which has an estimated initial annual operating shortfall of \$667,265. Option 1's shortfall reduces to \$1,279,078 by year 10 while Option 2 remains constant.
- Options 2's reduced operating shortfall is largely a result of reduced finance costs as when the cost of finance is excluded Option 1 has a lower estimated initial annual operating shortfall of \$168,156 compared to \$200,604 shortfall under Option 2. Option 1's shortfall excluding finance costs reduces to \$130,378 by year 10 while Option 2 remains constant.
- The peak loan facility post completion is \$15.6 million for Option 1 and \$6.9 million for Option 2, this reduces to \$14.6 million and \$5.9 million respectively after the sale of the existing site.
- The capital requirements for Option 1 are estimated at \$17.6 million and \$8.9 million for Option 2 (excluding GST).

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If you should have any queries regarding the above findings feel free to call the undersigned on 08 6363 0852.

Regards,

INTEGRAL PROJECT CREATION PTY LTD

A handwritten signature in blue ink, appearing to read "R. Johnston".

Richard Johnston
General Manager

Encl. Community Centre cost analysis by Slattery, dated 11 October 2013.

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Due to the nature and complexity of the proposed development we recommend that the Client take appropriate independent valuation advice to confirm likely selling prices or values.

Our liability is capped to the value of our fee received.