5-7 Charles Road and 116 Macquarie Street, Parramatta

Viability Assessment

Prepared for Statewide Planning

August 14

HillPDA CONSULTING

QUALITY ASSURANCE

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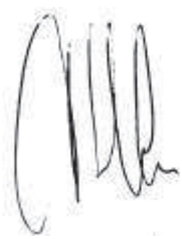

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1 INTRODUCTION

This is an independent assessment prepared by HillPDA in response to a request from Statewide Planning to provide additional information in relation to the viability of redeveloping 5-7 Charles Road and 116 Macquarie Street, Parramatta (hereafter known as the Subject Site) for a commercial office building.

We provide this advice but please note that this is not a valuation or detailed feasibility assessment of the Subject Site. We have no concept plans or costings to undertake such an exercise. This letter is an independent review of the likelihood or unlikelihood of redevelopment of the Subject Site for commercial purposes given its site constraints.

Background

We have been informed by the applicant that the Subject Site was granted consent for the development of serviced apartments in 2006, and that development never commenced (and hence the consent lapsed) due to the lack of financial viability.

It is also our understanding that the building at 5-7 Charles Street has largely been vacant since the year 2000, with a low level office use for 6-8 construction staff. The second building on the Subject Site (No. 116 Macquarie Street) has been operating as specialist medical suites for an extended time. According to the applicant there are five partners and two support staff on site.

The current Planning Proposal includes approximately 2,200sqm of floor space for specialist medical services (possible day surgery) and 800sqm of retail use at ground/mezzanine floor level.

As per our previous report we estimate the number of jobs returned on site post completion would be around 115 jobs. This shows a substantial increase on the number of jobs currently on site.

Council's report suggests that the Planning Proposal will result in an opportunity cost of around 16,000sqm of commercial floor space equivalent to 800 jobs - this being the difference between:

1. the Subject Site being developed as a commercial office tower at FSR 10:1; and
2. the site being developed for mixed uses as per the Planning Proposal.

We believe however that scenario 1 above (commercial office tower) would never be realised - or is highly improbable. This is because development is not commercially viable and is not even close to being viable. The reasons are presented below. As a result the opportunity cost of 800 jobs identified in Council's report is an abstract figure rather than a real figure.

2 PLANNING CONTROLS

This Chapter outlines the current zoning and planning controls that affect the Subject Site.

Parramatta Local Environmental Plan 2011

The Subject Site is Zoned B3 Commercial Core under Parramatta LEP 2011. Site is on the Eastern boundary of the B3 zone approximately 550 metres east of the Train Station. Across the road on the east side is zoned B4 Mixed Use.

Under the LEP the maximum building height permitted is 120 metres above natural ground level and the maximum FSR is 10:1

The site adjoining the subject site is a heritage item under the LEP. According to the applicant, the owner of the subject land approached the Department of Education (via Colliers in early 2014) to enquire about obtaining a section of the heritage land to enable design of a larger footplate and that this was rejected by the Department.

Parramatta Development Control Plan 2011

The land is subject to Part 4 of the DCP 2011. Under the DCP:

- Buildings must front Charles Street to a minimum height of 26 metres (8 storeys);
- Buildings length must not exceed 45m above the 26 metres height;
- All points on an office floor should be no more than 12 metres from a source of daylight (e.g. window, atria, or light wells). This is difficult to achieve on the subject site because, if built to the western boundary there will be points around 20 metres from windows;
- Zero lot setback to rear boundary to a maximum height of 26 metres (8 storeys);
- 12m setback to rear boundary to buildings above 54 metres in height. This requirement is virtually impossible to achieve on the Subject Site because the site is only 20-23 metres deep.

3 THE OFFICE MARKET IN PARRAMATTA

This chapter analyses trends and factors influencing the property market within the Parramatta CBD. It also investigates the sale and rental prices of commercial office space based on detailed discussions with market and industry experts as well as a review of relevant property databases.

Parramatta Office Market Overview

The Parramatta CBD office market is divided into Grade A (Prime) and Grade B and Grade C (Secondary) office space, with approximately 40% of this space comprising A-grade stock.

Parramatta CBD is Australia's fifth largest suburban office centre with 685,878sqm of stock at December 2013[1]. The Parramatta CBD market has traditionally been the least volatile of the NSW office markets, benefiting from a large base of government tenants. Since 2000 Parramatta has seen the consolidation of its role as a government centre with the relocation of a number of Government agencies. Discussion with locals identified that 40% of the market is government tenancies, with the preferred floor plate of 1,200sqm or more.

Our research and discussion with local agents has indicated that the vacancy rate is low and demand is reasonably strong due to the number of pre- commitments being achieved prior to construction. In accordance with Colliers International office market report (first half 2014) stated that there is a total vacancy rate of 6% in Parramatta CBD, of which 0.5% is Grade A office space.

Discussions with local agents identified that Grade A stock would sell between $6,500/sqm -$7,000/sqm, achieving a yield of 7%. Agents revealed that face rents achieved in Grade A office space are $480/sqm -$520/sqm net plus $80/sqm - $100/sqm for outgoings.

Table 2, demonstrates a number of key market indicators for Parramatta office buildings. Grade A net face rents range from $350/sqm -$435/sqm, with outgoings ranging from $65/sqm-$70/sqm.

[1] Source: January 2014 Office Market Report, Property Council of Australia (2014)

Table 1:Key Market indicators 2014

	A Grade		B Grade	
	Low	High	Low	High
Rental – Gross Face ($/sq m)	440	540	340	440
Rental – Net Face ($/sq m)	350	435	265	340
Rental – Net Effective ($/sq m)	297	349	221	265
Outgoings – Operating ($/sq m)	65	70	55	70
Outgoings – Statutory ($/sq m)	25	35	20	30
Outgoings – Total ($/sq m)	90	105	75	100
Typical Lease Term (years)	7	10	5	7
Yield – Market (% Net Face Rental)	7.25	8.50	8.75	10.25
IRR (%)	9.25	9.75	9.50	10.25
Cars Permanent Reserved ($/pcm)	250	275	200	250
Cars Permanent ($/pcm)	200	250	200	250
Office Component Capital Values ($/sq m)	4,118	6,000	2,585	3,886

Source: Savills Quarter Report 2014

Parramatta Office Sales Evidence

Table 3 below demonstrates sale values for Grade A office space in Parramatta CBD. The evidence shows sale values for small units (<500sqm) ranging from $3,153/sqm to $4,000/sqm and larger (>500) units ranging from $7,200-$7,300/sqm. It should be noted that the large range of sale values is due to the variation in age, location and quality of stock referenced above

Table 2:Grade A Sales Evidence June 2013-June2014

Address	Sale Price	Area(sqm)	$/sqm
1 Charles St	$ 241,100,000	32,984	$ 7,310
118-122 Church St	$ 420,000	105	$ 4,000
118-122 Church St	$ 410,000	105	$ 3,905
40-60 Darcy St	$ 166,000,000	23,000	$ 7,218
105/55 Phillip St	$ 350,000	111	$ 3,153

Source: PIM 2014 and HillPDA Research 2014

Table 4 below demonstrates sale values for Grade B and C office space in Parramatta CBD. The evidence shows sale values for small units (<500sqm) ranging from $2,025/sqm to $4,672/sqm and larger (>500) units ranging from $2,867/sqm to $6,000/sqm. It should be noted that the large range of sale values is due to the variation in age, location and quality of stock referenced above

Table 3: Grade B and Grade C Sales Evidence June2013-June 2014

Address	Sale Price	Area(sqm)	$/sqm
5 Aird St Cnr 2 O'connell	$ 340,000	168	$ 2,023.81
5 Aird St Cnr 2 O'connell	$ 398,000	108	$ 3,685.19
119 Alfred St	$ 381,000	176	$ 2,164.77
34 Charles St	$ 250,000	57	$ 4,385.96
34 Charles St	$ 265,000	55	$ 4,818.18
118-122 Church St	$ 280,000	66	$ 4,242.42
118-122 Church St	$ 250,000	65	$ 3,846.15
417-423 Church St	$ 434,000	104	$ 4,173.08
11 George St	$ 2,400,000	620	$ 3,870.97
17 George St	$ 900,000	216	$ 4,166.67
48-50 George St	$ 115,000	33	$ 3,484.85
83 George St	$ 285,000	94	$ 3,031.91
85 George St	$ 2,400,000	567	$ 4,232.80
85 George St	$ 2,251,000	640	$ 3,517.19
91 George St	$ 275,000	66	$ 4,166.67
91 George St	$ 1,050,000	503	$ 2,087.48
93 George St	$ 28,750,000	7,167	$ 4,011.44
190-196 George St	$ 775,000	299	$ 2,591.97
2 Horwood Pl	$ 391,000	94	$ 4,159.57
2 Horwood Pl	$ 437,000	80	$ 5,462.50
27 Hunter St	$ 396,000	82	$ 4,829.27
34/2 O'connell St	$ 275,000	96	$ 2,864.58

9 Phillip St	$ 2,000,000	428	$ 4,672.90
70-74 Phillip St	$ 610,000	246	$ 2,479.67
82-88 Phillip St	$ 20,250,000	5,209	$ 3,887.50
82-88 Phillip St	$ 14,000,000	5,209	$ 2,687.66
89-91 Phillip St	$ 15,880,000	5,698	$ 2,786.94
18-20 Ross St	$ 276,000	46	$ 6,000.00
5 Victoria Rd	$ 2,000,000	410	$ 4,878.05
1 Villiers St	$ 950,000	232	$ 4,094.83
1 Villiers St	$ 600,000	232	$ 2,586.21
26 Ross St	$ 1,255,000	470	$ 2,670.21
26 Ross St	$ 1,255,000	395	$ 3,177.22
223 Church St	$ 1,150,000	302	$ 3,807.95

Source: PIM 2014 and HillPDA Research 2014

Parramatta Office Leasing Evidence

Table 5 below demonstrates rental values for Grade A office space in Parramatta CBD. Net face rents range from $333 to $400/sqm.

Table 4:Grade A Sales Evidence June 2013- June 2014

Address	Rental Price	Area(sqm)	$/sqm
23-25 George St	$520,000	1300	$ 400
1 Wentworth St	$55,883	163	$ 343
1 Wentworth St	$146,976	442	$ 333

Source: PIM 2014 and HillPDA Research 2014

Table 6 below demonstrates rental values for Grade B and C office space in Parramatta CBD. Net face rents range from $275 to $396/sqm.

Table 5:Grade B and Grade C Rental Evidence June 2013- June 2014

Address	Rental Price	Area (sqm)	$/sqm
190-196 George St	$ 55,000	200	$ 275
1 Horwood Pl	$ 142,500	475	$ 300
1 Horwood Pl	$ 142,500	475	$ 300
17-21 Hunter St	$ 135,000	446	$ 303
82-88 Phillip St	$ 395,825	1115	$ 355
18-20 Ross St	$ 38,000	138	$ 275
10-14 Smith St Cnr Macquarie	$ 1,416,492	3,577	$ 396

Source: PIM 2014 and HillPDA Research 2014

4 DEVELOPMENT FEASIBILITY

This chapter outlines the hypothetical commercial building option for the Subject Site and the viability or likelihood of development.

Hypothetical Commercial Building Option

A hypothetical commercial office building would have dimensions of approximately 18 metres by 45 metres – a GFA (gross floor area) of around 750sqm per level after allowing for thickness of external walls. Assuming 80% efficiency (NSA: GFA ratio which is optimistic) then each floor in the tower would have around 600sqm of NSA (net saleable area).

A building depth of 18m means that the setback is only 3m to 5m from the rear boundary (western boundary). Note the DCP requires a 12m setback for buildings above 54m in height. This is impossible to achieve because the site is only 20m to 23m deep. The DCP also specifies the building to be no wider than 45m above the podium. It would appear then, that significant variations to Council's setback controls would be needed in relation to developing this site as a commercial building.

Even if it is assumed that lesser setbacks could be achieved, the likely floor plate for a commercial building is 750m2 per level with a width of about 18m. The addition of circulation space and amenities will erode this floor plate even further down to around 600m2. Such dimensions significantly reduce the attractiveness of this property to large corporate or government tenants. Table 6 indicates that the more recent A grade offices in Parramatta are generally well over 1000m2 per level. The section below on Financial Viability clearly demonstrates how the viability of smaller, lower grade commercial space rapidly becomes unviable. These facts are well established and will strongly deter any developer at the early stages of a feasibility process.

While the historical indicators and sales data all confirm that this site is a lower grade commercial premise, the following criteria also confirm this assertion:

- A grade tenants usually seek square floor plates to enable the creations of specialised precincts within their office. This may include meeting and break out areas, executive office areas, training rooms and customer service areas. Larger squarer floor plates facilitate this arrangement.
- Security is an important consideration for many A grade tenants. This may involve locating significant foyer areas, reception areas and meeting rooms in proximity to the common lift core. The design options for this requirement are extremely limited in a narrow 18m wide building and will deter many tenants.
- A grade tenants ideally desire generous foyer and a meeting areas which convey a very strong and vital first impression to visitors. This often includes impressive lounge area, sculptures and sometimes views. A narrow building with a smaller footprint cannot easily provide this prestige "Wow" factor.
- A grade tenants often desire executive parking areas away from visitor areas. Basements would ideally include easily accessed parking areas with generous turning widths. The dimensions of this site makes multi-level parking difficult and inefficient which is less desirable for larger commercial tenants.

In addition to the proven evidence around locational attributes, commercial viability and lower sales returns, the above points demonstrate the difficulty this site has in meeting basic performance criteria for A grade office space. This means that it is unlikely that a commercial building will ever be constructed on this site. It is also contended, as has been demonstrated over the last decade, that the current building is the highest and best use of the site under the current zoning. Hypothetically it could be argued that the site might generate new jobs in the order 800 or 900 if fully developed. This assertion is not supported by intelligent data, recent trends or real-world cases. Whilst it may be physically possible, it is not commercially possible due to its failure to perform against a range of criteria.

Any assessment of job potential on this site really should therefore be referenced from the current number of jobs available within the current floor area. The presence of residential units on the site enhances the viability and allows for the addition of commercial floor area within a mixed use building. This has the effect of increasing the jobs created on this site from current levels.

If developed commercially, the site will provide B or C Grade commercial space which has limited attractiveness to investors and quality tenants. Having considered the full range of issues underpinning a healthy feasibility assessment, the construction of a large commercial building in this site in the usual market conditions as experienced over recent decades, is unlikely to ever happen. A possible mixed-use zoning on the site will increase the extent of commercial floor area on the site thereby increasing the number of jobs generated by this development.

This expert opinion is based on years of research, detailed analysis and examination of many projects within many commercial centres throughout Australia.

Financial Viability

Please note that we have not undertaken a feasibility modelling on the Subject Site. However in our experience a floor plate of 600sqm NSA in a high rise building is too small for commercial space to be viable. The main contributing factors are the constructions costs at more than $4,500/sqm GFA (excluding fit out costs and car parking costs)[2] and the achieved end sale values being no more than $7,300/sqm NSA based on the recent comparable sales evidence (refer to Chapter 3). An additional cost for fit out can be as high as $1,500/sqm or more for A-grade commercial space and car parking costs add a further $700 to $1,500/sqm depending upon whether it's above or below ground. These additional costs undermine viability.

It would be viable to develop a residential tower (38 storeys) as there is a wider gap between end sale values (say $9,000/sqm NSA in Parramatta) and construction costs (less than $3,500/sqm GFA net of car parking costs).

We note that the majority of the Grade B and Grade C (Secondary) buildings have been constructed more than 15 years ago. In our experience Grade B and Grade C commercial buildings are less viable. Whilst the construction costs are a little lower, so too are the end sale values. Sale values for secondary stock tend to be below $6,000/sqm (Chapter 3), thus making development unlikely.

[2] Rawlinsons Construction Handbook 2014. Costs are for buildings over 20 storeys high

Furthermore, a tall slender tower results in greater inefficiencies (NLA to GFA ratio) which further undermines the viability of the commercial option. In order for a high rise commercial building to be viable a site of reasonable size and dimensions is required to provide reasonable sized floor plates.

As further evidence, we have measured the floor plates of recent A-grade commercial office buildings in the Parramatta CBD shown in Table 1 below.

Table 6: Recent A-Grade Buildings and Floor Areas

Address	Attributes	Storeys	GBA / Floor
1 Charles St	14 storeys near new building	14	3,000
40-60 Darcy St	Sydney Water Building, 14 storeys near new building	14	1,800
55 Phillip St	3 levels above Ground Floor Retail	4	830
1 Wentworth Street	12 Storeys. Looks to be at least 15 years old.	12	1,200
60 Station Street	Eclipse Building, 21 Storeys near new building	21	1,550

Source: HillPDA measured from Six Viewer Aerial Photo

Table 1 above, demonstrates that the only A-grade commercial space with a floor plate below 1,000sqm floor plate is 55 Philip Street. This building however is relatively low rise with only three levels of office space above ground floor retail.

Generally new commercial buildings above 10 storeys require at least 1,200sqm (NSA) floor plates to be viable. The most optimistic estimate of NSA per floor that could be achieved on the subject site is half that figure (600sqm).

Non-DCP Compliant Commercial Building

HillPDA has tested the feasibility of a commercial building on the subject site which is generally non-compliant under the DCP mainly in relation to the rear setback (assuming 3m) and the north setback (assuming 6m above Level 6 which results in a tower of around 80m in width.

The feasibility model is attached as Appendix A. HillPDA used its propriety software Estate Master DF model which is the industry standard in Australia for development feasibility modelling.

This hypothetical development is based on the schematic drawing prepared by Olsson Architects. The building has a 3m set back from the rear boundary (School site) from Levels 1 to 6 and a 3m set back from the rear boundary and 6m from the northern boundary at Levels 7 to 16.

Overall FSR is 10:1 and we have assumed 3 or possibly 4 basement levels of parking, sufficient to provide around 1 space per 100sqm of GFA.

The main assumptions in the model includes construction of the basement levels at $1,400/sqm, $2,000/sqm for the ground floor retail and $3,200/sqm for the commercial levels, plus 5% for site costs and external works and services and 5% construction contingency. These rates are consistent with Rawlinsons Construction Handbook and Riders Digest 2014.

Construction commences in Month 10 and takes 18 months.

Other costs include 9% design and project management fees, 2% development management fee and 2.5% project contingency. Other allowances have been made for costs on sales, advertising and finance establishment fees, 3% Section 94A and application fees. 15.2% equity has been included with the balance of project finance being funded by debt with 6.5% interest capitalised monthly in arrears.

End sale values have been assumed at $6,500/sqm for the commercial office space and $9,000/sqm for the ground floor retail. These levels are considered optimistic in this location in the current market.

All costs and revenues exclude GST.

The feasibility model shows a negative profit of $4m (minus 3.5% on costs) and a Project IRR of only 1.1%. These returns are well below the benchmark target levels generally required for commercial development of this nature - at least 16% target margin and target IRR with strong pre-commitments and at least 20% for more speculative commercial space.

The returns suggest that any office space would experience difficulties in achieving adequate returns on any site. Most of the office buildings constructed in the past decade or so in Parramatta have had secure government tenants with strong pre-commitments paying a little more than market rent. Also some of these developers have reduced costs by reducing margins and internalising development management costs.

The Subject Site is not positioned to enjoy any of these gains. Given the site's location, attributes and narrow floor plate it is highly unlikely to attract a prestige government tenant (like Urban Growth) paying above market rent.

Supply of Commercial Space

Apart from the viability issue we do not consider the opportunity cost of 800 jobs as significant in this particular case because those jobs can easily be absorbed by projects in the pipeline over the next couple of decades.

Parramatta CBD is Australia’s fifth largest suburban office centre with 685,878sqm of stock at December 2013[3]. Around 40% of this stock is A-Grade office space. The opportunity cost of 16,000sqm of commercial space identified in Council's report represents no more than 2.3% of current stock.

The two most significant developments completed recently in the Parramatta CBD are the Eclipse Building located at 60 Station Street, Parramatta and Sydney Water Headquarters located at 1 Smith Street, Parramatta.

Parramatta CBD has an estimated 126,300sqm of new and refurbished office stock in the pipeline[4]. This is almost eight times more than floor space than the potential 16,000sqm on the Subject Site identified in the Council Report. Most of the pipeline space is expected to be delivered by 2015 and on this basis there is significant commercial office floorspace supply projected over a protracted period.

Council’s Parramatta Square or Civic Place development will see a sizeable quantum of commercial office floorspace provided in the

[3] Source: January 2014 Office Market Report, Property Council of Australia (2014)
[4] Source: Spotlight Parramatta Office, Savills Research (February 2014)

CBD. The development has the capacity to deliver up to 140,000sqm of commercial office floorspace when fully developed and extend to 53-storeys[5]. The first stage at 169 Macquarie Street will provide over 24,200sqm and is due for completion in 2015/16[6].

Westfield Parramatta proposes a further 35,000sqm of commercial office floorspace in a 20-storey tower[7]. If approved this development is expected to be completed in 2021[8].

Council has aspirations to develop the Auto Alley precinct in the southern part of the CBD for mixed use purposes including commercial/ retail and/ or residential development. Indicative commercial floorspace capacity estimates for this area is up to 446,000sqm[9] although it is currently at a very early stage of planning. The effect of this would be to extend Parramatta CBD's commercial core to the south and provide a new gateway. A mixed use planning proposal at Gateway South is proceeding through the gateway process. It will deliver over 700 apartments, 200,000sqm of commercial office floorspace and 13,000sqm of retail floorspace[10] in the auto alley precinct.

[5] Source: Parramatta City Council (2013)
[6] Source: Cordell's
[7] Ibid
[8] Source: Economic Impact Assessment (Including Additional Information): Westfield Parramatta and Gateway Office Tower, URBIS (November 2012 (Updated May 2013))
[9] Source: Auto Alley Urban Renewal Study Community Consultation, Sydney Metropolitan Development Authority (2012)
[10] Source: Catalyst Properties (2013)

5 CONCLUSION

Our conclusions are as follows:

- The subject site, due to its size and dimensions cannot viably be developed for high rise commercial offices;
- The probability of redevelopment for such purposes is extremely low at any time in the foreseeable future;
- As a result the opportunity cost of 800 jobs identified in Council's report is an abstract number rather than a real number;
- The Planning Proposal will enable redevelopment for a high-rise building and the residential component ensures viability;
- The Planning Proposal will deliver considerably more jobs on site than what is currently provided on site; and
- There is a strong supply of commercial floor space in the pipeline in the foreseeable future that will ensure the Planning Proposal does not undermine job numbers in the CBD.

Disclaimer

1. This report is for the confidential use only of the party to whom it is addressed ("Client") for the specific purposes to which it refers and has been based on, and takes into account, the Client's specific instructions. It is not intended to be relied on by any third party who, subject to paragraph 3, must make their own enquiries in relation to the issues with which this report deals.

2. Hill PDA makes no representations as to the appropriateness, accuracy or completeness of this report for the purpose of any party other than the Client ("Recipient"). Hill PDA disclaims all liability to any Recipient for any loss, error or other consequence which may ari se as a result of the Recipient acting, relying upon or using the whole or part of this report's contents.

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4. This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.

5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.

6. This report does not constitute a valuation of any property or interest in property. In preparing this report Hill PDA has relied upon information concerning the subject property and/or proposed development provided by the Client and Hill PDA has not independently verified this information except where noted in this report.

7. In relation to any valuation which is undertaken for a Managed Investment Scheme (as defined by the Managed Investments Act 1998) or for any lender that is subject to the provisions of the Managed Investments Act, the following clause applies:

   This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.

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APPENDIX A: FEASIBILITY MODEL OF HYPOTHETICAL COMMERCIAL BUILDING

Development Feasibility Model

Estate Master Licensed to: Estate Master Administration

Hill PDA

Independent Property Consulting

C15021

Parramatta

Cash Flow

Commercial Office Tower

Date of Report :	19-Aug-2014	**Project Size :**	
Time Span :	Sep-14 to Nov-17		
Type :	Miscellaneous	**Project Size :**	19,320. GFA
Status :	Under Review		1 per 0.1 SqM of Site Area
Site Area :	1,932. SqM	**FSR :**	10:1
		Equated GFA :	19,320.0 SqM
Prepared By :	Hill PDA	**Address :**	5-7 Charles Road and 116 Macquarie Street
Prepared For :	Statewide Planning		Parramatta
Developer :	Enter Developer Name		NSW
			Australia

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Estate Master Licensed to: Estate Master Administration

Version 5.31 May 2014

Preliminary

Cash Flow Title	**Cash Flow**	Description of Option/Stage	Commercial Office Tower
Date of First Period:	Sep-2014		
Cash Flow Rest Period:	Monthly		
Enter Project Size (a)	-	Units	
Enter Project Size (b)	19,320.0	GFA	
Enter Site Area	1,932.0	SqM	Floor Space Ratio 10 :1

Equated Gross Floor Area= 19,320.0 SqM

Type	Miscellaneous
Status	Under Review

Goods and Services Tax

(Using General Tax Rule)

Developer	Credits Reclaimed every 2 months from January	Liability Paid every 2 months from January	Liability on Sales All Paid by Developer

Goods and Services Tax Rate	0.00%

All Project Costs	To be entered Exclusive of GST
Rental Income & Leasing Costs	To be entered Exclusive of GST
Sales Revenue	To be entered Inclusive of GST
Other Income	To be entered Exclusive of GST

1000

Land Purchase & Acquisition Costs

Costs to be entered Exclusive of GST

Land Purchase Price	7,350,000

Add GST on Land Price? Y (Reclaim Proportionally with Land Payments)

Code	Stage		% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Month Start	Month Span	Cash Flow Period		Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
1002	-	Deposit in Trust Account ¹	10.00%	735,000	-	0	1	Sep-14 - Sep-14		735,000	735,000	735,000
1003	-	Payment 1	0.00%	-	-	0	-	-		-	-	-
1004	-	Payment 2	0.00%	-	-	0	-	-		-	-	-
1005	-	Payment 3	0.00%	-	-	0	-	-		-	-	-
1006	-	Payment 4	0.00%	-	-	0	-	-		-	-	-
1007	-	Settlement (Balance)	90.00%		6,615,000	3	1	Dec-14 - Dec-14		6,615,000	6,615,000	6,615,000
1008	-	Stamp Duty ¹	NSW		454,990	3	1	Dec-14 - Dec-14	(Stamp Duty calculated on Land Value of 7,350,000 exc. GST) Stamp Duty	454,990	454,990	454,990
		Interest on Deposit in Trust Account	0.00%	Interest from deposit shared between parties					TOTAL	7,804,990	7,804,990	7,804,990
		Profit Share to Land Owner	0.00%	Paid progressively as project makes a profit.								

Code	Stage	Other Acquisition Costs (to be entered Exclusive of GST)	% of Land Price exc Tax % paid	Amount	AND/OR Lump Amount	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
1011	-	Legals, Due Diligence and Valuations	0.50%	36,750	-	0	3	Sep-14 - Nov-14	Y		36,750	36,750	36,750
1012	-	.	0.00%	-	-	0	-	-	Y		-	-	-
1013	-	.	0.00%	-	-	0	-	-	Y		-	-	-
1014	-	.	0.00%	-	-	0	-	-	Y		-	-	-
1015	-	.	0.00%	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	36,750	36,750	36,750

¹ (No GST credit available for Stamp Duty)

² Pro-rata with Land Payments ('L')

Cost Escalation

Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing

Code		Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23
	Professional Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Code	Construction Costs (Uncategorised)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
DEM	Demolition and Site Preparation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
BCP	Basement Car Parking	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
BUI	Main Building	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OT1	Site Costs and External Works	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OT2	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Application and Authority Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs 1	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs 2	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Marketing and Advertising	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Land Holding Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Selling and Leasing Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Finance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

2000	Project Contingency	-	And / Or	2.50%	of Construction, Professional (exc Development Management), Application and Authority Fees, Miscellaneous Costs 1, Miscellaneous Costs 2, Marketing and Advertising	TOTAL	2,421,979

3000 Professional Fees

Costs to be entered Exclusive of GST

Code	Stage	Description	% of Construct. ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Month Start²	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
3001	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3002	-	Pre-construction Costs	4.00%	-	-	-	-	1	10	Oct-14 - Jul-15	Y		3,395,019	3,395,019	3,395,019
3003	-	Design development and Supervision	5.00%	-	-	-	-	C	-	Jun-15 - Dec-16	Y		4,243,774	4,243,774	4,243,774
3004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3015	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3099	-	Development Management	2.00%	% of Project Costs (inc Land but exc Finance & Tax)			-	1	23	Oct-14 - Aug-16	Y		2,152,376	2,152,376	2,152,376
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	9,791,168	9,791,168	9,791,168

¹ % Based on Net Costs

² Pro-rata with Construction ('C')

² Dev Mgmt Fee: Pro-rata with Construction ('C'), Settlements ('S'), Project Costs inc Land ('P1') or exc Land ('P2')

4000 Construction Costs

Costs to be entered Exclusive of GST

Code	Stage	Description	Cost Type	Units	Base Rate / Units	Escalate (E,R,N)1	S-Curve	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
4001	-	Demolition and Site Preparation	DEM	1	252,000	E	S	9	3	Jun-15 - Aug-15	Y		252,000	252,000	257,649
4002	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4003	-	Car Parking	BCP	6,400	1,400	E	S	10	18	Jul-15 - Dec-16	Y		8,960,000	8,960,000	9,183,446
4004	-	Ground Floor Retail	BUI	1,500	2,000	E	S	10	18	Jul-15 - Dec-16	Y		3,000,000	3,000,000	3,074,815
4005	-	Commercial Levels 1 to 6	BUI	9,000	3,200	E	S	10	18	Jul-15 - Dec-16	Y		28,800,000	28,800,000	29,518,221
4006	-	Commercial Levels 7 to 16	BUI	8,820	3,200	E	S	10	18	Jul-15 - Dec-16	Y		28,224,000	28,224,000	28,927,856
4007	-	Vertical Circulation	BUI	1,932	3,200	E	S	10	18	Jul-15 - Dec-16	Y		6,182,400	6,182,400	6,336,578
4008	-	Site Costs & External Works and Services	OT1	1	3,449,200	E	S	10	18	Jul-15 - Dec-16	Y		3,449,200	3,449,200	3,535,217
4009	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4010	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4011	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4012	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4013	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4014	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4015	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
4099		Construction Contingency		-	And / Or	5.00%	of Construction Costs (inc GST)					Construction Contingency	3,943,380	3,943,380	4,041,689
												TOTAL	82,810,980	82,810,980	84,875,471

¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)

5000 Application and Authority Fees

Costs to be entered Exclusive of GST

Code	Stage	Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
5001	-	DA Fees	1	297,064	-	-	4	1	Jan-15 - Jan-15	N		297,064	297,064	297,064
5002	-	CC Fees	1	212,189	-	-	7	1	Apr-15 - Apr-15	N		212,189	212,189	212,189
5003	-	Long Service Levy	1	297,064	-	-	9	1	Jun-15 - Jun-15	N		297,064	297,064	297,064
5004	-	.	-	-	-	-	0	-	-	N		-	-	-
5005	-	Section 94A Contribution @ 3%	1	2,649,951	-	-	9	1	Jun-15 - Jun-15	N		2,649,951	2,649,951	2,649,951
5006	-	.	-	-	-	-	0	-	-	N		-	-	-
5007	-	.	-	-	-	-	0	-	-	N		-	-	-
5008	-	.	-	-	-	-	0	-	-	N		-	-	-
5009	-	.	-	-	-	-	0	-	-	N		-	-	-
5015	-	.	-	-	-	-	0	-	-	N		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	3,456,268	3,456,268	3,456,268

6000 Miscellaneous Costs 1

Costs to be entered Exclusive of GST

Code	Stage	Description	%of Construction¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Month Start²	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
6001	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	-	-	-

¹ Based on net costs.

² Pro-rata with Construction ('C') or Settlements ('S')

6000

Miscellaneous Costs 2

Costs to be entered Exclusive of GST

Code	Stage	Description	%of Construction[1]	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Month Start[2]	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
6001	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	-	-	-

[1] Based on net costs.

[2] Pro-rata with Construction ('C') or Settlements ('S')

6000

Marketing and Advertising

Costs to be entered Exclusive of GST

Code	Stage	Description	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Month Start[2]	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
6001	-	Marketing and Advertising	0.75%	-	-	-	-	4	18	Jan-15 - Jun-16	Y		908,620	908,620	908,620
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	908,620	908,620	908,620

[2] Pro-rata with Construction ('C') or Settlements ('S')

7000

Land Holding Costs

Costs to be entered Exclusive of GST

Code	Stage	Description	No. Units	Base Rate /unit/term	Term [1]	Escalate (E,R,N)	Month Start	Month Span[2]	Cash Flow Period	Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
7001	-	Land Tax	1	130,000	Y	R	6	DS	Mar-15 - Nov-17	Y		130,000	130,000	329,583
7002	-	Council and Water Rates	1	16,250	Q	R	6	DS	Mar-15 - Nov-17	Y		65,000	65,000	146,331
7003	-	.	-	-	M	-	0	-	-	Y		-	-	-
7004	-	.	-	-	M	-	0	-	-	Y		-	-	-
7005	-	.	-	-	M	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	195,000	195,000	475,915

[1] Y=Yearly, BA=BiAnnualy, Q=Quarterly, BM=BiMonthly, M=Monthly

[2] Diminish proportionally with leasing ('DR') or settlements ('DS')

Sales and Rental Revenue Escalation

		Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing									
Code	Category	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23
RS1	Residential - 1 Bedroom Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RS2	Residential - 2 Bedroom Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RS3	Residential - 3 Bedroom Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RDD	Detached Dwelllings Lots	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RTH	Townhouse Lots	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COM	Commerical Office	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RET	Retail Shops	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
IND	Industrial Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
STW	Storage & Warehousing	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OTH	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Rental escalation occurs up to lease start date. For rent review escalation during lease period refer to the Tenants sheet.

8000

Selling and Leasing Costs

		Sales Commission (To be entered Exclusive of GST)	Sales Comm[1]	% of Comm. Pre-sales[2]	Deposits (% of Price)[3]	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
8001	RS1	Residential - 1 Bedroom Units	2.25%	50.00%	0.00%	Y		-	-	-
8002	RS2	Residential - 2 Bedroom Units	2.25%	50.00%	0.00%	Y		-	-	-
8003	RS3	Residential - 3 Bedroom Units	2.25%	50.00%	0.00%	Y		-	-	-
8004	RDD	Detached Dwelllings Lots	2.25%	50.00%	0.00%	Y		-	-	-
8005	RTH	Townhouse Lots	2.25%	50.00%	0.00%	Y		-	-	-
8006	COM	Commerical Office	2.25%	0.00%	0.00%	Y		2,345,558	2,345,558	2,508,366
8007	RET	Retail Shops	2.25%	0.00%	0.00%	Y		202,500	202,500	217,495
8008	IND	Industrial Units	2.25%	0.00%	0.00%	Y		-	-	-
8009	STW	Storage & Warehousing	2.25%	0.00%	0.00%	Y		-	-	-
8010	OTH	Other	2.25%	0.00%	0.00%	Y		-	-	-
							TOTAL	2,548,058	2,548,058	2,725,861

[1] % of Gross Purchase Price

[2] Percentage of Sales Commission paid at exchange date for pre-sales

[3] Percentage of price deposited on exchange (for pre-sales)

Pre-sale Comm are reported as a	Project Cost

Interest Rate on Deposits Invested in Trust Account	0.00%
% of Interest retained by Developer upon settlement	0.00%

Code	Stage	Other Selling Costs To be entered Exclusive of GST	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
8101	-	Legals	0.35%	-	-	-	S	-	Jan-17 - Nov-17	Y		396,365	396,365	424,023
8102	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8103	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8104	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8105	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	396,365	396,365	424,023

Pro-rata with Settlements ('S') or Exchanges ('E')

Code	Stage	Other Leasing Costs To be entered Exclusive of GST	% of Gross Rent	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
8201	-	Fitout Incentives	0.00%	17,038	350	-	28	2	Jan-17 - Feb-17	Y		5,963,300	5,963,300	5,963,300
8202	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8203	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8204	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8205	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	5,963,300	5,963,300	5,963,300

Pro-rata with Rental Income ('R')

9000

Sales

Sales Revenue to be entered Inclusive of GST

Code	Stage	Description	No. Units	Total Area SqM	Current Sale Price	Sales Calc Method	Pre-Sale Exchanges Month Start	Pre-Sale Exchanges Month Span	Settlements Month Start	Settlements Month Span	Settlements Cash Flow Period	Sales Rate Units / SqM per Month	GST Included	Land Use Code	Total Current Sales Revenue (exc GST)	Total Current Sales Revenue (inc GST)	Total Escalated Sales Revenue
9001	-	Ground Floor Retail	-	1,000	9,000	Per SqM	0	-	28	3	Jan-17 - Mar-17	333.33	Y	RET	9,000,000	9,000,000	9,666,443
9002	-	Commercial Levels 1 to 6	-	8,100	6,500	Per SqM	0	-	28	6	Jan-17 - Jun-17	1,350.00	Y	COM	52,650,000	52,650,000	56,758,403
9003	-	Commercial Levels 7 to 16 Pre-sold	-	3,969	6,500	Per SqM	8	12	28	2	Jan-17 - Feb-17	330.75	Y	COM	25,798,500	25,798,500	26,671,782
9004	-	Commercial Levels 7 to 16 Balance	-	3,969	6,500	Per SqM	0	-	30	9	Mar-17 - Nov-17	441.00	Y	COM	25,798,500	25,798,500	28,052,746
9005	-	.	-	-	-	Per SqM	0	-	0	-	-	-	Y	-	-	-	-
9006	-	.	-	-	-	Per SqM	0	-	0	-	-	-	Y	-	-	-	-
9007	-	.	-	-	-	Per SqM	0	-	0	-	-	-	Y	-	-	-	-
9008	-	.	-	-	-	Per SqM	0	-	0	-	-	-	Y	-	-	-	-
9009	-	.	-	-	-	Per SqM	0	-	0	-	-	-	Y	-	-	-	-
9010	-	.	-	-	-	Per SqM	0	-	0	-	-	-	Y	-	-	-	-
														Capitalised Sales (refer to Tenants)	-	-	-
														Manual Input (refer to Cash Flow)	-	-	-
														TOTAL	113,247,000	113,247,000	121,149,373

9100

Other Income

Other Income to be entered Exclusive of GST

Code	Stage	Description	Land Use Code	Units	Base Rate / Units	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Income (exc GST)	Total Current Income (inc GST)	Total Escalated Income
9101	-	.	-	-	-	0	-	-	Y		-	-	-
9102	-	.	-	-	-	0	-	-	Y		-	-	-
9103	-	.	-	-	-	0	-	-	Y		-	-	-
9104	-	.	-	-	-	0	-	-	Y		-	-	-
9105	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	-	-	-

10000

Financing

(Simple Mode)

General Notes: All Line Fees are paid during period of debt, in arrears
All Profit Share is Paid progressively as project makes a profit.

Equity Notes: Equity is paying outstanding debt
Equity is repaid when available (retain cash for future costs).

Equity

Code	Item	Fixed Amount	Percentage		Opening Balances		Equity Totals
	Developer's Equity Contribution Progressively injected when required.	16,845,403	0.00%	Fixed Amount		Developer's Injections	16,845,403
10001	Interest Charged on Equity	0.00%		per annum Nominal - Capitalised (Compounded)	-	Interest Charged	-
10002	Interest received on Surplus Cash	0.00%		per annum received in arrears.	-	Interest Received	-
	% of Available Funds to Repay Equity Before Debt	0.00%					

Senior Loan

	Description	Lender Name	Debt	
	No Limit (use as overdraft facility)	-		
10007	Interest Rate	6.50%	per annum Nominal - Capitalised (Compounded)	
10008	Fees	Amount	Percentage	Month Paid
	Application Fee	-	0.00%	0
	Line Fee	-	0.00%	
	Maintain Leverage on Senior Loan	0.00%	% of Future Positive Net Cash Flows	

Senior Loan Notes: Senior Loan is being used as an overdraft facility.

Opening Balances		Senior Loan Totals
-	Drawdown	93,777,583
	Interest Charged	5,518,197
-	Application Fees	-
-	Line Fees	-

Code	Stage	Financing Costs (to be entered Exclusive of GST)	No. of Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
10009	-	Establshment Costs	1	924,498	-	11	1	Aug-15 - Aug-15	Y		924,498	924,498	924,498
10010	-	.	-	-	-	0	-	-	Y		-	-	-
10011	-	.	-	-	-	0	-	-	Y		-	-	-
10012	-	.	-	-	-	0	-	-	Y		-	-	-
10018	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	924,498	924,498	924,498

Project Hurdle Rates

Project Discount Rate (target IRR)	20.00%	per annum Effective, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	20.00%	per ann.
Developer's Target Dev. Margin	18.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	30.00%	

Cash Flow Table for Parramatta

Cash Flow - Commercial Office Tower

PROJECT CASH FLOW	TOTAL	GST	0 Sep-14	1 Oct-14	2 Nov-14	3 Dec-14	4 Jan-15	5 Feb-15	6 Mar-15	7 Apr-15	8 May-15	9 Jun-15	10 Jul-15	11 Aug-15	12 Sep-15	13 Oct-15
SALES SUMMARY																
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	17,038.00		-	-	-	-	-	-	-	-	330.75	330.75	330.75	330.75	330.75	330.75
Cumulative SqM Sold			-	-	-	-	-	-	-	-	330.75	661.50	992.25	1,323.00	1,653.75	1,984.50
% SqM Sold			-	-	-	-	-	-	-	-	1.9%	3.9%	5.8%	7.8%	9.7%	11.6%
AUD Sold	121,149,373		-	-	-	-	-	-	-	-	2,192,660	2,198,068	2,203,489	2,208,923	2,214,371	2,219,832
Cumulative AUD Sold			-	-	-	-	-	-	-	-	2,192,660	4,390,728	6,594,217	8,803,141	11,017,512	13,237,345
% AUD Sold			-	-	-	-	-	-	-	-	1.8%	3.6%	5.4%	7.3%	9.1%	10.9%
HANDOVER SUMMARY																
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	17,038.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	121,149,373		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW																
REVENUE																
Gross Sales Revenue	121,149,373		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(3,149,884)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(5,963,300)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	112,036,189		-	-	-	-	-	-	-	-	-	-	-	-	-	-
COSTS																
Land and Acquisition	7,841,740		747,250	12,250	12,250	7,069,990	-	-	-	-	-	-	-	-	-	-
Professional Fees	9,791,168		-	433,083	433,083	433,083	433,083	433,083	433,083	433,083	433,083	435,755	544,149	228,150	218,374	252,216
Construction Costs (inc. Contingency)	84,875,471		-	-	-	-	-	-	-	-	-	53,430	2,221,307	2,691,369	2,495,846	3,172,685
Application and Authority Fees	3,456,268		-	-	-	-	297,064	-	-	212,189	-	2,947,016	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and Advertising	908,620		-	-	-	-	50,479	50,479	50,479	50,479	50,479	50,479	50,479	50,479	50,479	50,479
Project Contingency (Reserve)	2,421,979		-	8,488	8,488	8,488	17,176	9,750	9,750	15,054	9,750	84,827	68,059	71,910	66,778	84,545
Land Holding Costs	475,915		-	-	-	-	-	-	148,428	-	-	16,614	-	-	16,738	-
Pre-Sale Commissions	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	924,498		-	-	-	-	-	-	-	-	-	-	-	924,498	-	-
GST Refunds (Input Credits)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	110,695,660		747,250	453,821	453,821	7,511,561	797,803	493,312	641,739	710,805	493,312	3,588,121	2,883,994	3,966,406	2,848,214	3,559,925
Net Cash Flow (before Interest)	1,340,530		(747,250)	(453,821)	(453,821)	(7,511,561)	(797,803)	(493,312)	(641,739)	(710,805)	(493,312)	(3,588,121)	(2,883,994)	(3,966,406)	(2,848,214)	(3,559,925)
Cumulative Cash Flow			(747,250)	(1,201,071)	(1,654,892)	(9,166,453)	(9,964,256)	(10,457,567)	(11,099,307)	(11,810,112)	(12,303,424)	(15,891,545)	(18,775,539)	(22,741,945)	(25,590,159)	(29,150,084)
FINANCING																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	16,845,403		747,250	453,821	453,821	7,511,561	797,803	493,312	641,739	710,805	493,312	3,588,121	953,858	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	12,667,736		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(4,177,667)		(747,250)	(1,201,071)	(1,654,892)	(9,166,453)	(9,964,256)	(10,457,567)	(11,099,307)	(11,810,112)	(12,303,424)	(15,891,545)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)
Equity Cash Flow	(4,177,667)		(747,250)	(453,821)	(453,821)	(7,511,561)	(797,803)	(493,312)	(641,739)	(710,805)	(493,312)	(3,588,121)	(953,858)	-	-	-
Project Cash Account																
Surplus Cash Injection	6,543,420		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(6,543,420)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Loan - Lender Name	Debt															
Drawdown	(93,777,583)		-	-	-	-	-	-	-	-	-	-	(1,930,136)	(3,966,406)	(2,848,214)	(3,559,925)
Loan Interest Rate (%/ann)			6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Interest Charged	(5,518,197)		-	-	-	-	-	-	-	-	-	-	-	(10,455)	(31,996)	(47,597)
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	99,295,780		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	5,518,197		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	93,777,583		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	(1,930,136)	(5,906,997)	(8,787,207)	(12,394,729)
% of Project & Finance Costs (inc Interest/Fees and net of GST).													1.66%	5.08%	7.56%	10.67%
Senior Loan Cash Flow	5,518,197		-	-	-	-	-	-	-	-	-	-	(1,930,136)	(3,966,406)	(2,848,214)	(3,559,925)
Interest Coverage Ratio	18.09		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.01		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			-	-	-	-	-	-	-	-	-	-	(1,930,136)	(5,906,997)	(8,787,207)	(12,394,729)
% of Project & Finance Costs (inc Interest/Fees and net of GST).													1.66%	5.08%	7.56%	10.67%
Total Equity to Debt Ratio	17.96%		-	-	-	-	-	-	-	-	-	-	872.76%	285.68%	192.63%	136.90%
Total Debt Interest Coverage Ratio	18.09		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.01		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest)	(4,177,667)		(747,250)	(453,821)	(453,821)	(7,511,561)	(797,803)	(493,312)	(641,739)	(710,805)	(493,312)	(3,588,121)	(2,883,994)	(3,976,861)	(2,880,210)	(3,607,522)
Cumulative Cash Flow**			(747,250)	(1,201,071)	(1,654,892)	(9,166,453)	(9,964,256)	(10,457,567)	(11,099,307)	(11,810,112)	(12,303,424)	(15,891,545)	(18,775,539)	(22,752,400)	(25,632,610)	(29,240,132)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for Parramatta

PROJECT CASH FLOW	TOTAL	GST	0 Sep-14	1 Oct-14	2 Nov-14	3 Dec-14	4 Jan-15	5 Feb-15	6 Mar-15	7 Apr-15	8 May-15	9 Jun-15	10 Jul-15	11 Aug-15	12 Sep-15	13 Oct-15
PROJECT IRR & NPV																
Cash Flow that includes financing costs but excludes interest and corp tax.			(747,250)	(453,821)	(453,821)	(7,511,561)	(797,803)	(493,312)	(641,739)	(710,805)	(493,312)	(3,588,121)	(2,883,994)	(3,966,406)	(2,848,214)	(3,559,925)
Static Discount Rate (per ann. effective)	20.00%															
PV for each Month	(15,294,577)		(747,250)	(446,978)	(440,238)	(7,176,867)	(750,761)	(457,224)	(585,825)	(639,089)	(436,852)	(3,129,545)	(2,477,479)	(3,355,942)	(2,373,512)	(2,921,872)
NPV of Future Cash Flows			(15,294,577)	(14,770,039)	(14,535,391)	(14,297,152)	(6,889,475)	(6,184,932)	(5,778,756)	(5,215,662)	(4,573,823)	(4,142,982)	(563,356)	2,356,166	6,419,367	9,409,463
Variable Discount Rate (per ann. effective)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	(15,294,577)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits
** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Cash Flow Table for Parramatta

PROJECT CASH FLOW	TOTAL	GST	14 Nov-15	15 Dec-15	16 Jan-16	17 Feb-16	18 Mar-16	19 Apr-16	20 May-16	21 Jun-16	22 Jul-16	23 Aug-16	24 Sep-16	25 Oct-16	26 Nov-16	27 Dec-16
SALES SUMMARY																
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	17,038.00		330.75	330.75	330.75	330.75	330.75	330.75	-	-	-	-	-	-	-	-
Cumulative SqM Sold			2,315.25	2,646.00	2,976.75	3,307.50	3,638.25	3,969.00	3,969.00	3,969.00	3,969.00	3,969.00	3,969.00	3,969.00	3,969.00	3,969.00
% SqM Sold			13.6%	15.5%	17.5%	19.4%	21.4%	23.3%	23.3%	23.3%	23.3%	23.3%	23.3%	23.3%	23.3%	23.3%
AUD Sold	121,149,373		2,225,307	2,230,795	2,236,297	2,241,812	2,247,341	2,252,884	-	-	-	-	-	-	-	-
Cumulative AUD Sold			15,462,652	17,693,447	19,929,744	22,171,557	24,418,898	26,671,782	26,671,782	26,671,782	26,671,782	26,671,782	26,671,782	26,671,782	26,671,782	26,671,782
% AUD Sold			12.8%	14.6%	16.5%	18.3%	20.2%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
HANDOVER SUMMARY																
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	17,038.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	121,149,373		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW																
REVENUE																
Gross Sales Revenue	121,149,373		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(3,149,884)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(5,963,300)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	112,036,189		-	-	-	-	-	-	-	-	-	-	-	-	-	-
COSTS																
Land and Acquisition	7,841,740		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	9,791,168		225,777	278,655	294,518	347,396	347,396	357,972	463,728	410,850	516,606	432,001	317,269	211,512	253,815	190,361
Construction Costs (inc. Contingency)	84,875,471		2,643,904	3,701,466	4,018,735	5,076,296	5,076,296	5,287,809	7,402,932	6,345,370	8,460,494	6,768,395	6,345,370	4,230,247	5,076,296	3,807,222
Application and Authority Fees	3,456,268		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and Advertising	908,620		50,479	50,479	50,479	50,479	50,479	50,479	50,479	50,479	-	-	-	-	-	-
Project Contingency (Reserve)	2,421,979		70,664	98,425	106,754	134,515	134,515	140,067	195,589	167,828	222,088	177,670	166,566	111,044	133,253	99,940
Land Holding Costs	475,915		-	16,862	-	-	152,880	-	-	17,113	-	-	17,240	-	-	17,367
Pre-Sale Commissions	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	924,498		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	110,695,660		2,990,825	4,145,887	4,470,486	5,608,686	5,761,567	5,836,327	8,112,728	6,991,640	9,199,188	7,378,067	6,846,445	4,552,803	5,463,364	4,114,890
Net Cash Flow (before Interest)	1,340,530		(2,990,825)	(4,145,887)	(4,470,486)	(5,608,686)	(5,761,567)	(5,836,327)	(8,112,728)	(6,991,640)	(9,199,188)	(7,378,067)	(6,846,445)	(4,552,803)	(5,463,364)	(4,114,890)
Cumulative Cash Flow			(32,140,908)	(36,286,795)	(40,757,281)	(46,365,967)	(52,127,534)	(57,963,860)	(66,076,589)	(73,068,229)	(82,267,417)	(89,645,484)	(96,491,928)	(101,044,732)	(106,508,096)	(110,622,986)
FINANCING																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	16,845,403		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	12,667,736		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(4,177,667)		(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)
Equity Cash Flow	(4,177,667)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	6,543,420		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(6,543,420)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Loan - Lender Name	Debt															
Drawdown	(93,777,583)		(2,990,825)	(4,145,887)	(4,470,486)	(5,608,686)	(5,761,567)	(5,836,327)	(8,112,728)	(6,991,640)	(9,199,188)	(7,378,067)	(6,846,445)	(4,552,803)	(5,463,364)	(4,114,890)
Loan Interest Rate (%/ann)			6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Interest Charged	(5,518,197)		(67,138)	(83,702)	(106,612)	(131,405)	(162,497)	(194,586)	(227,253)	(272,428)	(311,775)	(363,293)	(405,225)	(444,505)	(471,574)	(503,721)
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	99,295,780		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	5,518,197		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	93,777,583		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(15,452,692)	(19,682,281)	(24,259,379)	(29,999,470)	(35,923,534)	(41,954,447)	(50,294,428)	(57,558,496)	(67,069,460)	(74,810,819)	(82,062,489)	(87,059,798)	(92,994,736)	(97,613,348)
% of Project & Finance Costs (inc Interest/Fees and net of GST).			13.30%	16.94%	20.87%	25.81%	30.91%	36.10%	43.28%	49.53%	57.71%	64.37%	70.61%	74.91%	80.02%	83.99%
Senior Loan Cash Flow	5,518,197		(2,990,825)	(4,145,887)	(4,470,486)	(5,608,686)	(5,761,567)	(5,836,327)	(8,112,728)	(6,991,640)	(9,199,188)	(7,378,067)	(6,846,445)	(4,552,803)	(5,463,364)	(4,114,890)
Interest Coverage Ratio	18.09		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.01		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			(15,452,692)	(19,682,281)	(24,259,379)	(29,999,470)	(35,923,534)	(41,954,447)	(50,294,428)	(57,558,496)	(67,069,460)	(74,810,819)	(82,062,489)	(87,059,798)	(92,994,736)	(97,613,348)
% of Project & Finance Costs (inc Interest/Fees and net of GST).			13.30%	16.94%	20.87%	25.81%	30.91%	36.10%	43.28%	49.53%	57.71%	64.37%	70.61%	74.91%	80.02%	83.99%
Total Equity to Debt Ratio	17.96%		110.13%	86.65%	70.45%	57.06%	47.74%	40.97%	34.22%	29.96%	25.75%	23.14%	21.15%	20.01%	18.79%	17.96%
Total Debt Interest Coverage Ratio	18.09		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.01		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest)	(4,177,667)		(3,057,963)	(4,229,589)	(4,577,098)	(5,740,091)	(5,924,064)	(6,030,912)	(8,339,981)	(7,264,068)	(9,510,963)	(7,741,360)	(7,251,670)	(4,997,308)	(5,934,938)	(4,618,612)
Cumulative Cash Flow**			(32,298,095)	(36,527,684)	(41,104,782)	(46,844,873)	(52,768,937)	(58,799,849)	(67,139,831)	(74,403,899)	(83,914,862)	(91,656,222)	(98,907,892)	(103,905,201)	(109,840,138)	(114,458,750)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for Parramatta

PROJECT CASH FLOW	TOTAL	GST	14 Nov-15	15 Dec-15	16 Jan-16	17 Feb-16	18 Mar-16	19 Apr-16	20 May-16	21 Jun-16	22 Jul-16	23 Aug-16	24 Sep-16	25 Oct-16	26 Nov-16	27 Dec-16
PROJECT IRR & NPV																
Cash Flow that includes financing costs but excludes interest and corp tax.			(2,990,825)	(4,145,887)	(4,470,486)	(5,608,686)	(5,761,567)	(5,836,327)	(8,112,728)	(6,991,640)	(9,199,188)	(7,378,067)	(6,846,445)	(4,552,803)	(5,463,364)	(4,114,890)
Static Discount Rate (per ann. effective)	20.00%															
PV for each Month	(15,294,577)		(2,417,758)	(3,300,965)	(3,505,740)	(4,331,993)	(4,382,972)	(4,372,897)	(5,986,847)	(5,081,733)	(6,585,426)	(5,202,098)	(4,754,475)	(3,113,995)	(3,680,449)	(2,730,238)
NPV of Future Cash Flows			13,167,942	16,406,149	20,866,677	25,725,061	31,813,450	38,150,271	44,660,009	53,580,660	61,499,629	71,781,179	80,371,132	88,552,832	94,531,033	101,525,258
Variable Discount Rate (per ann. effective)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	(15,294,577)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits
** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)
Estate Master Licensed to: Estate Master Administration

Cash Flow Table for Parramatta

PROJECT CASH FLOW	TOTAL	GST	28 Jan-17	29 Feb-17	30 Mar-17	31 Apr-17	32 May-17	33 Jun-17	34 Jul-17	35 Aug-17	36 Sep-17	37 Oct-17	38 Nov-17
SALES SUMMARY													
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-
SqM Sold	17,038.00		1,683.33	1,683.33	2,124.33	1,791.00	1,791.00	1,791.00	441.00	441.00	441.00	441.00	441.00
Cumulative SqM Sold			5,652.33	7,335.67	9,460.00	11,251.00	13,042.00	14,833.00	15,274.00	15,715.00	16,156.00	16,597.00	17,038.00
% SqM Sold			33.2%	43.1%	55.5%	66.0%	76.5%	87.1%	89.6%	92.2%	94.8%	97.4%	100.0%
AUD Sold	121,149,373		12,615,790	12,646,904	15,764,443	12,565,268	12,596,258	12,627,324	3,116,909	3,124,596	3,132,302	3,140,027	3,147,771
Cumulative AUD Sold			39,287,572	51,934,475	67,698,918	80,264,187	92,860,445	105,487,768	108,604,677	111,729,273	114,861,575	118,001,602	121,149,373
% AUD Sold			32.4%	42.9%	55.9%	66.3%	76.6%	87.1%	89.6%	92.2%	94.8%	97.4%	100.0%
HANDOVER SUMMARY													
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	17,038.00		3,667.83	3,667.83	2,124.33	1,791.00	1,791.00	1,791.00	441.00	441.00	441.00	441.00	441.00
Cumulative SqM Handed Over			3,667.83	7,335.67	9,460.00	11,251.00	13,042.00	14,833.00	15,274.00	15,715.00	16,156.00	16,597.00	17,038.00
% SqM Handed Over			21.5%	43.1%	55.5%	66.0%	76.5%	87.1%	89.6%	92.2%	94.8%	97.4%	100.0%
AUD Handed Over	121,149,373		26,017,772	26,017,772	15,798,853	12,576,706	12,576,706	12,576,706	3,116,972	3,116,972	3,116,972	3,116,972	3,116,972
Cumulative AUD Handed Over			26,017,772	52,035,545	67,834,398	80,411,103	92,987,809	105,564,514	108,681,486	111,798,458	114,915,430	118,032,401	121,149,373
% AUD Handed Over			21.5%	43.0%	56.0%	66.4%	76.8%	87.1%	89.7%	92.3%	94.9%	97.4%	100.0%
PROJECT CASH FLOW													
REVENUE													
Gross Sales Revenue	121,149,373		25,951,681	25,982,795	15,764,443	12,565,268	12,596,258	12,627,324	3,116,909	3,124,596	3,132,302	3,140,027	3,147,771
Selling Costs	(3,149,884)		(674,744)	(675,553)	(409,876)	(326,697)	(327,503)	(328,310)	(81,040)	(81,239)	(81,440)	(81,641)	(81,842)
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(5,963,300)		(2,981,650)	(2,981,650)	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	112,036,189		22,295,287	22,325,592	15,354,568	12,238,572	12,268,755	12,299,013	3,035,869	3,043,356	3,050,862	3,058,386	3,065,929
COSTS													
Land and Acquisition	7,841,740		-	-	-	-	-	-	-	-	-	-	-
Professional Fees	9,791,168		-	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc. Contingency)	84,875,471		-	-	-	-	-	-	-	-	-	-	-
Application and Authority Fees	3,456,268		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-
Marketing and Advertising	908,620		-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	2,421,979		-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	475,915		-	-	69,473	-	-	2,279	-	-	922	-	-
Pre-Sale Commissions	-		-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	924,498		-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	-		-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	110,695,660		-	-	69,473	-	-	2,279	-	-	922	-	-
Net Cash Flow (before Interest)	1,340,530		22,295,287	22,325,592	15,285,094	12,238,572	12,268,755	12,296,735	3,035,869	3,043,356	3,049,940	3,058,386	3,065,929
Cumulative Cash Flow			(88,327,699)	(66,002,107)	(50,717,013)	(38,478,442)	(26,209,686)	(13,912,952)	(10,877,083)	(7,833,726)	(4,783,786)	(1,725,400)	1,340,530
FINANCING													
Developer's Equity													
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0
Injections	16,845,403		-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	12,667,736		-	-	-	-	-	-	-	-	-	9,601,806	3,065,929
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(4,177,667)		(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(16,845,403)	(7,243,596)	(4,177,667)
Equity Cash Flow	(4,177,667)		-	-	-	-	-	-	-	-	-	9,601,806	3,065,929
Project Cash Account													
Surplus Cash Injection	6,543,420		-	-	-	-	-	-	450,123	3,043,356	3,049,940	-	-
Cash Reserve Drawdown	(6,543,420)		-	-	-	-	-	-	-	-	-	(6,543,420)	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	450,123	3,493,480	6,543,420	-	-
Senior Loan - Lender Name	Debt												
Drawdown	(93,777,583)		-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Interest Charged	(5,518,197)		(528,739)	(410,837)	(292,132)	(210,920)	(145,770)	(80,104)	(13,931)	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	99,295,780		22,295,287	22,325,592	15,285,094	12,238,572	12,268,755	12,296,735	2,585,746	-	-	-	-
Interest and Fees	5,518,197		4,364,503	410,837	292,132	210,920	145,770	80,104	13,931	-	-	-	-
Principal	93,777,583		17,930,784	21,914,755	14,992,962	12,027,651	12,122,985	12,216,630	2,571,815	-	-	-	-
Loan Balance	-		(75,846,799)	(53,932,044)	(38,939,082)	(26,911,431)	(14,788,446)	(2,571,815)	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			65.26%	46.41%	33.51%	23.16%	12.73%	2.21%					
Senior Loan Cash Flow	5,518,197		22,295,287	22,325,592	15,285,094	12,238,572	12,268,755	12,296,735	2,585,746	-	-	-	-
Interest Coverage Ratio	18.09		42.17	54.34	52.56	58.02	84.17	153.54	217.92	-	-	-	-
Debt Service Ratio	1.01		1.00	1.00	1.00	1.00	1.00	1.00	1.17	-	-	-	-
Project Overdraft			(75,846,799)	(53,932,044)	(38,939,082)	(26,911,431)	(14,788,446)	(2,571,815)	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			65.26%	46.41%	33.51%	23.16%	12.73%	2.21%					
Total Equity to Debt Ratio	17.96%		17.96%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%	-
Total Debt Interest Coverage Ratio	18.09		42.17	54.34	52.56	58.02	84.17	153.54	217.92	-	-	-	-
Total Debt Service Ratio	1.01		1.00	1.00	1.00	1.00	1.00	1.00	1.17	-	-	-	-
Net Cash Flow (after Interest)	(4,177,667)		21,766,548	21,914,755	14,992,962	12,027,651	12,122,985	12,216,630	3,021,938	3,043,356	3,049,940	3,058,386	3,065,929
Cumulative Cash Flow**			(92,692,202)	(70,777,447)	(55,784,485)	(43,756,834)	(31,633,849)	(19,417,218)	(16,395,280)	(13,351,923)	(10,301,983)	(7,243,597)	(4,177,667)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for Parramatta

PROJECT CASH FLOW	TOTAL	GST	28 Jan-17	29 Feb-17	30 Mar-17	31 Apr-17	32 May-17	33 Jun-17	34 Jul-17	35 Aug-17	36 Sep-17	37 Oct-17	38 Nov-17
PROJECT IRR & NPV													
Cash Flow that includes financing costs but excludes interest and corp tax.			22,295,287	22,325,592	15,285,094	12,238,572	12,268,755	12,296,735	3,035,869	3,043,356	3,049,940	3,058,386	3,065,929
Static Discount Rate (per ann. effective)	20.00%												
PV for each Month	(15,294,577)		14,569,909	14,369,720	9,689,804	7,641,510	7,544,848	7,448,029	1,811,074	1,788,165	1,765,012	1,743,212	1,721,161
NPV of Future Cash Flows			107,257,443	86,262,882	64,916,136	50,390,867	38,736,387	26,872,837	14,799,255	11,943,477	9,036,377	6,078,085	3,065,929
Variable Discount Rate (per ann. effective)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	(15,294,577)												

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits
** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)
Estate Master Licensed to: Estate Master Administration

Summary of Project Returns

EstateMaster
DEVELOPMENT FEASIBILITY

Hill PDA
Independent Property Consulting

Parramatta

Cash Flow

Commercial Office Tower

Time Span:	Sep-14 to Nov-17	**Project Size:**	
Type:	Miscellaneous		
Status:	Under Review	**Project Size:**	19,320. GFA
Site Area:	1,932. SqM		1 per 0.1 SqM of Site Area
FSR:	10:1	**Equated GFA:**	19,320.0 SqM

Estate Master Licensed to: Estate Master Administration

	Quantity	SqM	AUD/Quantity	AUD Total	GFA	SqM of Site Area	Total Net Revenue
REVENUE				AUD			
Gross Sales Revenue	-	17,038.00	-	121,149,373	6,271	62,707	108.1%
Commerical Office	-	16,038.00	-	111,482,930	5,770	57,703	99.5%
Retail Shops	-	1,000.00	-	9,666,443	500	5,003	8.6%
Less Selling Costs				(3,149,884)	163	1,630	-2.8%
Less GST paid on all Revenue				-	-	-	0.0%
TOTAL REVENUE (after GST paid)				**112,036,189**	**5,799**	**57,990**	**100.0%**
COSTS							
Land Purchase Cost				7,350,000	380	3,804	6.6%
Land Acquisition Costs				491,740	25	255	0.4%
Construction Costs (inc. Contingency)				84,875,471	4,393	43,931	75.8%
Demolition and Site Preparation				257,649	13	133	0.2%
Basement Car Parking				9,183,446	475	4,753	8.2%
Main Building				67,857,470	3,512	35,123	60.6%
Site Costs and External Works				3,535,217	183	1,830	3.2%
Contingency				4,041,689	209	2,092	3.6%
Professional Fees				9,791,168	507	5,068	8.7%
Application and Authority Fees				3,456,268	179	1,789	3.1%
Marketing and Advertising				908,620	47	470	0.8%
Project Contingency (Reserve)				2,421,979	125	1,254	2.2%
Land Holding Costs				475,915	25	246	0.4%
Finance Charges (inc. Fees)				924,498	48	479	0.8%
Interest Expense				5,518,197	286	2,856	4.9%
TOTAL COSTS (after GST reclaimed)				**116,213,857**	**6,015**	**60,152**	**103.7%**

PERFORMANCE INDICATORS

			AUD Per GFA	AUD Per SqM of Site Area
[1] **Net Development Profit**		**(4,177,667)**	216	2,162
[3] **Development Margin (Profit/Risk Margin)**	Based on total costs (inc selling costs)	**-3.50%**		
[4] Residual Land Value	Based on Target Margin of 18% (Exclusive of GST)	(12,862,566)	666	6,658
[5] **Net Present Value**	Based on Discount Rate of 20% p.a. Effective	**(15,294,577)**		
[6] Benefit Cost Ratio		0.8210		
[7] **Project Internal Rate of Return (IRR)**	Per annum Effective	**1.08%**		
[8] Residual Land Value	Based on NPV (Exclusive of GST)	(7,779,738)	403	4,027
Equity IRR	Per annum Effective	-10.07%		
Equity Contribution		16,845,403		
Peak Debt Exposure		97,613,348		
Equity to Debt Ratio		17.96%		
[9] Weighted Average Cost of Capital (WACC)		10.08%		
[10] Breakeven Date for Cumulative Cash Flow		N.A. (Negative Profit)		

Footnotes:

1. Development Profit: is total revenue less total cost including interest paid and received
2. Note: No redistribution of Developer's Gross Profit
3. Development Margin: is profit divided by total costs (inc selling costs)
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
5. Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
6. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
10. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).

Summary of Project Returns

Parramatta

Cash Flow

Commercial Office Tower

Time Span:	Sep-14 to Nov-17	**Project Size:**	
Type:	Miscellaneous		
Status:	Under Review	**Project Size:**	19,320. GFA
Site Area:	1,932. SqM		1 per 0.1 SqM of Site Area
FSR:	10:1	**Equated GFA:**	19,320.0 SqM

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RETURNS ON FUNDS INVESTED	**Developer's Equity**	**Senior Loan Debt** (Lender Name)	**Total Equity**	**Total Debt**
[1] Funds Invested (Cash Outlay)	16,845,403	93,777,583	16,845,403	93,777,583
% of Total Funds Invested	15.23%	84.77%	15.23%	84.77%
[2] Peak Exposure	16,845,403	97,613,348	16,845,403	97,613,348
Date of Peak Exposure	Jul-15	Dec-16	Jul-15	Dec-16
Month of Peak Exposure	Month 10	Month 27	Month 10	Month 27
Weighted Average Interest Rate	N.A.	6.50%	N.A.	6.50%
Interest Charged	-	5,518,197	-	5,518,197
Line Fees Charged	-	-	-	-
Application Fees Charged	-	-	-	-
Profit Share Received	-	-	-	-
[3] Total Profit to Funders	(4,177,667)	5,518,197	(4,177,667)	5,518,197
[4] Margin on Funds Invested	-24.80%	5.88%	-24.80%	5.88%
[5] Payback Date	Dec-17	Jul-17	Dec-17	Jul-17
Month of Payback	Month 39	Month 34	Month 39	Month 34
[6] IRR on Funds Invested	-10.07%	6.70%	-10.07%	6.70%
[7] Equity to Debt Ratio		17.96%		17.96%
[8] Loan to Value Ratio	13.90%	80.57%	13.90%	80.57%
[9] Loan Ratio	14.50% of Project & Finance Costs (inc Interest/Fees and net of GST).	85.44% of Project & Finance Costs (inc Interest/Fees and net of GST).	14.50% of Project & Finance Costs (inc Interest/Fees and net of GST).	85.44% of Project & Finance Costs (inc Interest/Fees and net of GST).

Footnotes:

1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

Cash Flow Charts

EstateMaster DF DEVELOPMENT FEASIBILITY

Parramatta

Cash Flow

Commercial Office Tower

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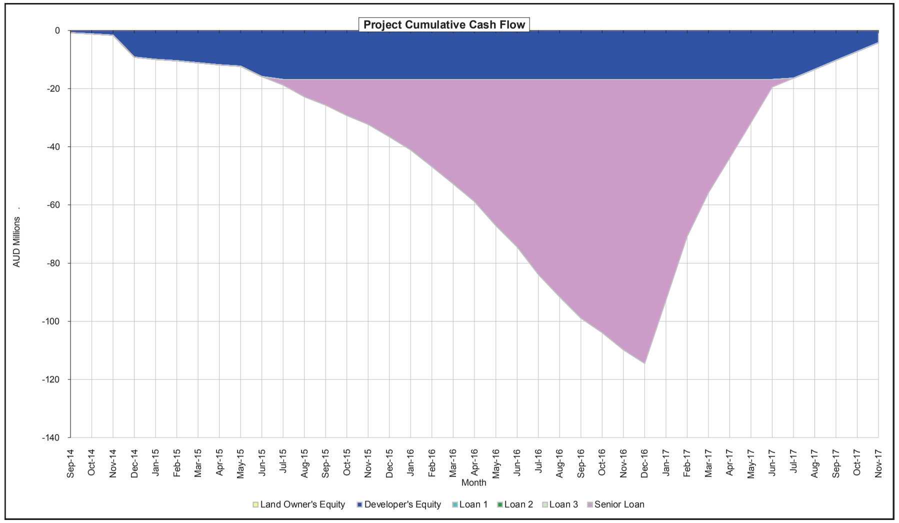
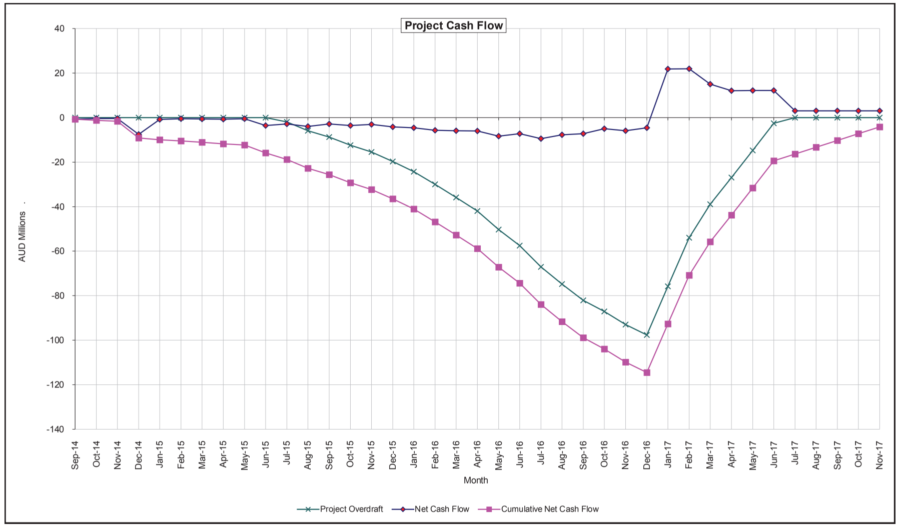
Hill PDA Independent Property Consulting





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19 August 2014

The Director
Merchant Power Pty Ltd
7 Charles Street
Liverpool NSW 2170

Dear Sir,

Market Opinion – 116 Macquarie Street and 7 Charles St, Parramatta

Proposed Commercial Development –

Thank you for your instructions to provide an opinion on the marketability and likely demand for your proposed commercial development at 116 Macquarie Street and 7 Charles Street, Parramatta.

Market Opinion

We have considered the location, volume, floorplate size, building attributes and amenities based on the floorplans provided and formed an opinion as a commercial leasing agency on how marketable this product is in the current market and taking account of our knowledge of tenant expectations.

In our opinion this building would be difficult to let for the following reasons;

- Historically the precinct is not a desirable office location for commercial tenants because of the number of adjacent residential towers, and this perception is further reinforced by the number of additional residential towers proposed, including, Macquarie Street Carpark (Topplace), 111 George St and the News Ltd site (Dyldam).
- The location is perceived as too remote from transport and amenities such as retail and recreation.
- The proposed building will not have a high profile as a commercial development compared to several competing buildings in the established commercial precinct of George St nearby. These are existing buildings that provide A Grade space at very competitive rents.

- Despite a very low vacancy rate for A Grade buildings at present, there is unlimited capacity for future demand to be met by proposed landmark commercial towers such as PS5&6 at Parramatta Square (130,000sqm), 105 Phillip St (20,000sqm) and 89 George St (10,000sqm). These developments are much more likely to attract high profile multiple floor tenants, as evidenced by the recent success of "The Eclipse" at 1 Station St with tenants such as Deloitte, QBE and Urban Growth.
- The narrow floorplate which is split between each side of the core does not lend itself to a single floor or multiple floor tenant. If the most likely demand is from smaller tenants of 600sqm or less they will be difficult to attract given the competition from existing lower graded buildings available in Parramatta.
- Because the floorplate is best suited to multiple tenants the ratio of Gross Floor Area GFA to Net Lettable Area NLA is relatively inefficient and will diminish the commercial feasibility of the development compared to existing multi-tenanted buildings with a more efficient rectangular floorplate. Eg. 10 Smith Street and 3 Horwood Place.

In summary, we think that as a commercial building this development will not compete well in the emerging Secondary Market in Parramatta and therefore may not be economically feasible.

Best regards

John Siciliano

Director, Commercial – Parramatta