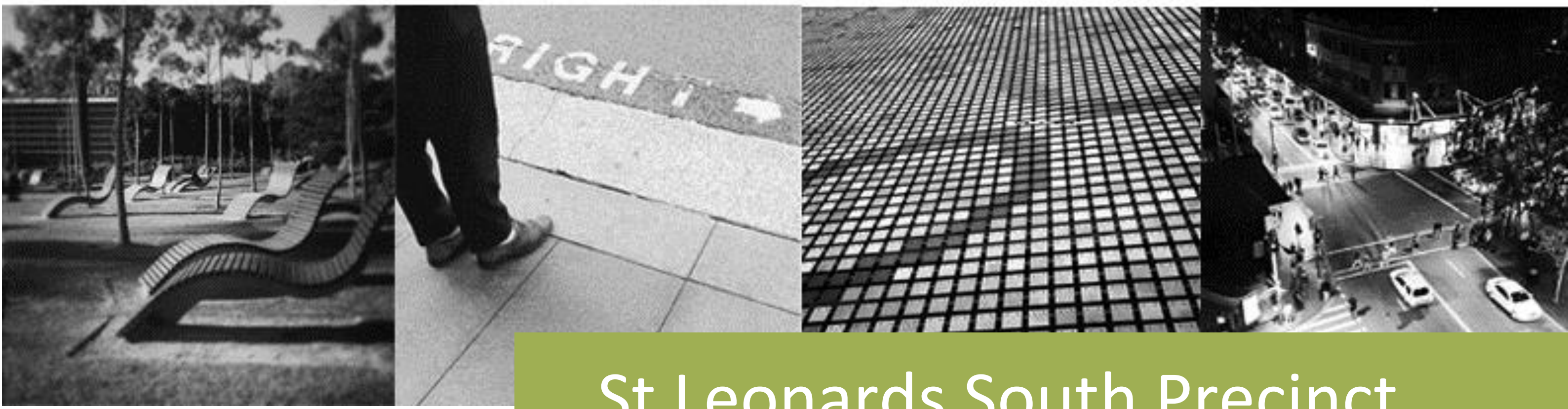

St Leonards South Precinct

Independent Review of Viability of Planning Controls Proposed by the Draft St Leonards South Masterplan

Prepared for Lane Cove Council

February 2015

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LIST OF ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
BTS	Bureau of Transport Statistics
DCP	Development Control Plan
DP&E	NSW Department of Planning and Environment
FSR	Floor Space Ratio
GFA	Gross Floor Area
GLA	Gross Lettable Area
Ha	Hectares
LEP	Local Environmental Plan
LGA	Local Government Area
NLA	Net Lettable Area
NPV	Net Present Value
RLV	Residual Land Value
SEPP	State Environmental Planning Policy
Sqm	Square metre

DEFINITIONS

Existing Improvement Value: the value of an asset based on the continuation of its existing use, assuming the asset could be sold as part of a continuing business regardless of whether that use represents the highest and best use.

Net Present Value (NPV): the measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in the DFC analysis.

Residual Land Value: the theoretical maximum land value that returns the target IRR or development margin sought for the project based on the assumed assumptions of cost, revenue and project timing. In practical terms this is land purchase price a developer can afford to achieve a feasible project.

Development Profit: Total revenue less total cost including interest paid and received.

Development Margin: Profit divided by total development costs (including selling costs).

EXECUTIVE SUMMARY

The following Study has been commissioned by Lane Cove Council to independently review whether the FSRs proposed by the draft Masterplan for the St Leonard's South Precinct[1] are sufficient enough to incentivise redevelopment within existing residential areas.

The Review considers economic advice provided within Chapter 7 of the draft Masterplan. This advice asserts that land zoned with an FSR of 2:1 or under was unlikely to incentivise redevelopment. Rather it was not until FSRs exceeded 2:75:1 that development was likely to occur relatively soon.

This Review also provides advice concerning the cost and funding of community facilities and open space within the Precinct.

Methodology, Research and Testing

These market changes have been spurred on by notable reductions in interest rates, planning proposals to rezone land from commercial to residential, the strength of the investor market, demographic shifts as well as a growing latent demand for residential apartments. Combined these factors have led to a significant increase in both the number of development applications as well as approvals and commencements within the St Leonards locality.

In order to ensure the accuracy of this review, we have both considered the economic methodology applied by the draft Masterplan whilst also undertaking more detailed and site specific desktop valuations and development feasibility testing. This analysis has been informed by recent sales in the Precinct that have occurred at such time as the draft planning controls were made public.

This approach has been undertaken in recognition of the location specific attributes of the Precinct together with significant changes in the St Leonards market more generally in recent years.

These market changes have been spurred on by notable reductions in interest rates, planning proposals to rezone land from commercial to residential, the strength of the investor market, demographic shifts as well as a growing latent demand for residential apartments. Combined these factors have led to a significant increase in the number of development applications, approvals and development commencements within the St Leonards locality. One such example being the rezoning and current construction of residential apartments at 15 to 25 Marshall Avenue, located within the St Leonards South Precinct.

As it is not practical to test the viability of every parcel of land within the Precinct, or every potential combination, we have selected three test sites across the Precinct.

1 The review does not purport however to provide design or amenity advice.

The test sites have been drawn from three areas (as shown in Figure 1) that relate to the planning control changes proposed by the draft Masterplan as well as lots size and character changes.

Area A: land from Canberra Avenue to Berry Road (Test Site 1);

Area B: land from Berry Road to Portview Road (Test Site 2); and

Area C: land from Portview Road to Greenwich Road (Test Site 3).

Figure 1: Boundaries of Area A, Area B and Area C

Source: Nearmap 2015 As amended by HillPDA

The draft Masterplan considered a range of development options identifying the High Density (Concentrated) Option as the preferred approach. This option proposing to increase FSRs in Area A to a base of 2.75:1 with a potential 4:1 bonus.

It in turn recommends no immediate change to the density of development to the west of Berry Road protecting this area for prospective redevelopment in the next 10 to 20 years.

For ease of comparison, each test site comprises of a minimum development size of 1,500sqm (in keeping with the recommendations of the draft Masterplan). Owing to the characteristics of the Precinct, this has resulted in Test Sites within Area A and B requiring the acquisition of 3 sites as minimum and 4 sites in Area C.

The testing of these sites has also been informed by comparable development assumptions and costings. We have however, in the case of some sites in Area A, varied the potential scale of premium in costs and revenue that could be applied to a development site as well as tested the potential for a development on nominated sites by the draft Masterplan to contribute to infrastructure (i.e open space and/ or community facility provision) in return for an FSR bonus. It should be noted that there is a range of mechanisms for Council to consider before granting a developer the additional floor space ratio (FSR).

Key Findings – Area A

A prudent developer would like to achieve a development margin of 20% and a project IRR of 18% for a development of this size and nature.

In summary our feasibility analysis for Area A – land from Canberra Avenue to Berry Road found the following.

1. A minimum FSR of 2.5:1 is required to make redevelopment viable in this area. This conclusion includes the acquisition of three existing residential sites (paying a 20% premium on existing market values).
2. At an FSR of 2.75:1 (the base recommended FSR by the draft Masterplan) the ability to pay a premium for properties increases to 30% whilst still maintaining the potential for a viable development outcome.
3. A significant increase in land value can be achieved only in Area A (more specifically land at 2-4 Marshall Avenue and 1-5 Canberra Avenue), when a contribution towards local infrastructure is made in return for a bonus FSR of 4:1. This should therefore not only provide an incentive for redevelopment but also sufficient scope for a contribution towards infrastructure such as open space and community facilities. It should be noted however that there are a range of technical matters that would need to be considered in detail by Council to ensure an infrastructure contribution in return for FSR bonus would have an acceptable impact to the locality.

Should a development be considered acceptable to provide an infrastructure contribution in return for a bonus FSR to 4:1, the developer would have scope to contribute 50% of the uplift in land value. In the case of Test Site 1, the bonus would generate an additional 25 units and a land value uplift of $4.7m. At 50% of this value uplift, we estimate an infrastructure contribution of $2.35m could be made to Council for local improvements. This would allow for an infrastructure contribution of $30,000/ dwelling across the total development over and above existing s94 contributions.

Key Findings – Area B and C

At such point in time that Areas A and B might be developed, there would be a range of factors influencing the suitability of their development viability, density and scale. At this point in time, the draft Masterplan is not recommending a change in FSR to Areas B and C. Our testing has therefore sought to test the draft Masterplan's assertion that redevelopment to residential flat buildings would be unlikely to occur at an FSR of 2:1 or under.

Our modelling has found that at an FSR of 2:1 for Test Site 2 (Area B) and Test Site 3 (Area C) would achieve a development margin of 4% and 7% respectively (well below the general developer target of 20%).

In fact our modelling suggests that in Areas B and C, an FSR of 2.75:1 as a minimum is required to incentivise change. Importantly however this assumes a land acquisition premium of 20% and not the 30% that could be provided in Area A at the same FSR.

The differences in feasibility results between Area A and Areas B and C in part relating to the generally smaller lot sizes in Areas B and C and therefore the additional cost of acquiring land. It is also in part a result of the anticipated higher sale values to be achieved in Area A given its closer proximity to services and amenities such as the rail station.

Conclusions

In summary our independent review has found that given the current market conditions and property valuations, the proposed planning controls would be likely to incentivise the redevelopment of some amalgamated sites within Area A of the Precinct.

It is important to note however that the proposed increase in development controls are not likely to incentivise the redevelopment of the entire precinct in the short term. This is because redevelopment is reliant on the landowner being a willing and incentivised participant in the sale of their land to a prospective developer. In some cases landowners will place a greater premium on their land owing to a variety of reasons such as lifestyle and location.

We recognise that many of the existing properties in Area A of the Precinct are established homes that despite the significant uplift in FSR from (0.5/ 0.6:1 to 2.75:1) may choose not to sell and relocate in the short to medium term on the basis of a financial premium alone. This is a common predicament in any area that is rezoned for redevelopment whereby the redevelopment process may take a number of decades to be achieved.

Our modelling has however assumed a premium of 30% for the test site in Area A where the draft Masterplan recommends an increase to the base FSR of 2.75:1. For the reasons given above, we agree that even a 30% premium on market value would not incentivise all landowners in the area to sell. As a consequence any Masterplan must be mindful of the built form implications of redevelopment occurring in sections of an area over an extended period of time as well as uneven impacts with respect to infrastructure funding – including open space and community facility provision.

1 REVIEW CONTEXT AND PURPOSE

The following Review has been commissioned by Lane Cove Council to independently consider the suitability (with respect to development viability) of the proposed FSRs for residential land located within the St Leonard's South Precinct. The Review does not purport however to provide design or amenity advice.

The Review was commissioned following concerns that the FSRs proposed as part of the masterplanning process may not facilitate viable re-development for residential dwellings and flat buildings given the specific and more recent changes occurring in the St Leonards market. The Review has therefore been confined to the residential zones located within the Precinct.

We have also been asked to provide advice concerning the cost of providing a community facility and open space within the Precinct. This advice is to have regard to the land dedications by landowners / developers and the award of a floorspace bonus.

Methodology

In order to independently reality test the suitability of the planning controls this review has implemented the following approach:

1. A review of relevant background information to the draft Masterplan;
2. A visit to the Study Area and identification of three test sites;
3. Market research to better understand existing and potential future market dynamics;
4. Feasibility testing to better understand the existing and likely future implications of various FSR changes to development viability;
5. Advice regarding the cost of community and open space provision; and
6. An overview of key findings and recommendations.

Review Area and Test Sites

The St Leonard's South Precinct relates to the 20ha of land (including roads) shown within the red boundary in Figure 1 below.

For the purposes of this Review, the Precinct has been broken down into three areas shown in Figure 2 in varying colours as:

Area A: land from Canberra Avenue to Berry Road;

Area B: land from Berry Road to Portview Road; and

Area C: land from Portview Road to Greenwich Road.

The Precinct presently comprises a mix of commercial and retail uses along the Pacific Highway. These uses are accommodated within buildings that range from two storeys with ground floor retail to multi-storey and tenanted commercial strata office buildings.

To the south of these buildings the area becomes predominantly residential in character with some pockets of open space and medical uses. Buildings generally range from one to two storeys with some three to four storey residential flat buildings along Greenwich Road and more recently built seven storey apartments.

Of note the Precinct has a significant change in grade from the north (the Pacific Highway) to the south (River Road). In addition a major new residential development was under construction at the time of undertaking this Review on the land bound by Marshall Avenue, Canberra Avenue, Berry Road and Marshall Lane.

Figure 2: Boundary of the St Leonard's South Precinct and Study Area

Source: St Leonards South Strategy Precinct Report 2013

Feasibility Testing and Test Sites

In order to undertake a more detailed assessment of the viability of the planning controls proposed by the draft Masterplan, this Review has undertaken more detailed feasibility testing based on market research and industry accepted development benchmarks, parameters and assumptions. As it is not realistic to test the viability of redeveloping every lot or combination of lots within the Precinct, we have identified one test site in each of the three areas. On each of these sites a variation to FSRs was tested.

The three sites selected for testing and the reasoning for their choice is explained below:

1. **Site 1:** is located within Area A and comprises of three lots totalling 1,670sqm in area. The location was selected on the basis of its proximity to the rail station and St Leonard's core making it a more attractive location to develop. We have obtained current sales evidence based on a number of recent sales in Holdsworth Avenue to inform the modelling of this site.
2. **Site 2:** is located within Area B and comprises of three lots totalling 1,530sqm in area. The site was assumed to be located in close proximity to the Pacific Highway with modelling informed by sales achieved in Park Road.
3. **Site 3:** is located within Area C. In order to achieve a lot size over 1,500sqm (as recommended by the draft Masterplan) we have assumed the site comprises of four lots totalling 1,647sqm in area. We have also assumed these lots are located in closer proximity to the Highway with appropriate market evidence gathered.

Figure 3 depicts the boundaries of Area A, B and C in the St Leonards South Precinct by colour.

Figure 3: Boundaries of Area A, Area B and Area C

Source: Nearmap 2015 As amended by HillPDA

2 BACKGROUND TO THE REVIEW

This Review forms part of a broader suite of work that has been undertaken by Lane Cove Council to Masterplan the St Leonard's South Precinct. As background context, this Chapter provides a brief overview of the key findings of this work that are relevant to the considerations of the Review.

Initiated in 2013, the masterplanning of the St Leonard's South Precinct has been undertaken in two key stages. Stage 1 focused on the existing strategic context, character and function of the Precinct whilst Stage 2 focused on the preparation of a Masterplan that was informed by a range of urban design, planning, traffic and economic studies.

The draft St Leonards South Strategy Stage 2: Masterplan was approved by Council for public exhibition on December 8th 2014.

Built Form Density and Heights

Of relevance to this Review, the draft Masterplan considered a range of development options identifying the **High Density (Concentrated)** Option as the preferred approach.

This approach recommends that a high density built form is focused within closest proximity to the rail station between Canberra Avenue and Berry Road. It in turn recommends no immediate change to the west of Berry Road, protecting this area for prospective redevelopment in the next 10 to 20 years.

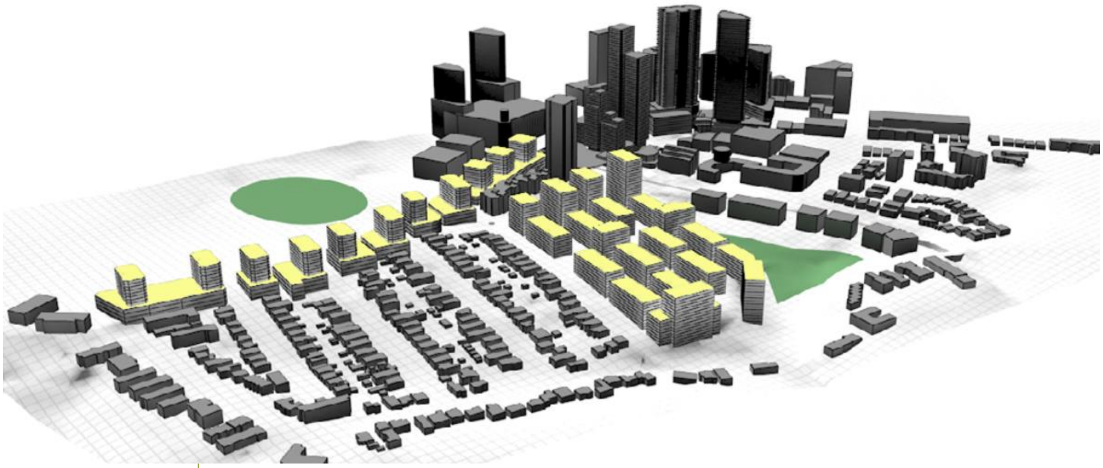
This option would result in the following changes in development controls for each of the three areas considered by this Review:

Table 1: Summary of Existing and Proposed Density Controls

Area	Existing FSR and Building Height (BH)	Proposed FSR and Building Height (BH)
Area A	FSR 0.5:1 – 0.6:1 BH 9.5m	2.75:1 with potential infrastructure contribution for bonus up to 4:1 for open space / community facilities on Council nominated sites BH: 8-10 Floors
Area B	FSR 0.5:1 – 0.6:1 BH 9.5m	No Change
Area C	FSR 0.5:1 – 0.6:1 BH 9.5m	No Change

Source: Lane Cove LEP 2009; St Leonards South Precinct draft Masterplan

Figure 4: 3D Model of Existing and Proposed Development



Source: Draft St Leonards South Masterplan

Development Feasibility

Chapter 7 of the draft Masterplan provides a high level review of the viability of potential FSRs ranging from 1.6:1 to 2.5:1. The analysis assumed apartment yields on the basis of permissible FSR not taking *"into account other DCP type controls such as setbacks, building heights or basement car parking configuration etc."*[2]

Based on a residual land value method, Chapter 7 of the draft Masterplan concluded:

- *"…it is highly unlikely that the application of an FSR control of 1.6:1 or less would facilitate any significant development in the short term"* as it would result in a residual land value 5% to 20% below existing market values;
- *"…where a FSR of 2:1 or greater is applied and estimated premium over the current market ranging from 15% to 70% and this may create an increased opportunity of providing the impetus for current owners to realise a sufficient uplift in value and to facilitate development"*;
- *"Redevelopment is unlikely to occur at an FSR less than 2:1 therefore a 'low growth' option (as opposed to the no development option) should commence at an FSR of 2:1. This density, however, is likely to be too low to promote redevelopment in a reasonable timeframe. In economic terms a minimum FSR 2.5:1 is recommended….."*

[2] Chapter 7, Page 73 draft St Leonards South Masterplan

Provision of Open Space and Community Facilities

The draft Masterplan explores a range of strategies to enhance the quality and amenity of the public domain. Community engagement undertaken to inform the draft Masterplan found that there was strong local support for the provision of a consolidated new park in the order of 2.5ha.

It was calculated however that a new park in the Precinct of approximately 2.5ha would cost in the order of $100m -$125m based on the need to acquire approximately 50 existing residential lots (costing between $2m and $2.5m).

Owing to the significant scale of this cost, the draft Masterplan recommended a series of pocket parks as a more achievable and cost effective open space strategy for the Precinct. The funding of an east to west linear park was estimated to cost in the order of $20m in acquisition costs with a further $5m in construction and improvement costs. At a developer contribution rate of $12,500 per dwelling, it was estimated that approximately 2,000 additional dwellings (5,000 persons) would be required to fund this provision.

The draft Masterplan also identified the need for a range of potential community facilities including:

- A multi-purpose building (200sqm hall);
- An Indoor multi-level sports buildings; and
- In order of 2 to 5 child care centres to be provided by the private sector and integrated with development.

The draft Masterplan assumed that the majority of funds for open space and community facility provision would be raised via developer contributions in return for floorspace and density bonuses.

3 MARKET RESEARCH

Owing to the rapidly changing nature of the St Leonard's Precinct in recent years this Chapter provides detailed market research that has been informed by a range of data sources.

These data sources not only include information gathered from databases such as RP Data and websites such as real estate.com.au, but more timely and market specific advice from local experts including real estate agents.

For a secondary method of analysis we have undertaken desktop valuations from a number of databases of selected 60 properties within the Precinct. These valuations give an indication of the current market value of the selected detached residential dwellings in Areas A, B and C.

A summary of the key findings in relation to the residential market is summarised in this Chapter with greater detail in Appendix A.

Residential Market Overview

Sydney’s Northern Suburbs are accessible via the major roads and rail line that service the area, namely the Pacific Highway and North Shore line. From a residential perspective, the area is widely recognised and valued for its quiet tree-lined, leafy and suburban character as well its high level of accessibility via public transport to key employment nodes such as St Leonards, North Sydney and Sydney CBD.

St Leonard's Centre has traditionally been a destination for commercial employment with office buildings generally surrounding the St Leonards train station. However the commercial market in St Leonards has slowed dramatically in recent years with commercial development being overtaken by high rise residential development activity.

More specifically research has indicated approximately 2,000 apartment dwellings are in the development pipeline within the St Leonards Commercial Core Area. The reasoning for such an increase in number of apartments in St Leonards Core area is predominately due to the rezoning of specific sites from B3 Commercial to B4 Mixed Use zones.

The notable increase in the rate of residential development in St Leonards has resulted in an increasing number of young families and professional couples and downsizers entering the St Leonards market. It is understood that many of these buyers have decided to live within St Leonards owing to its proximity to services and transport as well as its cluster of cultural and lifestyle facilities. Agents indicated that there has been a high interest from investors. A high interest has been strong in the St Leonard's area.

The housing stock in St Leonards predominantly is apartments equating to 92% of the building stock whilst detached dwelling equate to 5% of housing stock. Approximately 2.5% of all housing stock in St Leonards relates to semi-detached dwellings. Furthermore approximately 15% of all dwellings are fully owned, 25% of properties are being purchased and 60% are being rented in the suburb of St Leonards[3].

The Precinct Market Overview

The detached dwellings within the Precinct comprise of single storey California bungalow houses, two storeys brick Federation and modern two storey houses. Older style houses seem to be well maintained with majority refurbished internally.

In accordance with the Residex Market Report, the median house price in St Leonards was $1,797,500 as of December 2014, showing a capital growth of 14.85% over the preceding 12 month period (December 2013- December 2014).

Discussions with local real estate agents indicated that the residential market for detached dwellings is strong, demonstrated in the low number of days a property will stay on the market. More specifically agents indicated that the majority of properties were on the market no longer than a month. Agents identified high interest from owner occupiers, more specifically, professionals, families and downsizers.

Local agents revealed that typical one storey detached dwellings on land sizes between 400sqm-600sqm would sell from $1,600,000 to $2,000,000. Whereas a typical double street detached dwelling (depending on the level of accommodation, fixtures and fittings) would sell from $2,000,000 to $3,500,000.

[3] Neighbourhood Report - St Leonards July 2014 - EAC

The Precinct - Sales Evidence

HillPDA has undertaken market research in the Precinct, more specifically in Canberra Avenue, Holdsworth Avenue, Berry Road, Park Road, Portview Road and Anglo Road to obtain detached dwelling sale prices over the last 12 months (January 2014 to January 2015).

Our research has identified a recent sale of two lots located 17 and 19 Canberra Avenue. The two sites were sold (December 2014) as one Site. We believe the purchaser has the intention of submitting a development application to changing the zoning to a higher density.

Discussions with the selling agent could not disclose the actual sold price due to the requirements of the Privacy Act; however it is was indicated by other local agents that the two lots sold for approximately $4,000,000.

Further to the above sale, we have also identified achieved sale prices for 12 months (January 2014 to January 2015). Achieved prices for one storey dwellings ranged from $1,675,000-$1,945,000, with two storey dwellings achieved ranging from $2,010,000 - $2,890,000.

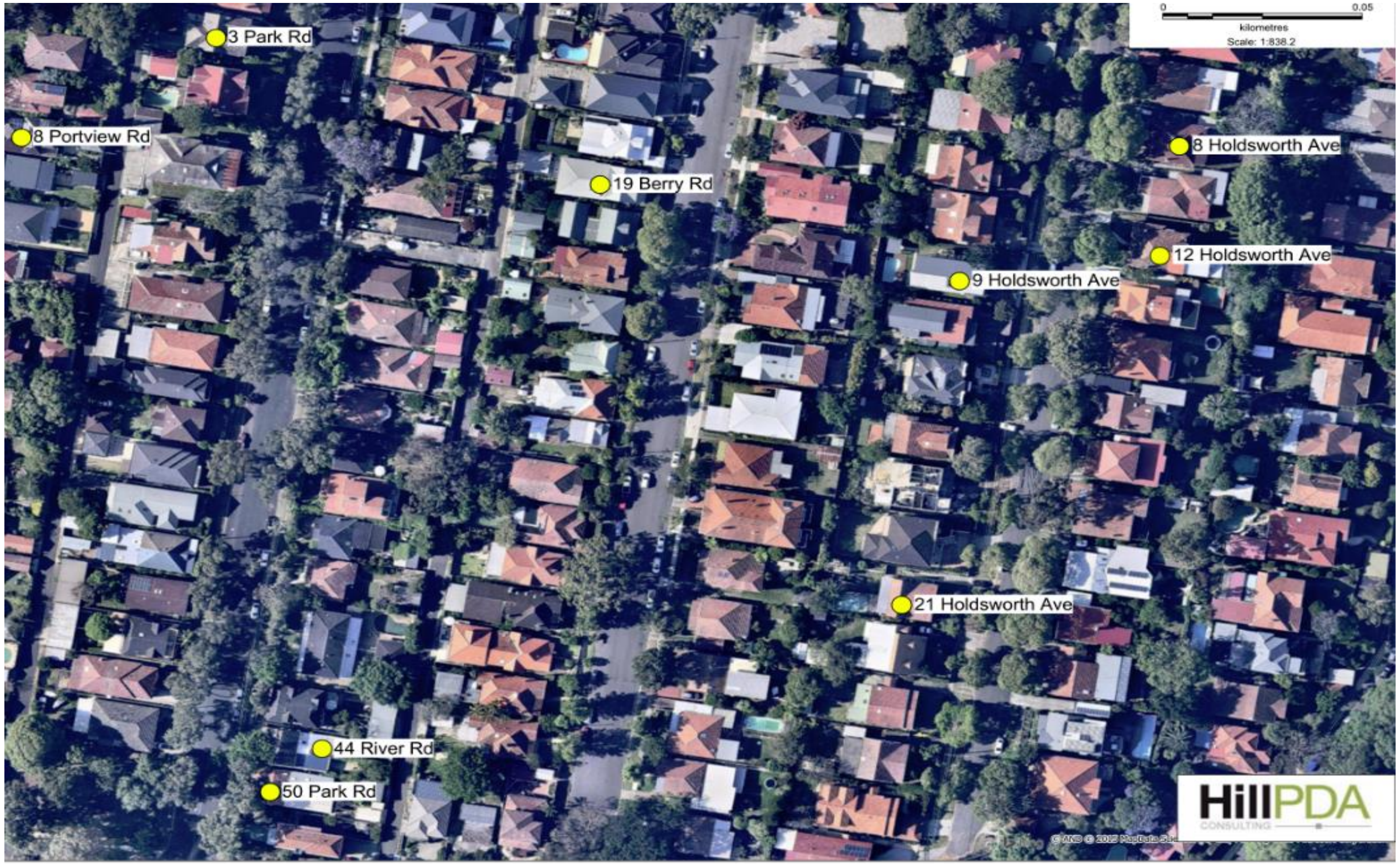
Table 2: Residential detached dwellings Sales Evidence (Jan 2014- Jan 2015)

Address	Sale Date	Sale Price	Area	
21 Holdsworth Ave	22/02/2014	$1,675,000	557	
8 Holdsworth Ave	15/03/2014	$1,945,000	557	
19 Berry Rd	12/04/2014	$2,060,000	437	
3 Park Rd	7/08/2014	$2,350,000	491	
8 Portview Rd	5/09/2014	$2,008,000	435	
12 Holdsworth Ave	9/09/2014	$2,725,000	557	
9 Holdsworth Ave	25/10/2014	$2,890,000	557	
44 River Rd	29/10/2014	$1,600,000	529	

Source: RPData and HillPDA Research 2015

For point of reference, Figure 4 displays the sold detached dwellings in Table 2 over the same period provided.

Figure 5: Detached Residential Dwellings Sales Evidence (Jan 2014- Jan 2015)



Source: RPdata and HillPDA Research 2015

Desktop Valuations

HillPDA has undertaken desktop valuations through a combination of sales evidence and other valuations for a selected number of lots located in the Precinct as shown in Figure 6. Appendix A provides greater detail concerning the selected properties address, sold date, sold price and land area marked on the map and the current values

Figure 6: Residential Detached Dwelling Valuation Values

Source: RPdata and HillPDA Research 2015

Lot Sizes

As part of the research analysis, we have acknowledged the difference in each area lots sizes. As presented in Figure 7 below, Area A lot sizes ranged between 544sqm to 691sqm, with two properties located towards River Road ranging between 1,020sqm to 1,605sqm. Area B and Area C tend to be smaller in lot sizes than Area A. This is shown in the lot size range of 320sqm to 445sqm, with the exception of one property identified as 606sqm. The difference in lot sizes across the Precinct indicates that Areas B and C would require a higher number of lots to be purchased to create a development site once planning requirements for a minimum lot size of 1,500 sqm were taken into consideration.

Figure 7: Comparison of Lot Sizes in Area A, Area B and Area C

Source: HillPDA

4 SITE TESTING

In order to independently test the viability of redevelopment within the Precinct for residential uses, we have prepared detailed feasibility models based on location specific desktop valuations and sales evidence.

This Chapter summarises the methodology and criteria used to assess the financial viability of each selected Site at varying development densities and the subsequent modelling results. A more detailed summary of the models and their results have also been included in Appendix 3.

Financial Modelling Methodology

To undertake the feasibility modelling we have used our proprietary software, Estate Master which is an industry benchmark used by developers, financiers and property valuers alike.

The analysis follows the approach of a hypothetical development feasibility adopting an acquisition land value and all the costs associated with the nominated hypothetical development including:

- Site acquisition (stamp duty and legals);
- Professional fees (design and management);
- Demolition and construction (including car parking and balconies);
- Property holding costs and statutory fees;
- Equity, finance charges and interest on debt;
- Marketing and selling costs; and
- Revenue from sales, rentals and other income.

The hypothetical development cash flow is calculated and discounted to determine the internal rate of return before interest costs on an annual effective basis. Such an approach is commonly applied by developers and funders to determine if a project is viable to proceed or whether an alternative land purchase price is required.

For the purposes of our modelling, we have assumed that each Site has been amalgamated and rezoned to a higher density.

Financial Feasibility Criteria

Whilst HillPDA has adopted the project Internal Rate of Return (IRR) as the primary indicator of performance (feasibility), regard has also been given to the following performance criteria:

- **Residual Land Value:** is the land purchase price a developer can afford to achieve a feasible project.
- **Development Profit:** which is total revenue less total cost including interest paid and received; and
- **Development Margin:** which is profit divided by total development costs (including selling costs).

Table 3: Performance Criteria

Performance	Project IRR	Development Margin
Feasible	>18%	>20%-25%
Marginally feasible	16%-18%	18%-20%
Not feasible	<16%	<18%

Source: HillPDA

In light of the criteria established above, the three Sites were assessed against an 18% Project IRR and 20% Development Margin.

Options Tested and Results by Test Site

Site 1: Area A

As established in Chapter 2, Test Site 1 relates to three lots totalling 1,671sqm in combined area. For the purposes of market evidence we have assumed the lots are located within Holdsworth Avenue and have existing detached residential dwellings.

In accordance with the draft Masterplan, we have tested the recommended base FSR of 2.75:1 (Option 1). In addition we have also tested the potential for an infrastructure contribution in return for a bonus FSR of 4:1 (Option 1A) on nominated sites[4] to better understand the additional value created by the bonus FSR and thereby the degree to which it could contribute to funding open space and community facilities in the Precinct.

In this regard it should be noted that an infrastructure contribution in return for a bonus FSR would be contingent on Council's assessment of the suitability of the site by a range of technical measures i.e. amenity and environmental impacts.

A summary of the hypothetical development parameters for each of these options is provided below.

[4] Nominated sites include 2-4 Marshall Avenue and 1 to 5 Canberra Avenue

- **Option 1: Base Case: FSR 2.75:1** the development option comprises of 52 residential apartments. In accordance with the Lane Cove DCP, we have assumed 1.5 car spaces per unit and one visitor's space per four apartments. We have also assumed a 30% premium on the acquisition of the properties to amalgamate the site.
- **Option 1A: FSR Infrastructure Contribution 4.1: 1** the development option comprises of 77 residential apartments. In accordance with the Lane Cove DCP, we have assumed 1.5 car spaces per unit and one (1) visitor's space per four (4) apartments. We have maintained a 30% premium on the acquisition of the properties to amalgamate the site.

Table 4 below provides a summary of the results of the modelling.

Table 4: Site 1, Area A Results

Site / Option Specifics	Option 1: FSR 2.75:1	Option 1A: Infrastructure contribution / FSR 4:1
Site Area (sqm)	1,671	1,671
No. of Residential Units*	52	77
Gross Building Area (sqm)	5,055	7,536
FSR	2.75	4:1
Performance Indicators:		
Land Purchase Value - Premium 30%	$9,284,600	$9,284,600
Residual Land Value	9,522,435	$14,258,738
Net Development Profit	$7,452,639	$20,140,972
Development Margin	19%	36%
Project IRR	19%	29%
Feasibility	Feasible	Feasible

* Assuming average lettable size of 78sqm

The results above show both options are viable at a development margin of 30%. More specifically it demonstrates that an infrastructure contribution in return for a bonus FSR of 4:1 on the nominated sites could produce an additional 25 units (subject to site capacity and Council's technical testing). On this basis the land value uplift would increase by $4,736,303 in total.

Furthermore the land value per unit site ranges between $180,000-$190,000 in Area A with a base FSR of 2.75:1. For the increase in FSR from 2.75 to 4.1, the land value per unit increases closer to $190,000 for the additional units. Using a calculation based on 50% of capture in land value uplift, we estimate that the developer could contribute to Council in the order of $94,730 for each additional unit a developer seeks over the 2.75:1 base FSR. This equates to a contribution in the order of $30,000 per dwelling on the site (of which we have estimated there would be 77) over and above a S94 contribution.

Site 2: Area B

Test Site 2 relates to three lots of 1,530sqm in combined area. For the purposes of market evidence we have assumed that the lots are located within Park Road and each has existing detached residential dwellings. As the draft Masterplan advised that redevelopment for residential flat buildings would be unlikely to occur at an FSR of or below 2:1, we have tested this FSR for Test Site 2. We have also assumed the following hypothetical development parameters.

- **Option 2: Base Case: FSR 2:1:** this amalgamated site consists of three lots. The proposed development option comprises of 35 residential apartments. In accordance with the Lane Cove DCP, we have assumed 1.5 car spaces per unit and one visitor's space per four (4) apartments. We have maintained a 30% premium on the acquisition of the properties to amalgamate the site.

Table 5 below shows that the redevelopment of Test Site 2 in Area B would not be viable at an FSR 2:1.

Table 5: Site 2, Area B Results

Site / Option Specifics	Area B: FSR 2:1
Site Area (sqm)	1,529
No. of Residential Units*	35
Gross Building Area (sqm)	3,363
FSR	2
Performance Indicators:	
Land Purchase Value - Premium 30%	$8,009,000
Residual Land Value	$5,476,323
Net Development Profit	$1,087,571
Development Margin	4%
Project IRR	7%
Feasibility	Not Feasible

* Assuming average lettable size of 78sqm

Site 3: Area C

Test Site 3 extends across four sites in the order of 1,647sqm in total area. The site comprises of four detached dwellings.

We have assumed the following hypothetical development parameters.

- **Option 3: Base Case: FSR 2:1:** This Site consists of four lots. The proposed development option comprises of 37 residential apartments. In accordance with the Lane Cove DCP, we have assumed 1.5 car spaces per unit and one (1) visitor's space per four (4) apartments.

The results for Site 3, Area C demonstrate that redevelopment for residential would not be viable at an FSR 2:1.

Table 6: Site 3, Area C Results

Site / Option Specifics	Site C: FSR 2:1
Site Area (sqm)	1,647
No. of Residential Units*	37
Gross Building Area (sqm)	3,623
FSR	2
Performance Indicators:	
Land Purchase Value - Premium 30%	$8,159,750
Residual Land Value	$5,955,827
Net Development Profit	$1,985,111
Development Margin	7%
Project IRR	9%
Feasibility	Not Feasible

* Assuming average lettable size of 78sqm

Key Findings

A prudent developer would like to achieve a development margin of 20% and a project IRR of 18% for a development of this size and nature.

In summary our feasibility analysis for Area A – land from Canberra Avenue to Berry Road found the following.

1. A minimum FSR of 2.5:1 is required to make redevelopment viable in this area. This conclusion includes the acquisition of three existing residential sites (paying a 20% premium on existing market values).

2. At an FSR of 2.75:1 (the base recommended FSR by the draft Masterplan) the ability to pay a premium for properties increases to 30% whilst still maintaining the potential for a viable development outcome.
3. A significant increase in land value can be achieved only in Area A (more specifically land at 2-4 Marshall Avenue and 1-5 Canberra Avenue), when a contribution towards local infrastructure is made in return for a bonus FSR of 4:1. This should therefore not only provide an incentive for redevelopment but also sufficient scope for a contribution towards infrastructure such as open space and community facilities. It should be noted however that there are a range of technical matters that would need to be considered in detail by Council to ensure an FSR bonus would have an acceptable impact to the locality.

Should a development be considered acceptable to provide an infrastructure contribution in return for a bonus FSR to 4:1, the developer would have scope to contribute 50% of the uplift in land value. In the case of Test Site 1, the bonus would generate an additional 25 units and a land value uplift of $4.7m. At 50% of this value uplift, we estimate an infrastructure contribution of $2.35m could be made to Council for local improvements. This would allow for an infrastructure contribution of $30,000/ dwelling across the total development over and above existing s94 contributions.

Key Findings – Area B and C

At such point in time that Areas A and B might be developed, there would be a range of factors influencing the suitability of their development viability, density and scale. At this point in time, the draft Masterplan is not recommending a change in FSRs to Areas B and C. Our testing has sought to ''test'' the draft Masterplan's assertion that redevelopment to residential flat buildings would be unlikely to occur at an FSR of 2:1 or under.

Our modelling has found that at an FSR of 2:1 for Test Site 2 (Area B) and Test Site 3 (Area C) would achieve a development margin of 4% and 7% respectively (well below the general developer target of 20%).

In fact our modelling suggests that in Areas B and C, an FSR of 2.75:1 as a minimum is required to incentivise change. Importantly however this assumes a land acquisition premium of 20% and not the 30% that could be provided in Area A at the same FSR.

The differences in feasibility results between Area A and Areas B and C in part relating to the generally smaller lot sizes in Areas B and C and therefore the additional cost of acquiring land. It is also in part a result of the anticipated higher sale values to be achieved in Area A given its closer proximity to services and amenities such as the rail station.

5 PROVISION OF COMMUNITY FACILITIES AND OPEN SPACE

As discussed in Chapter 3, the draft Masterplan identified the importance of enhancing the provision of both open space and community facilities within the Precinct to support existing and future residents and visitors.

In this regard a range of infrastructure including community facilities and recommendations regarding linear parks were made with the potential for funding by developers in return for bonus development densities (i.e. up to 4:1) or on site provision.

In this regard we have identified two potential approaches to funding facilities over and above standard section 94 developer contributions. The two methods being:

1. The dedication of land and the transfer of its FSR to remaining portions of the development site; or
2. A contribution of 50% of the land value uplift in return for the infrastructure contribution and bonus FSR.

As established in the preceding Chapter, one development site (comprising of three amalgamated lots with a development yield of 77 residential units, of which 25 were bonus dwellings) in Area A could contribute in the order of $2.35m in monetary contributions.

Cost of Open Space Provision

HillPDA has found that the City of Sydney process of reaching open space targets in the LGA has been successful in achieving a good outcome for both the developer and Council. The process involves the provision of infrastructure in return for granting FSR bonuses whereby open space is dedicated in particular areas where there is an under-allocation of such space. In light of the recommended approach by the draft Masterplan, such an approach could also work within the Precinct.

In the City of Sydney case, a credit is provided to the developer of 25% of the market value for the site. This is generally given through Section 94 contributions.

If a developer sought to dedicate part of their site in the Precinct for open space, but retain the FSR to their benefit on the development site, we would suggest an equitable approach would be to offer back one third of the market value of that land prior to dedication. This would be a cost effective means of realising the vision of the draft Masterplan.

Cost of a Community Facility

As researched above in Chapter 2, the draft Masterplan identified the need for a range of potential community facilities including:

- A multi-purpose building;
- An indoor multi-level sports buildings; and
- In order of two to five childcare centres to be provided by private sector and integrated with development.

In accordance with our project brief we have sought to determine the acquisition, construction and fit out costs to develop a community facility within the Precinct.

In accordance with the draft Masterplan, we have assumed that the community hall would be 200sqm internally.

The draft master plan however, does not specify a total area for both the indoor multi-level sport centre and childcare centre. We have therefore assumed in our own costing exercise that the multi-level sport centre would be in order of 1,200sqm internally and the childcare centre 300sqm internally.

Given the preliminary nature of this exercise, we would recommend that as a future study Council determine appropriate scale of such a facility.

Options Analysed

To better understand different methods for delivery and costing each of these facilities we have designed and tested three options. These are as follows:

- **Option 1: Council purchases a site and redevelops it itself:** This option involves Council purchasing a lot in the Precinct based on funding secured from development bonuses and redeveloping it into one of the community facilities.
- **Option 2: Council purchases a stratum premises:** This option relates to Council selecting a development and paying for the strata unit to accommodate the community facilities, using funding secured from development bonuses.
- **Option 3: A developer dedicates a parcel of land to Council in lieu of a monetary contribution**. This option allows developers to dedicate a parcel of land in the development to Council. In return

Council would reimburse or credit the developer one third of the market value for the land.

Alternative Costing's and Delivery Methods

To better understand the potential scale of costs to build each of the facilities, we have drawn from Rawlinson's Construction Handbook 2014 and made a number of assumptions based on our market knowledge. These assumptions are outlined in each of the options below.

1. Community Hall

The Community Hall was tested on the basis that that Council would develop a medium finished construction and fit out the community hall. Our assumptions include:

- Estimate lot value -$1,770,00
- Site Area - 557sqm;
- 30% Premium on Land Value- $2,301,000
- Internal area -200sqm[5];
- Land Value per square metre rate - $5,000/sqm;
- Construction Costs - Medium Finished- $1,285/sqm[6] ;
- Fit out Costs -$600/sqm; and
- Professional Fees - 20% Build Costs.

The estimated construction costs are as follows:

Table 7: Community Hall Total Development Costs

	Option 1: Council Acquires and redevelops	Option 2: Council purchases a stratum premise:	Option 3: A developer dedicates a parcel of land to Council
Total Development Costs	$2,729,400	$1,120,0000	$1,144,000
Total Development Costs $/sqm	$13,647	$5,600.00	$5,720

Source: Rawlinson's Construction Handbook and HillPDA

The results above show that Option 3, a developer dedicates a parcel of land to Council in lieu of a monetary contribution may be the best value and outcome in financial terms for Council. This is even more apparent when we compare Option 3 to both Option 1 and Option 2. Compared to Options 1 and 2, Option 3 has a cost saving of $1.58

[5] Lane Cove - St Leonards South Draft Masterplan
[6] Rawlinson's Construction Handbook 2014

million and $24,000 respectively. Although there is not a considerable difference in value between Option 2 and Option 3, Option 2 does not allow Council to design their appropriate facility

2. An indoor multi-level sports buildings

An Indoor multi-level sports building was tested on the basis that it would have a standard construction together with change rooms and toilets. Our assumptions relied included:

- Estimate land value -$3,540,000
- Site Area - 1,114sqm;
- 30% Premium on Land Value - $4,602,000
- Internal area -1,200sqm;
- Land Value per square metre rate- $4,000;
- Construction Costs - Medium Finished- $1,865/sqm[7];
- Fit out Costs -$ 300/sqm; and
- Professional Fees - 20% Build Costs.

The estimated construction costs are as follows:

Table 8 : Indoor Sports Centre Total Development Costs

	Option 1: Council Acquires and redevelops	Option 2: Council purchases a stratum premise	Option 3: A developer dedicates a parcel of land to Council
Total Development Costs	$7,767,600	$5,280,000	$4,228,000
Total Development Costs $/sqm	$6,473	$4,400	$3,523.33

Source: Rawlinson's Construction Handbook 2014 and HillPDA Research

The result above show that Option 3, a developer dedicates a parcel of land to Council in lieu of a monetary contribution would be the best value in financial terms for Council. Option 3 compared to Option 1 and Option 2 demonstrates a cost saving of $3.54 million and $1.05 million respectively.

3. A Childcare Centre

A childcare centre was tested on the basis that it was single storey standard construction. Our assumptions include:

- Estimate land value -$1,770,000
- Site Area - 557sqm;

[7] Rawlinson's Construction Handbook 2014

- 30% Premium on Land Value-$ 2,300,000
- internal area -300sqm;
- Land Value per dollar per square metre rate- $4,500;
- Construction Costs - Medium Finished$ 1,755/sqm[8] ;
- Fit out Costs -$ 300/sqm
- Professional Fees - 20% Build Costs; and

The estimated construction costs are as follows:

Table 9: Childcare Centre Total Development Costs

	Option 1: Council Acquires and redevelops	Option 2: Council purchases a stratum premise:	Option 3: A developer dedicates a parcel of land to Council
Total Development Costs	$3,263,400	$1,470,000	$1,357,000
Total Development Costs $/sqm	$ 10,878	$4,900	$4,523

Source: Rawlinson's Construction Handbook 2014 and HillPDA Research

The result in Table 9, show that Option 3, a developer dedicates a parcel of land to Council in lieu of a monetary contribution would be the best value in financial terms for Council. Option 3 compared to Option 1 and Option 2 demonstrates a cost saving of $1.9 million and $113,000 respectively.

Key Findings

Option 1 would require Council to take on the development risk. Option 2, would not enable Council to design the facility that may have implications in terms of its suitability to meet specific community requirements. It would also require Council to pay body corporate fees as the strata unit would be part of a larger development.

Based on our costing's calculations Option 3, would be the preferred method to fund and provide community facilities within the Precinct.

[8] Rawlinson's Construction Handbook 2014

Appendix A: MARKET EVIDENCE

We have further placed the desk valuations undertake using RPdata in table 10. We note that HillPDA has not inspected each of the properties listed below and therefore has relied on RPdata for the desktop valuation, land area and description of the property.

Table 10: Valuations of Selected Sites in the Precinct

Map Ref	Address	Rounded Desktop Valuation Price*	Area**	Description ***
2	2 Holdsworth	$1,771,000	847	This property comprising of 5 bedrooms and 2 bathrooms
3	3 Holdsworth	$1,890,000	544	This property is over two storeys
4	4 Holdsworth	$1,772,000	557	This property is a single storey comprising of 3 bedrooms and 2 bathrooms
5	6 Holdsworth	$1,686,000	557	This property is a single storey comprising of 3 bedrooms and 2 bathrooms
6	7 Holdsworth	$1,804,000	558	This property is over two storeys
7	9 Holdsworth	$2,499,000	557	This property is a modern house over two storeys comprises of 5 bedrooms and 2 bathrooms
8	11 Holdsworth	$2,005,000	557	This property is raised single storey house
9	14 Holdsworth	$2,603,000	556	This property is a single storey comprising of 5 bedrooms and 3 bathrooms
10	15 Holdsworth	$1,841,000	567	This property is over two storeys
11	16 Holdsworth	$1,365,000	557	This property is a single storey comprising of 3 bedrooms and 1 bathroom
12	17 Holdsworth	$1,843,000	557	This property is currently in the process of constructing a modern house. Please Note the RPData desk valuation may have been valued prior to redevelopment of the site. Therefore the new house would not be factored into the estimated value.
13	20 Holdsworth	$2,200,000	557	This property is a single storey comprising of 4 bedrooms and 2 bathrooms
14	22 Holdsworth	$1,533,000	556	This property is a single storey comprising of 3 bedrooms and 2 bathrooms
15	1 Canberra	$1,607,000	637	This property is a single storey comprising of 3 bedrooms and 1 bathrooms
16	3 Canberra	$1,708,000	692	This property comprises of 5 bedrooms and 3 bathrooms over two storeys.
17	5 Canberra	$1,804,000	675	This property comprises of 3 bedrooms and 2 bathrooms
18	7 Canberra	$1,657,000	648	This property is a single storey
19	11 Canberra	$1,440,000	626	This property is a raised single storey house
20	13 Canberra	$1,386,000	632	This property is single storey comprising of 3 bedrooms and 2 bathrooms
21	15 Canberra	$2,586,000	651	This property is single storey comprising of 5 bedrooms and 3 bathrooms
22	21 Canberra	$1,677,000	691	This property is single storey comprising of 4 bedrooms and 2 bathrooms
23	17 Canberra	$2,270,000	676	This property comprises of 6 bedrooms, 2 bathrooms

24	19 Canberra	$1,351,000	677	This property is single storey comprising of 3 bedrooms and 1 bathrooms
25	23 Canberra	$2,002,000	645	This property is single storey comprising of 4 bedrooms, and 2 bathrooms
26	31 Canberra	$1,459,000	514	This property is two storeys comprising of 3 bedrooms and 2 bathrooms
27	33 Canberra	$1,980,000	1,605	This property is comprises of of 4 bedrooms and 3 bathrooms
28	37 Canberra	$1,879,000	1,021	This property is single storey comprising of 4 bedrooms and 2 bathrooms
29	41 Canberra	$1,222,000	468	This property single storey comprising of 3bedrooms and 2 bathrooms
30	39 Canberra	$1,288,000	304	This property is single storey comprising of 2 bedrooms and 1 bathrooms
31	4 Berry	$1,526,000	558	This property is single storey comprising of 3 bedrooms and 1 bathrooms
32	6 Berry	$1,823,000	558	This property is single storey comprising of 3 bedrooms and 3 bathrooms
33	8 berry	$1,670,000	556	This property is over two storeys
34	9 berry	$1,450,000	437	This property is single storey comprising of 4 bedrooms and 3 bathrooms
35	10 berry	$1,932,000	558	This property is single storey comprising of 5 bedrooms and 2 bathrooms.
36	2 Park	$1,404,000	437	This property is single storey comprising of 3 bedrooms and 2 bathrooms
37	5 Park	$2,279,000	606	This property is over two storeys comprising of 5 bedrooms and 2 bathrooms
38	10 Park	$1,809,000	430	This property is single storey comprising of 4 bedrooms and 2 bathrooms
39	12 Park	$1,856,000	437	This property is single storey comprising of 4 bedrooms and 1 bathrooms
40	32 Park	$1,442,000	445	This property is single storey comprising of 3 bedrooms and 1 bathrooms
41	1 Anglo	$1,510,000	320	This property is single storey comprising of 3 bedrooms and 1 bathrooms
42	2 Anglo	$1,765,000	316	This property is single storey comprising of 4 bedrooms and 2 bathrooms
43	3 Anglo	$1,435,000	329	This property is over two storeys
44	4 Anglo	$1,595,000	325	This property is over two storeys
45	5 Anglo	$1,814,000	643	This property is over two storeys comprising of 5 bedrooms and 2bathrooms
46	6 Anglo	$1,492,000	322	This property is single storey
47	7 Anglo	$1,523,000	331	This property is single storey comprising of 3 bedrooms and 1 bathrooms
48	8 Anglo	$1,453,000	316	This property is single storey comprising of 2 bedrooms, and 1 bathrooms
49	9 Anglo	$1,505,000	333	This property is over two storeys
50	10 Anglo	$1,527,000	316	This property is single storey comprising of 3 bedrooms and 1 bathrooms
51	4 Portview	$2,681,000	437	This property is over two storeys comprising of 5 bedrooms and 3 bathrooms
52	5 Portview	$1,827,000	445	This property is over two storeys comprising of 4 bedrooms
53	6 Portview	$1,745,000	434	This property is single storey
54	10 Portview	$1,751,000	437	This property is single storey comprising of 4 bedrooms and 1 bathrooms

55	11 Portview	$2,095,000	446	This property comprises of 4 bedrooms and 3 bathrooms
56	12 Portview	$1,713,000	437	This property is single storey comprising of 3 bedrooms
57	13 Portview	$1,772,000	445	This property is single storey house
58	15 Portview	$1,636,000	446	This property is single storey comprising of 3 bedrooms and 1 bathrooms

Source: Rpdata 2015 - Desktop Valuations

* HillPDA did not inspect each property and have relied on RPdata for the description details of each property.

** HillPDA did not measure each property and have relied on RPdata for the description details of each property.

*** HillPDA notes the values above have been arrived from desktop valuations on RPDATA based on the current sales within St Leonards. The valuation date was February 2015; Values are likely to change based on market conditions. HillPDA has rounded the valuations to the nearest thousand.

Figure 8: Valuations of detached dwellings in Area A, B and C

Source: HillPDA

Appendix B: OPTION 1 ASSUMPTIONS

Project Timeframe

- Project commencement in June 2014
- Construction spans 14 months;
- 50% of apartments are Pre sales; and
- Land purchase: Three Site Values with an additional 30% premium.

End Sale Values

Due to the high-level nature of this assessment and in the absence of detailed plans, Hill PDA has adopted $/sqm for sale value for residential in the order of:

- Lower levels: $11,500/sqm; and
- Higher levels: $12,000/sqm.

Additional Sales Assumptions Include:

- Sales escalations at 4% per annum;
- GST is included on residential sales but excluded on non-residential sales;
- Selling costs are assumed at 3% of residential sales
- Due Diligence 0.50% of land tax;
- Constructions costs have been sourced from Rawlinson's Construction Handbook 2015 and are as follows: and
- Demolition and site preparation at $20,000 per dwelling.

Residential Construction

- $3,000/sqm for main building construction;
- Basement car parking $41,475 per car space for one level;
- Site and Landscaping at $5,000/sqm.

Additional Cost Assumptions Include:

- Professional fees have been assumed at 10% of building construction costs (2% design and approval and 6% for consultants and 2% development management).
- Construction contingency of 5% of construction costs. Construction contingency of 5% of construction costs. DA and Construction Certificate fees are included in this contingency.

Statutory Costs:

We have assumed Section 94A contributions, which is 1% construction costs.

Landholding costs estimated based on prevailing statutory rates and assumed to diminish with sales.

Performance Criteria

HillPDA has adopted a project discount rate of 18% per annum nominal on the cash flow of the project which includes financing costs but excludes interest.

Additionally, a developers target development margin of 20% on total development costs (including selling costs) has been assumed both reflecting the size of the development and the associated risk.

Appendix C: OPTION 1A ASSUMPTIONS

Project Timeframe

- Project commencement in June 2014
- Construction spans 18 months;
- 50% of apartments are Pre sales; and
- Land purchase: Three Site Values with an additional 30% premium.

End Sale Values

Due to the high-level nature of this assessment and in the absence of detailed plans, Hill PDA has adopted $/sqm for sale value for residential in the order of:

- Lower levels: $11,500/sqm; and
- Higher levels: $12,500/sqm.

Additional Sales Assumptions Include:

- Sales escalations at 4% per annum;
- GST is included on residential sales but excluded on non-residential sales;
- Selling costs are assumed at 3% of residential sales
- Due Diligence 0.50% of land tax;
- Constructions costs have been sourced from Rawlinson's Construction Handbook 2015 and are as follows: and
- Demolition and site preparation at $20,000 per dwelling.

Residential Construction

- $3,300/sqm for main building construction;
- Basement car parking $41,475 per car space for one level;
- Site and Landscaping at $5,000/sqm.

Additional Cost Assumptions Include:

- Professional fees have been assumed at 10% of building construction costs (2% design and approval and 6% for consultants and 2% development management).
- Construction contingency of 5% of construction costs. Construction contingency of 5% of construction costs. DA and Construction Certificate fees are included in this contingency.

Statutory Costs:

We have assumed Section 94A contributions, which is 1% construction costs.

DA and, Section 94A contributions and Construction Certificate fees assumed Councils estimates.

Landholding costs estimated based on prevailing statutory rates and assumed to diminish with sales.

Performance Criteria

HillPDA has adopted a project discount rate of 18% per annum nominal on the cash flow of the project which includes financing costs but excludes interest.

Additionally, a developers target development margin of 20% on total development costs (including selling costs) has been assumed both reflecting the size of the development and the associated risk.

Appendix D: OPTION 2 ASSUMPTIONS

Project Timeframe

- Project commencement in June 2014
- Construction spans 14 months;
- 50% of apartments are Pre sales; and
- Land purchase: Three Site Values with an additional 30% premium.

End Sale Values

Due to the high-level nature of this assessment and in the absence of detailed plans, Hill PDA has adopted $/sqm for sale value for residential in the order of:

- Low levels: $11,000/sqm; and
- Higher levels: $11,500/sqm.

Additional Sales Assumptions Include:

- Sales escalations at 4% per annum;
- GST is included on residential sales but excluded on non-residential sales;
- Selling costs are assumed at 3% of residential sales
- Due Diligence 0.50% of land tax;
- Constructions costs have been sourced from Rawlinson's Construction Handbook 2015 and are as follows: and
- Demolition and site preparation at $20,000 per dwelling.

Residential Construction

- $3,000/sqm for main building construction;
- Basement car parking $41,475 per car space for one level;
- Site and Landscaping at $5,000/sqm.

Additional Cost Assumptions Include:

- Professional fees have been assumed at 10% of building construction costs (2% design and approval and 6% for consultants and 2% development management).
- Construction contingency of 5% of construction costs. DA and Construction Certificate fees are included in this contingency.

Statutory Costs:

We have assumed Section 94A contributions, which is 1% construction costs.

Landholding costs estimated based on prevailing statutory rates and assumed to diminish with sales.

Performance Criteria

HillPDA has adopted a project discount rate of 18% per annum nominal on the cash flow of the project which includes financing costs but excludes interest.

Additionally, a developers target development margin of 20% on total development costs (including selling costs) has been assumed both reflecting the size of the development and the associated risk.

Appendix E: OPTION 3 ASSUMPTIONS

Project Timeframe

- Project commencement in June 2014
- Construction spans 14 months;
- 50% of apartments are Pre sales; and
- Land purchase: Three Site Values with an additional 30% premium.

End Sale Values

Due to the high-level nature of this assessment and in the absence of detailed plans, Hill PDA has adopted $/sqm for sale value for residential in the order of:

- Low levels: $11,000/sqm; and
- Higher levels: $11,500/sqm.

Additional Sales Assumptions Include:

- Sales escalations at 4% per annum;
- GST is included on residential sales but excluded on non-residential sales;
- Selling costs are assumed at 3% of residential sales
- Due Diligence 0.50% of land tax;
- Constructions costs have been sourced from Rawlinson's Construction Handbook 2015 and are as follows: and
- Demolition and site preparation at $20,000 per dwelling.

Residential Construction

- $3,000/sqm for main building construction;
- Basement car parking $41,475 per car space for one level;
- Site and Landscaping at $5,000/sqm.

Additional Cost Assumptions Include:

- Professional fees have been assumed at 10% of building construction costs (2% design and approval and 6% for consultants and 2% development management).
- costs Construction contingency of 5% of construction costs. DA and Construction Certificate fees are included in this contingency.

Statutory Costs:

We have assumed Section 94A contributions, which is 1% construction costs.

Landholding costs estimated based on prevailing statutory rates and assumed to diminish with sales.

Performance Criteria

HillPDA has adopted a project discount rate of 18% per annum nominal on the cash flow of the project which includes financing costs but excludes interest.

Additionally, a developers target development margin of 20% on total development costs (including selling costs) has been assumed both reflecting the size of the development and the associated risk.

Appendix F: SITE A: OPTION 1 FEASIBILITY

Development Feasibility Model

Estate Master Licensed to: HillPDA

Hill PDA

Independent Property Consulting

C14291
St Leonards South

Site A: FSR 2.75 :1

FSR 2.75:1

Date of Report :	27-Feb-2015	**Project Size :**	52. Apartments
Time Span :	Jun-15 to Sep-18		1 per 32.13 SqM of Site Area
Type :	Mixed Use	**Project Size :**	5,054.8 GBA
Status :	Under Review		1 per 0.33 SqM of Site Area
Site Area :	1,671. SqM	**FSR :**	2.75:1
		Equated GFA :	4,595.3 SqM
Prepared By :	Report Prepared By	**Address :**	Address
Prepared For :	Report Prepared For		City/Suburb
Developer :	Enter Developer Name		State/County
			Country

Hill PDA
Independent Property Consulting

Preliminary

Cash Flow Title	Site A: FSR 2.75 :1	Description of Option/Stage	FSR 2.75:1		
Date of First Period:	Jun-2015				
Cash Flow Rest Period:	Monthly				
Enter Project Size (a)	52.0	Apartments			
Enter Project Size (b)	5,054.8	GBA			
Enter Site Area	1,671.0	SqM	Floor Space Ratio	2.75 :1	Equated Gross Floor Area= 4,595.3 SqM

Type	Mixed Use
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	10.00%

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	9,284,600

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%	928,460	-	1	1	Jul-15 - Jul-15		928,460	1,021,306	1,021,306
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%		8,356,140	3	1	Sep-15 - Sep-15		8,356,140	9,191,754	9,191,754
1008	-	Stamp Duty ¹	NSW		655,404	1	1	Jul-15 - Jul-15	(Stamp Duty calculated on Land Value of 10,213,060 inc. GST) Stamp Duty	655,404	655,404	655,404
		Interest on Deposit in Trust Account	0.00%	Interest from deposit shared between parties								
		Profit Share to Land Owner	0.00%	Paid progressively as project makes a profit.					TOTAL	9,940,004	10,868,464	10,868,464

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	-	Due Diligence	0.50%	46,423	-	l	-	Jul-15 - Sep-15	Y		46,423	51,065	51,065
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	46,423	51,065	51,065

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		Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
	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%
SUB	Basement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
EMW	Enabling INfrastructure	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
BUI	Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
LSA	Landscaping and Amenties	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%
	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs 3	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%

Main Inputs for St Leonards South

Site A: FSR 2.75 :1 - FSR 2.75:1

2000	**Project Contingency**	-	And / Or	2.00%	of Construction, Professional (exc Development Management), Other, Statutory Fees, Miscellaneous, Miscellaneous Costs 3	TOTAL	518,133

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	-	Design & approval	2.00%	-	-	-	-	1	12	Jul-15 - Jun-16	n	Do not escalate if %	428,644	428,644	428,644
3002	-	Consultants	6.00%	-	-	-	-	c	-	Dec-15 - Jan-18	n		1,285,933	1,285,933	1,285,933
3003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
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		-	-	-
3010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3011	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3012	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3013	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3014	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3015	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')							
3099	-	Development Management	2.00%	% of Project Costs (inc Land but exc Finance & Tax)			-	C	-	Dec-15 - Jan-18	n		695,706	695,706	695,706
				² Dev Mgmt Fee: Pro-rata with Construction ('C'), Settlements ('S'), Project Costs inc Land ('P1') or exc Land ('P2')								Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	2,410,284	2,410,284	2,410,284

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	-	Construction	BUI	5,055	3,000	e	s	18	14	Dec-16 - Jan-18	y	RLB 2014 Over up to 10 sotrey	15,164,325	16,680,758	17,436,994
4002	-	Basement Parking (1.5 per uni)t	SUB	78	41,475	e	s	18	14	Dec-16 - Jan-18	Y	RLB Basement CBD Mid point	3,235,050	3,558,555	3,719,885
4003	-	Landscaping & Amenities	LSA	52	5,000	e	s	18	14	Dec-16 - Jan-18	Y	Allowance	260,000	286,000	298,966
4004	-	Demoltion	-	1	60,000	e	s	6	6	Dec-15 - May-16	Y		60,000	66,000	66,983
4005	-	Vistor Parkng	-	20	41,475	e	s	18	14	Dec-16 - Jan-18	Y		808,763	889,639	929,971
4006	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4007	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4008	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4009	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4010	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4011	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4012	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4013	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4014	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4015	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4016	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4017	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4018	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4019	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4025	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
		¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)										Manual Input (refer to Cash Flow)	-	-	-
4099		**Construction Contingency**	-	And / Or	5.00%	of Construction Costs (inc GST)						Construction Contingency	976,407	1,074,048	1,122,640
												TOTAL	20,504,544	22,554,999	23,575,438

Main Inputs for St Leonards South

5000 Other

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	-	.	-	-	-	-			-	N		-	-	-
5002	-	.	-	-	-	-	0	-	-	N		-	-	-
5003	-	.	-	-	-	-	0	-	-	N		-	-	-
5004	-	.	-	-	-	-	0	-	-	N		-	-	-
5005	-	.	-	-	-	-	0	-	-	N		-	-	-
5006	-	.	-	-	-	-	0	-	-	N		-	-	-
5007	-	.	-	-	-	-	0	-	-	N		-	-	-
5008	-	.	-	-	-	-	0	-	-	N		-	-	-
5009	-	.	-	-	-	-	0	-	-	N		-	-	-
5010	-	.	-	-	-	-	0	-	-	N		-	-	-
5011	-	.	-	-	-	-	0	-	-	N		-	-	-
5012	-	.	-	-	-	-	0	-	-	N		-	-	-
5013	-	.	-	-	-	-	0	-	-	N		-	-	-
5014	-	.	-	-	-	-	0	-	-	N		-	-	-
5015	-	.	-	-	-	-	0	-	-	N		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	-	-	-

6000 Statutory Fees

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	-	1% of construction cost Sect 94a	1.00%	-	-	-	-	12	1	Jun-16 - Jun-16	n		214,322	214,322	214,322
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	214,322	214,322	214,322

[1] Based on net costs.

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

6000 Miscellaneous

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%	-	-	-	-	c	-	Dec-15 - Jan-18	n		-	-	-
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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 3

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		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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')

Main Inputs for St Leonards South

Site A: FSR 2.75 :1 - FSR 2.75:1

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 Span²	Cash Flow Period	Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
7001	-	Land Tax	1	132,230	Y	-	0	ds	Jun-15 - Jul-18	n		132,230	132,230	408,397
7002	-	Council Rates & Taxes	1	16,529	Q	-	0	ds	Jun-15 - Jul-18	n		66,115	66,115	189,105
7003	-	.	-	-	M	-	0	-	-	Y		-	-	-
7004	-	.	-	-	M	-	0	-	-	Y		-	-	-
7005	-	.	-	-	M	-	0	-	-	Y		-	-	-
7006	-	.	-	-	M	-	0	-	-	Y		-	-	-
7007	-	.	-	-	M	-	0	-	-	Y		-	-	-
7008	-	.	-	-	M	-	0	-	-	Y		-	-	-
7009	-	.	-	-	M	-	0	-	-	Y		-	-	-
7010	-	.	-	-	M	-	0	-	-	Y		-	-	-
7011	-	.	-	-	M	-	0	-	-	Y		-	-	-
7012	-	.	-	-	M	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	198,344	198,344	597,502

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	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
RS1	Residential - 1 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS2	Residential - 2 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS3	Residential - 3 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RDD	Detached Dwellings Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RTH	Townhouse Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
COM	Commerical Office	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RET	Retail Shops	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
IND	Industrial Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
STW	Storage & Warehousing	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RES	Apartments	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

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

Code		Sales Commission (To be entered Exclusive of GST)	Sales Comm¹	% of Comm. Pre-sales²	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	3.00%	50.00%	0.00%	y		-	-	-
8002	RS2	Residential - 2 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8003	RS3	Residential - 3 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8004	RDD	Detached Dwellings Lots	3.00%	50.00%	0.00%	Y		-	-	-
8005	RTH	Townhouse Lots	3.00%	50.00%	0.00%	Y		-	-	-
8006	COM	Commerical Office	3.00%	50.00%	0.00%	Y		-	-	-
8007	RET	Retail Shops	3.00%	50.00%	0.00%	Y		-	-	-
8008	IND	Industrial Units	3.00%	50.00%	0.00%	Y		-	-	-
8009	STW	Storage & Warehousing	3.00%	50.00%	0.00%	Y		-	-	-
8010	RES	Apartments	3.00%	50.00%	0.00%	Y		1,425,510	1,568,061	1,700,904
							TOTAL	1,425,510	1,568,061	1,700,904

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	3.00%
% of Interest retained by Developer upon settlement	50.00%

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	-	Sales and marketing	1.00%	-	-	-	e		Jun-16 - Nov-16	y		475,170	522,687	566,968
8102	-	Legals	0.50%	-	-	-	s	-	Feb-18 - Jul-18	Y		237,585	261,344	283,484
8103	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8104	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8105	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8106	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8107	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8108	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8109	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8110	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8111	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	712,755	784,031	850,452

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

Main Inputs for St Leonards South

Site A: FSR 2.75 :1 - FSR 2.75:1

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	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8202	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8203	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8204	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8205	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8206	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8207	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8208	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8209	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8210	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8211	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
							Pro-rata with Rental Income ('R')				TOTAL	-	-	-

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	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	-	Apartments	-	2,022	11,500	Per SqM	12	6	32	2	Feb-18 - Mar-18	337.00	Y	RES		21,139,091	23,253,000	24,381,909
9002	-	Apartments	-	2,022	12,000	Per SqM	0	-	32	6	Feb-18 - Jul-18	337.00	Y	RES		22,058,182	24,264,000	27,160,641
9003	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9004	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9005	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9006	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9007	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9008	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9009	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9010	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9011	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9012	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9013	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9014	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9015	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9016	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9017	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9018	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9019	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9020	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
															Capitalised Sales (refer to Tenants)	-	-	-
															Manual Input (refer to Cash Flow)	-	-	-
															TOTAL	43,197,273	47,517,000	51,542,550

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		-	-	-
9106	-	.	-	-	-	0	-	-	Y		-	-	-
9107	-	.	-	-	-	0	-	-	Y		-	-	-
9108	-	.	-	-	-	0	-	-	Y		-	-	-
9109	-	.	-	-	-	0	-	-	Y		-	-	-
9110	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	-	-	-

10000

Financing

(Advanced 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 at project end.

Equity

		Fixed Amount	Percentage		Opening Balances		Equity Totals
	Developer's Equity Contribution						
	Injected in total upfront.	-	20.00%	% of Net Cash Flow to be Funded		Developer's Injections	7,503,583
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%					

Loan 1

								Opening Balances		Loan 1 Totals
		Description	Lender Name	Debt						
	Facility Limit		Fixed Amount	Percentage						
	Drawn down in total at loan commencement.		-	0.00%	Fixed Amount				Drawdown	-
	Month Commencement	Manual	0	Jun-2015						
	Maturity Month	Auto	0	N.A.						
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)				-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid					
		Application Fee	-	0.00%	0			-	Application Fees	-
		Line Fee	-	0.00%				-	Line Fees	-
	Profit Split to Lender 1		0.00%						Profit Split	-

Loan 2

								Opening Balances		Loan 2 Totals
		Description	Lender Name	Debt						
	Facility Limit		Fixed Amount	Percentage						
	Drawn down in total at loan commencement.		-	0.00%	Fixed Amount				Drawdown	-
	Month Commencement	Auto	0							
	Maturity Month	Auto	0	N.A.						
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)				-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid					
		Application Fee	-	0.00%	0			-	Application Fees	-
		Line Fee	-	0.00%				-	Line Fees	-
	Profit Split to Lender 2		0.00%						Profit Split	-

Loan 3

								Opening Balances		Loan 3 Totals
		Description	Lender Name	Debt						
	Facility Limit		Fixed Amount	Percentage						
	Drawn down in total at loan commencement.		-	0.00%	Fixed Amount				Drawdown	-
	Month Commencement	Auto	0							
	Maturity Month	Auto	0	N.A.						
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)				-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid					
		Application Fee	-	0.00%	0			-	Application Fees	-
		Line Fee	-	0.00%				-	Line Fees	-
	Profit Split to Lender 3		0.00%						Profit Split	-

Main Inputs for St Leonards South

Loan 4

		Description	Lender Name	Debt
	No Limit (use as overdraft facility)		-	
10007	Interest Rate		7.35%	per annum Nominal - Capitalised (Compounded)

Loan 4 Notes: Loan 4 is being used as an overdraft facility.

Code	Fees	Amount	Percentage	Month Paid
10008	Application Fee	-	0.00%	0
	Line Fee	-	0.00%	

Maintain Leverage on Loan 4	0.00%	% of Future Positive Net Cash Flows

	Opening Balances
Interest Rate	-
Application Fee	-
Line Fee	-

	Loan 4 Totals
Drawdown	29,615,410
Interest Charged	1,865,865
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	-	Establishment Fees	1	103,618	-	18	1	Dec-16 - Dec-16	n		103,618	103,618	103,618
10010	-	.	-	-	-	0	-	-	Y		-	-	-
10011	-	.	-	-	-	0	-	-	Y		-	-	-
10012	-	.	-	-	-	0	-	-	Y		-	-	-
10013	-	.	-	-	-	0	-	-	Y		-	-	-
10014	-	.	-	-	-	0	-	-	Y		-	-	-
10015	-	.	-	-	-	0	-	-	Y		-	-	-
10016	-	.	-	-	-	0	-	-	Y		-	-	-
10017	-	.	-	-	-	0	-	-	Y		-	-	-
10018	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	103,618	103,618	103,618

Project Hurdle Rates

Project Discount Rate (target IRR)	18.00%	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	20.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	20.00%	

Summary of Project Returns

EstateMaster DF DEVELOPMENT FEASIBILITY

St Leonards South

Site A: FSR 2.75 :1

FSR 2.75:1

Hill PDA Independent Property Consulting

Time Span:	Jun-15 to Sep-18	**Project Size:**	52. Apartments
			1 per 32.13 SqM of Site Area
Type:	Mixed Use		
Status:	Under Review	**Project Size:**	5,054.8 GBA
Site Area:	1,671. SqM		1 per 0.33 SqM of Site Area
FSR:	2.75:1	**Equated GFA:**	4,595.3 SqM

Estate Master Licensed to: HillPDA

	Quantity	SqM	AUD/Quantity	AUD Total	GBA	SqM of Site Area	Total Net Revenue
REVENUE				AUD			
Gross Sales Revenue	-	4,044.00	-	51,542,550	10,197	30,845	115.3%
Apartments	-	4,044.00	-	51,542,550			
Less Selling Costs				(2,149,055)	425	1,286	-4.8%
NET SALES REVENUE				49,393,495	9,772	29,559	110.5%
Interest Received				-	-	-	0.0%
Other Income				-	-	-	0.0%
TOTAL REVENUE (before GST paid)				49,393,495	9,772	29,559	110.5%
Less GST paid on all Revenue				(4,685,686)	927	2,804	-10.5%
TOTAL REVENUE (after GST paid)				**44,707,809**	**8,845**	**26,755**	**100.0%**
COSTS							
Land Purchase Cost				10,213,060	2,020	6,112	22.8%
Land Acquisition Costs				706,470	140	423	1.6%
Construction Costs (inc. Contingency)				23,575,438	4,664	14,109	52.7%
Basement				3,719,885	736	2,226	8.3%
Built Form				17,436,994	3,450	10,435	39.0%
Landscaping and Amenties				298,966	59	179	0.7%
Other Construction Costs				996,954	197	597	2.2%
Contingency				1,122,640	222	672	2.5%
Professional Fees				2,410,284	477	1,442	5.4%
Other				-	-	-	0.0%
Statutory Fees				214,322	42	128	0.5%
Miscellaneous				-	-	-	0.0%
Miscellaneous Costs 3				-	-	-	0.0%
Project Contingency (Reserve)				518,133	103	310	1.2%
Land Holding Costs				597,502	118	358	1.3%
Pre-Sale Commissions				402,302	80	241	0.9%
Finance Charges (inc. Fees)				103,618	20	62	0.2%
Interest Expense				1,865,865	369	1,117	4.2%
TOTAL COSTS (before GST reclaimed)				40,606,993	8,033	24,301	90.8%
Less GST reclaimed				(3,351,861)	663	2,006	-7.5%
Plus Corporate Tax				-	-	-	0.0%
TOTAL COSTS (after GST reclaimed)				**37,255,132**	**7,370**	**22,295**	**83.3%**

PERFORMANCE INDICATORS

			AUD Per GBA	AUD Per SqM of Site Area
[1] **Net Development Profit**		**7,452,677**	1,474	4,460
[3] **Development Margin (Profit/Risk Margin)**	Based on total costs (inc selling costs)	**18.91%**		
[4] Residual Land Value	Based on Target Margin of 20% (Exclusive of GST)	9,005,430	1,782	5,389
[5] **Net Present Value**	Based on Discount Rate of 18% p.a. Effective	**252,383**		
[6] Benefit Cost Ratio		1.0091		
[7] **Project Internal Rate of Return (IRR)**	Per annum Effective	**18.75%**		
[8] Residual Land Value	Based on NPV (Exclusive of GST)	9,522,460	1,884	5,699
Equity IRR	Per annum Effective	23.64%		
Equity Contribution		7,503,583		
Peak Debt Exposure		30,311,961		
Equity to Debt Ratio		25.34%		
[9] Weighted Average Cost of Capital (WACC)		9.91%		
[10] Breakeven Date for Cumulative Cash Flow	Month 36	Jun-2018		

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

EstateMaster
DF DEVELOPMENT FEASIBILITY

St Leonards South

Site A: FSR 2.75 :1

FSR 2.75:1

Hill PDA
Independent Property Consulting

Time Span:	Jun-15 to Sep-18	**Project Size:**	52. Apartments
Type:	Mixed Use		1 per 32.13 SqM of Site Area
Status:	Under Review	**Project Size:**	5,054.8 GBA
Site Area:	1,671. SqM		1 per 0.33 SqM of Site Area
FSR:	2.75:1	**Equated GFA:**	4,595.3 SqM

Estate Master Licensed to: HillPDA

RETURNS ON FUNDS INVESTED	**Developer's Equity**	**Loan 4 Debt** (Lender Name)	**Total Equity**	**Total Debt**
[1] Funds Invested (Cash Outlay)	7,503,583	29,615,410	7,503,583	29,615,410
% of Total Funds Invested	20.21%	79.79%	20.21%	79.79%
[2] Peak Exposure	7,503,583	30,311,961	7,503,583	30,311,961
Date of Peak Exposure	Jun-15	Jan-18	Jun-15	Jan-18
Month of Peak Exposure	Month 0	Month 31	Month 0	Month 31
Weighted Average Interest Rate	N.A.	7.35%	N.A.	7.35%
Interest Charged	-	1,865,865	-	1,865,865
Line Fees Charged	-	-	-	-
Application Fees Charged	-	-	-	-
Profit Share Received	-	-	-	-
[3] Total Profit to Funders	7,452,677	1,865,865	7,452,677	1,865,865
[4] Margin on Funds Invested	99.32%	6.30%	99.32%	6.30%
[5] Payback Date	Sep-18	Mar-18	Sep-18	Mar-18
Month of Payback	Month 39	Month 33	Month 39	Month 33
[6] IRR on Funds Invested	23.64%	7.60%	23.64%	7.60%
[7] Equity to Debt Ratio		25.34%		25.34%
[8] Loan to Value Ratio	14.56%	58.81%	14.56%	58.81%
[9] Loan Ratio	20.14% of Project & Finance Costs (inc Interest/Fees	84.50% of Project & Finance Costs (inc Interest/Fees	20.14% of Project & Finance Costs (inc Interest/Fees	84.50% of Project & Finance Costs (inc Interest/Fees

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.

Appendix G: SITE A: OPTION 1A FEASIBILITY

Development Feasibility Model

Estate Master Licensed to: HillPDA

Hill PDA

Independent Property Consulting

C14291

St Leonards South

Site A: FSR 4:1

FSR 4.1

Date of Report :	27-Feb-2015	**Project Size :**	77. Apartments
Time Span :	Jun-15 to Jan-19		1 per 21.7 SqM of Site Area
Type :	Mixed Use	**Project Size :**	7,536.2 GFA
Status :	Under Review		1 per 0.22 SqM of Site Area
Site Area :	1,671. SqM	**FSR :**	4.1:1
		Equated GFA :	6,851.1 SqM
Prepared By :	Report Prepared By	**Address :**	Address
Prepared For :	Report Prepared For		City/Suburb
Developer :	Enter Developer Name		State/County
			Country

Disclaimer

1.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.
2. 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.

Version 5.32 February 2015

Preliminary

HIll PDA
Independent Property Consulting

Cash Flow Title	**Site A: FSR 4:1**	Description of Option/Stage	FSR 4.1
Date of First Period:	Jun-2015		
Cash Flow Rest Period:	Monthly		
Enter Project Size (a)	77.0	Apartments	
Enter Project Size (b)	7,536.2	GFA	
Enter Site Area	1,671.0	SqM	Floor Space Ratio 4.1 :1

Equated Gross Floor Area= 6,851.1 SqM

Type	Mixed Use
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	10.00%

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	9,284,600

Code	Stage		% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Month Start	Month Span	Cash Flow Period
1002	-	Deposit in Trust Account ¹	10.00%	928,460	-	1	1	Jul-15 - Jul-15
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%		8,356,140	3	1	Sep-15 - Sep-15
1008	-	Stamp Duty ¹	NSW		655,404	1	1	Jul-15 - Jul-15
		Interest on Deposit in Trust Account	0.00%	Interest from deposit shared between parties				
		Profit Share to Land Owner	0.00%	Paid progressively as project makes a profit.				

Add GST on Land Price? y
Reclaim Proportionally with Land Payments

(Stamp Duty calculated on Land Value of 10,213,060 inc. GST)

Code		Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
1002		928,460	1,021,306	1,021,306
1003		-	-	-
1004		-	-	-
1005		-	-	-
1006		-	-	-
1007		8,356,140	9,191,754	9,191,754
1008	Stamp Duty	655,404	655,404	655,404
	TOTAL	9,940,004	10,868,464	10,868,464

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	-	Due Diligence	0.50%	46,423	-	I	-	Jul-15 - Sep-15	Y		46,423	51,065	51,065
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	46,423	51,065	51,065

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		Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
	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%
SUB	Basement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
EMW	Enabling INfrastructure	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
BUI	Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
LSA	Landscaping and Amenties	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%
	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs 3	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%

Code		Value	And / Or	%	Basis		Total
2000	**Project Contingency**	-	And / Or	2.00%	of Construction, Professional (exc Development Management), Other, Statutory Fees, Miscellaneous, Miscellaneous Costs 3	TOTAL	830,288

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	-	Design and approval	2.00%	-	-	-	-	1	12	Jul-15 - Jun-16	n	Do not escalate if %	687,115	687,115	687,115
3002	-	Consutlants	6.00%	-	-	-	-	c	-	Dec-15 - May-18	n		2,061,344	2,061,344	2,061,344
3003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
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		-	-	-
3010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3011	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3012	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3013	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3014	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3015	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')							
3099	-	Development Management	2.00%	% of Project Costs (inc Land but exc Finance & Tax)			-	C	-	Dec-15 - May-18	n		989,355	989,355	989,355
				² Dev Mgmt Fee: Pro-rata with Construction ('C'), Settlements ('S'), Project Costs inc Land ('P1') or exc Land ('P2')								Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	3,737,814	3,737,814	3,737,814

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	-	Construction	BUI	7,536	3,300	e	s	18	18	Dec-16 - May-18	y	RLB 2014 Over up to 10 sotrey	24,869,493	27,356,442	28,596,669
4002	-	Basement Parking (1.5 per unit)	SUB	116	41,475	e	s	18	18	Dec-16 - May-18	Y	RLB Basement CBD Mid point	4,790,363	5,269,399	5,508,291
4003	-	Landscaping & Amenities	LSA	77	5,000	e	s	18	18	Dec-16 - May-18	Y	Allowance	385,000	423,500	442,700
4004	-	Demolition of 3 houses	-	1	60,000	e	s	6	6	Dec-15 - May-16	Y	we have assumed $20k for each h	60,000	66,000	66,983
4005	-	Vistor car parking	-	29	41,475	e	s	18	18	Dec-16 - May-18	Y		1,197,591	1,317,350	1,377,073
4006	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4007	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4008	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4009	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4010	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4011	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4012	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4013	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4014	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4015	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4016	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4017	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4018	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4019	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4025	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
		¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)										Manual Input (refer to Cash Flow)	-	-	-
4099		**Construction Contingency**		-	And / Or	5.00%	of Construction Costs (inc GST)					Construction Contingency	1,565,122	1,721,635	1,799,586
												TOTAL	32,867,568	36,154,325	37,791,302

Main Inputs for St Leonards South

Site A: FSR 4:1 - FSR 4.1

5000 **Other**

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	-	.	-	-	-	-			-	N		-	-	-
5002	-	.	-	-	-	-	0	-	-	N		-	-	-
5003	-	.	-	-	-	-	0	-	-	N		-	-	-
5004	-	.	-	-	-	-	0	-	-	N		-	-	-
5005	-	.	-	-	-	-	0	-	-	N		-	-	-
5006	-	.	-	-	-	-	0	-	-	N		-	-	-
5007	-	.	-	-	-	-	0	-	-	N		-	-	-
5008	-	.	-	-	-	-	0	-	-	N		-	-	-
5009	-	.	-	-	-	-	0	-	-	N		-	-	-
5010	-	.	-	-	-	-	0	-	-	N		-	-	-
5011	-	.	-	-	-	-	0	-	-	N		-	-	-
5012	-	.	-	-	-	-	0	-	-	N		-	-	-
5013	-	.	-	-	-	-	0	-	-	N		-	-	-
5014	-	.	-	-	-	-	0	-	-	N		-	-	-
5015	-	.	-	-	-	-	0	-	-	N		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	-	-	-

6000 **Statutory Fees**

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	-	1% of construction cost Sect 94a	1.00%	-	-	-	-	12	1	Jun-16 - Jun-16	n		343,557	343,557	343,557
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	343,557	343,557	343,557

[1] Based on net costs. [2] Pro-rata with Construction ('C') or Settlements ('S')

6000 **Miscellaneous**

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%	-	-	-	-	c	-	Dec-15 - May-18	n		-	-	-
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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 3**

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		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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')

Main Inputs for St Leonards South

Site A: FSR 4:1 - FSR 4.1

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 Span²	Cash Flow Period	Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
7001	-	Land Tax	1	132,230	Y	-	0	ds	Jun-15 - Nov-18	n		132,230	132,230	486,825
7002	-	Council Rates & Taxes	1	16,529	Q	-	0	ds	Jun-15 - Nov-18	n		66,115	66,115	212,622
7003	-	.	-	-	M	-	0	-	-	Y		-	-	-
7004	-	.	-	-	M	-	0	-	-	Y		-	-	-
7005	-	.	-	-	M	-	0	-	-	Y		-	-	-
7006	-	.	-	-	M	-	0	-	-	Y		-	-	-
7007	-	.	-	-	M	-	0	-	-	Y		-	-	-
7008	-	.	-	-	M	-	0	-	-	Y		-	-	-
7009	-	.	-	-	M	-	0	-	-	Y		-	-	-
7010	-	.	-	-	M	-	0	-	-	Y		-	-	-
7011	-	.	-	-	M	-	0	-	-	Y		-	-	-
7012	-	.	-	-	M	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	198,344	198,344	699,447

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

Code	Category	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
		Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing									
RS1	Residential - 1 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS2	Residential - 2 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS3	Residential - 3 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RDD	Detached Dwelllings Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RTH	Townhouse Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
COM	Commerical Office	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RET	Retail Shops	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
IND	Industrial Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
STW	Storage & Warehousing	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RES	Apartments	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

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

Code		Sales Commission (To be entered Exclusive of GST)	Sales Comm¹	% of Comm. Pre-sales²	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	3.00%	50.00%	0.00%	y		-	-	-
8002	RS2	Residential - 2 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8003	RS3	Residential - 3 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8004	RDD	Detached Dwelllings Lots	3.00%	50.00%	0.00%	Y		-	-	-
8005	RTH	Townhouse Lots	3.00%	50.00%	0.00%	Y		-	-	-
8006	COM	Commerical Office	3.00%	50.00%	0.00%	Y		-	-	-
8007	RET	Retail Shops	3.00%	50.00%	0.00%	Y		-	-	-
8008	IND	Industrial Units	3.00%	50.00%	0.00%	Y		-	-	-
8009	STW	Storage & Warehousing	3.00%	50.00%	0.00%	Y		-	-	-
8010	RES	Apartments	3.00%	50.00%	0.00%	Y		2,306,160	2,536,776	2,760,606
							TOTAL	2,306,160	2,536,776	2,760,606

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	3.00%
% of Interest retained by Developer upon settlement	50.00%

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	-	Sales and marketing	1.00%	-	-	-	e		Dec-15 - Nov-16	y		768,720	845,592	920,202
8102	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8103	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8104	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8105	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8106	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8107	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8108	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8109	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8110	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8111	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	768,720	845,592	920,202

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	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8202	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8203	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8204	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8205	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8206	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8207	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8208	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8209	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8210	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8211	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	-	-	-

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	-	Apartments	41	3,203	11,500	Per SqM	6	12	36	2	Jun-18 - Jul-18	266.92	Y	RES	33,485,909	36,834,500	38,247,763
9002	-	Apartments	41	3,203	12,500	Per SqM	0	-	36	6	Jun-18 - Nov-18	533.83	Y	RES	36,397,727	40,037,500	45,406,952
9003	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9004	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9005	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9006	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9007	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9008	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9009	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9010	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9011	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9012	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9013	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9014	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9015	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9016	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9017	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9018	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9019	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9020	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
														Capitalised Sales (refer to Tenants)	-	-	-
														Manual Input (refer to Cash Flow)	-	-	-
														TOTAL	69,883,636	76,872,000	83,654,715

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		-	-	-
9106	-	.	-	-	-	0	-	-	Y		-	-	-
9107	-	.	-	-	-	0	-	-	Y		-	-	-
9108	-	.	-	-	-	0	-	-	Y		-	-	-
9109	-	.	-	-	-	0	-	-	Y		-	-	-
9110	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	-	-	-

10000

Financing
(Advanced 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

Equity Notes: Equity is paying outstanding debt
Equity is repaid at project end.

Ref	Item	Fixed Amount	Percentage		Opening Balances		Equity Totals
	Developer's Equity Contribution Injected in total upfront.	-	20.00%	% of Net Cash Flow to be Funded		Developer's Injections	10,607,483
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%					

Loan 1

Ref	Item		Amount	Percentage	Month Paid		Opening Balances		Loan 1 Totals
	Loan 1	Description	Lender Name	Debt					
	Facility Limit Drawn down in total at loan commencement.		Fixed Amount: -	0.00%		Fixed Amount		Drawdown	-
	Month Commencement	Manual	0			Jun-2015			
	Maturity Month	Auto	0			N.A.			
10004	Interest Rate		0.00%			per annum Nominal - Capitalised (Compounded)	-	Interest Charged	-
10005	Fees	Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 1		0.00%					Profit Split	-

Loan 2

Ref	Item		Amount	Percentage	Month Paid		Opening Balances		Loan 2 Totals
	Loan 2	Description	Lender Name	Debt					
	Facility Limit Drawn down in total at loan commencement.		Fixed Amount: -	0.00%		Fixed Amount		Drawdown	-
	Month Commencement	Auto	0						
	Maturity Month	Auto	0			N.A.			
10004	Interest Rate		0.00%			per annum Nominal - Capitalised (Compounded)	-	Interest Charged	-
10005	Fees	Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 2		0.00%					Profit Split	-

Loan 3

Ref	Item		Amount	Percentage	Month Paid		Opening Balances		Loan 3 Totals
	Loan 3	Description	Lender Name	Debt					
	Facility Limit Drawn down in total at loan commencement.		Fixed Amount: -	0.00%		Fixed Amount		Drawdown	-
	Month Commencement	Auto	0						
	Maturity Month	Auto	0			N.A.			
10004	Interest Rate		0.00%			per annum Nominal - Capitalised (Compounded)	-	Interest Charged	-
10005	Fees	Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 3		0.00%					Profit Split	-

Main Inputs for St Leonards South

Loan 4

		Description	Lender Name	Debt
	No Limit (use as overdraft facility)		-	
10007	Interest Rate		7.35%	per annum Nominal - Capitalised (Compounded)

Loan 4 Notes: Loan 4 is being used as an overdraft facility.

Code	Fees	Amount	Percentage	Month Paid
10008	Application Fee	-	0.00%	0
	Line Fee	-	0.00%	

Maintain Leverage on Loan 4	0.00%	% of Future Positive Net Cash Flows

	Opening Balances	Loan 4 Totals
Drawdown		41,603,441
Interest Charged	-	2,533,529
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	-	Establishment Fees	1	145,682	-	18	1	Dec-16 - Dec-16	n		145,682	145,682	145,682
10010	-	.	-	-	-	0	-	-	Y		-	-	-
10011	-	.	-	-	-	0	-	-	Y		-	-	-
10012	-	.	-	-	-	0	-	-	Y		-	-	-
10013	-	.	-	-	-	0	-	-	Y		-	-	-
10014	-	.	-	-	-	0	-	-	Y		-	-	-
10015	-	.	-	-	-	0	-	-	Y		-	-	-
10016	-	.	-	-	-	0	-	-	Y		-	-	-
10017	-	.	-	-	-	0	-	-	Y		-	-	-
10018	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	145,682	145,682	145,682

Project Hurdle Rates

Project Discount Rate (target IRR)	18.00%	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	20.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	20.00%	

Summary of Project Returns

EstateMaster DEVELOPMENT FEASIBILITY

St Leonards South

Site A: FSR 4:1

FSR 4.1

Hill PDA Independent Property Consulting

Time Span:	Jun-15 to Jan-19	**Project Size:**	77. Apartments
			1 per 21.7 SqM of Site Area
Type:	Mixed Use		
Status:	Under Review	**Project Size:**	7,536.2 GFA
Site Area:	1,671. SqM		1 per 0.22 SqM of Site Area
FSR:	4.1:1	**Equated GFA:**	6,851.1 SqM

Estate Master Licensed to: HillPDA

	Quantity	SqM	AUD/Quantity	AUD Total	GFA	SqM of Site Area	Total Net Revenue
REVENUE							
	Quantity	SqM	AUD/Quantity	AUD			
Gross Sales Revenue	82	6,406.00	1,020,179.45	83,654,715	11,100	50,063	114.6%
Apartments	82	6,406.00	1,020,179.45	83,654,715			
Less Selling Costs				(3,049,719)	405	1,825	-4.2%
NET SALES REVENUE				80,604,995	10,696	48,238	110.4%
Interest Received				-	-	-	0.0%
Other Income				-	-	-	0.0%
TOTAL REVENUE (before GST paid)				80,604,995	10,696	48,238	110.4%
Less GST paid on all Revenue				(7,604,974)	1,009	4,551	-10.4%
TOTAL REVENUE (after GST paid)				**73,000,021**	**9,687**	**43,686**	**100.0%**
COSTS							
Land Purchase Cost				10,213,060	1,355	6,112	14.0%
Land Acquisition Costs				706,470	94	423	1.0%
Construction Costs (inc. Contingency)				37,791,302	5,015	22,616	51.8%
Basement				5,508,291	731	3,296	7.5%
Built Form				28,596,669	3,795	17,114	39.2%
Landscaping and Amenties				442,700	59	265	0.6%
Other Construction Costs				1,444,056	192	864	2.0%
Contingency				1,799,586	239	1,077	2.5%
Professional Fees				3,737,814	496	2,237	5.1%
Other				-	-	-	0.0%
Statutory Fees				343,557	46	206	0.5%
Miscellaneous				-	-	-	0.0%
Miscellaneous Costs 3				-	-	-	0.0%
Project Contingency (Reserve)				830,288	110	497	1.1%
Land Holding Costs				699,447	93	419	1.0%
Pre-Sale Commissions				631,088	84	378	0.9%
Finance Charges (inc. Fees)				145,682	19	87	0.2%
Interest Expense				2,533,529	336	1,516	3.5%
TOTAL COSTS (before GST reclaimed)				57,632,236	7,647	34,490	78.9%
Less GST reclaimed				(4,773,153)	633	2,856	-6.5%
Plus Corporate Tax				-	-	-	0.0%
TOTAL COSTS (after GST reclaimed)				**52,859,083**	**7,014**	**31,633**	**72.4%**

PERFORMANCE INDICATORS

			AUD Per GFA	AUD Per SqM of Site Area
[1] **Net Development Profit**		**20,140,938**	2,673	12,053
[3] **Development Margin (Profit/Risk Margin)**	Based on total costs (inc selling costs)	**36.02%**		
[4] Residual Land Value	Based on Target Margin of 20% (Exclusive of GST)	15,025,917	1,994	8,992
[5] **Net Present Value**	Based on Discount Rate of 18% p.a. Effective	**5,635,514**		
[6] Benefit Cost Ratio		1.1495		
[7] **Project Internal Rate of Return (IRR)**	Per annum Effective	**29.22%**		
[8] Residual Land Value	Based on NPV (Exclusive of GST)	14,598,160	1,937	8,736
Equity IRR	Per annum Effective	34.58%		
Equity Contribution		10,607,483		
Peak Debt Exposure		43,048,386		
Equity to Debt Ratio		25.50%		
[9] Weighted Average Cost of Capital (WACC)		9.92%		
[10] Breakeven Date for Cumulative Cash Flow	Month 38	Aug-2018		

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

EstateMaster DF DEVELOPMENT FEASIBILITY

St Leonards South

Site A: FSR 4:1

FSR 4.1

Time Span:	Jun-15 to Jan-19	**Project Size:**	77. Apartments
			1 per 21.7 SqM of Site Area
Type:	Mixed Use		
Status:	Under Review	**Project Size:**	7,536.2 GFA
			1 per 0.22 SqM of Site Area
Site Area:	1,671. SqM		
FSR:	4.1:1	**Equated GFA:**	6,851.1 SqM

Estate Master Licensed to: HillPDA

Hill PDA Independent Property Consulting

RETURNS ON FUNDS INVESTED	**Developer's Equity**	**Loan 4 Debt** (Lender Name)	**Total Equity**	**Total Debt**
[1] Funds Invested (Cash Outlay)	10,607,483	41,603,441	10,607,483	41,603,441
% of Total Funds Invested	20.32%	79.68%	20.32%	79.68%
[2] Peak Exposure	10,607,483	43,048,386	10,607,483	43,048,386
Date of Peak Exposure	Jun-15	May-18	Jun-15	May-18
Month of Peak Exposure	Month 0	Month 35	Month 0	Month 35
Weighted Average Interest Rate	N.A.	7.35%	N.A.	7.35%
Interest Charged	-	2,533,529	-	2,533,529
Line Fees Charged	-	-	-	-
Application Fees Charged	-	-	-	-
Profit Share Received	-	-	-	-
[3] Total Profit to Funders	20,140,938	2,533,529	20,140,938	2,533,529
[4] Margin on Funds Invested	189.87%	6.09%	189.87%	6.09%
[5] Payback Date	Jan-19	Jul-18	Jan-19	Jul-18
Month of Payback	Month 43	Month 37	Month 43	Month 37
[6] IRR on Funds Invested	34.58%	7.60%	34.58%	7.60%
[7] Equity to Debt Ratio		25.50%		25.50%
[8] Loan to Value Ratio	12.68%	51.46%	12.68%	51.46%
[9] Loan Ratio	20.07% of Project & Finance Costs (inc Interest/Fees	83.50% of Project & Finance Costs (inc Interest/Fees	20.07% of Project & Finance Costs (inc Interest/Fees	83.50% of Project & Finance Costs (inc Interest/Fees

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.

Appendix H: SITE B FEASIBILITY

Development Feasibility Model

Estate Master Licensed to: HillPDA

Hill PDA
Independent Property Consulting

C14291
St Leonards South

Site B: FSR 2:1

FSR 2:1

Date of Report :	27-Feb-2015	**Project Size :**	35. Apartments
Time Span :	Jun-15 to Sep-18		1 per 43.69 SqM of Site Area
Type :	Mixed Use	**Project Size :**	3,363.8 GFA
Status :	Under Review		1 per 0.45 SqM of Site Area
Site Area :	1,529. SqM	**FSR :**	2:1
		Equated GFA :	3,058.0 SqM
Prepared By :	Report Prepared By	**Address :**	Address
Prepared For :	Report Prepared For		City/Suburb
Developer :	Enter Developer Name		State/County
			Country

Main Inputs for St Leonards South

Site B: FSR 2:1 - FSR 2:1

Estate Master Licensed to: HillPDA

Version 5.32 February 2015

Preliminary

Cash Flow Title	**Site B: FSR 2:1**	Description of Option/Stage	FSR 2:1
Date of First Period:	Jun-2015		
Cash Flow Rest Period:	Monthly		
Enter Project Size (a)	35.0	Apartments	
Enter Project Size (b)	3,363.8	GFA	
Enter Site Area	1,529.0	SqM	Floor Space Ratio 2 :1

Equated Gross Floor Area= 3,058.0 SqM

Type	Mixed Use
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	10.00%

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	8,099,000

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%	809,900	-	1	1	Jul-15 - Jul-15		809,900	890,890	890,890
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%		7,289,100	3	1	Sep-15 - Sep-15		7,289,100	8,018,010	8,018,010
1008	-	Stamp Duty [1]	NSW		564,113	1	1	Jul-15 - Jul-15	(Stamp Duty calculated on Land Value of 8,908,900 inc. GST) Stamp Duty	564,113	564,113	564,113
		Interest on Deposit in Trust Account	0.00%	Interest from deposit shared between parties								
		Profit Share to Land Owner	0.00%	Paid progressively as project makes a profit.					**TOTAL**	8,663,113	9,473,013	9,473,013

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	-	Due Diligence	0.50%	40,495	-	I	-	Jul-15 - Sep-15	Y		40,495	44,545	44,545
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	40,495	44,545	44,545

[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		Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
	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%
SUB	Basement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
EMW	Enabling INfrastructure	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
BUI	Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
LSA	Landscaping and Amenties	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
DEM	Demolition	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs 3	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%

Main Inputs for St Leonards South

2000	**Project Contingency**	-	And / Or	2.00%	of Construction, Professional (exc Development Management), Other, Statutory Fees, Miscellaneous, Miscellaneous Costs 3	TOTAL	345,908

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	-	Design and approval	2.00%	-	-	-	-	1	12	Jul-15 - Jun-16	n	Do not escalate if %	286,415	286,415	286,415
3002	-	Consultants	6.00%	-	-	-	-	c	-	Jun-16 - Jan-18	n		859,246	859,246	859,246
3003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
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		-	-	-
3010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3011	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3012	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3013	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3014	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3015	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')							
3099	-	Development Management	2.00%	% of Project Costs (inc Land but exc Finance & Tax)			-	C	-	Jun-16 - Jan-18	n		507,451	507,451	507,451
				² Dev Mgmt Fee: Pro-rata with Construction ('C'), Settlements ('S'), Project Costs inc Land ('P1') or exc Land ('P2')								Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	1,653,112	1,653,112	1,653,112

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	-	Construction	BUI	3,364	3,000	e	s	18	14	Dec-16 - Jan-18	y	RLB 2014 Over up to 10 sotrey	10,091,400	11,100,540	11,603,792
4002	-	Basement Parking (1.5 per unit)	SUB	53	41,475	e	s	18	14	Dec-16 - Jan-18	Y	RLB Basement CBD Mid point	2,177,438	2,395,181	2,503,769
4003	-	Landscaping & Amenities	LSA	35	5,000	e	s	18	14	Dec-16 - Jan-18	Y	Allowance	175,000	192,500	201,227
4004	-	Demolition	DEM	1	60,000	e	s	12	6	Jun-16 - Nov-16	Y	we have assumed $20k for 3 hous	60,000	66,000	67,980
4005	-	Visitor parking (1 per 4 units)	sub	13	41,475	e	s	18	14	Dec-16 - Jan-18	Y		544,359	598,795	625,942
4006	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4007	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4008	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4009	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4010	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4011	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4012	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4013	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4014	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4015	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4016	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4017	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4018	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4019	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4025	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
		¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)										Manual Input (refer to Cash Flow)	-	-	-
4099		**Construction Contingency**		-	And / Or	5.00%	of Construction Costs (inc GST)					Construction Contingency	652,410	717,651	750,136
												TOTAL	13,700,607	15,070,667	15,752,846

5000 Other

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	-	.	-	-	-	-			-	N		-	-	-
5002	-	.	-	-	-	-	0	-	-	N		-	-	-
5003	-	.	-	-	-	-	0	-	-	N		-	-	-
5004	-	.	-	-	-	-	0	-	-	N		-	-	-
5005	-	.	-	-	-	-	0	-	-	N		-	-	-
5006	-	.	-	-	-	-	0	-	-	N		-	-	-
5007	-	.	-	-	-	-	0	-	-	N		-	-	-
5008	-	.	-	-	-	-	0	-	-	N		-	-	-
5009	-	.	-	-	-	-	0	-	-	N		-	-	-
5010	-	.	-	-	-	-	0	-	-	N		-	-	-
5011	-	.	-	-	-	-	0	-	-	N		-	-	-
5012	-	.	-	-	-	-	0	-	-	N		-	-	-
5013	-	.	-	-	-	-	0	-	-	N		-	-	-
5014	-	.	-	-	-	-	0	-	-	N		-	-	-
5015	-	.	-	-	-	-	0	-	-	N		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	-	-	-

6000 Statutory Fees

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	-	1% of construction cost Sect 94a	1.00%	-	-	-	-	12	1	Jun-16 - Jun-16	n		143,208	143,208	143,208
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	143,208	143,208	143,208

[1] Based on net costs.
[2] Pro-rata with Construction ('C') or Settlements ('S')

6000 Miscellaneous

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%	-	-	-	-	c	-	Jun-16 - Jan-18	n		-	-	-
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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 3

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		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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')

Main Inputs for St Leonards South

Site B: FSR 2:1 - FSR 2:1

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 Span²	Cash Flow Period	Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
7001	-	Land Tax	1	113,260	Y	-	0	ds	Jun-15 - Jul-18	n		113,260	113,260	349,864
7002	-	Council Rates & Taxes	1	14,158	Q	-	0	ds	Jun-15 - Jul-18	n		56,630	56,630	162,010
7003	-	.	-	-	M	-	0	-	-	Y		-	-	-
7004	-	.	-	-	M	-	0	-	-	Y		-	-	-
7005	-	.	-	-	M	-	0	-	-	Y		-	-	-
7006	-	.	-	-	M	-	0	-	-	Y		-	-	-
7007	-	.	-	-	M	-	0	-	-	Y		-	-	-
7008	-	.	-	-	M	-	0	-	-	Y		-	-	-
7009	-	.	-	-	M	-	0	-	-	Y		-	-	-
7010	-	.	-	-	M	-	0	-	-	Y		-	-	-
7011	-	.	-	-	M	-	0	-	-	Y		-	-	-
7012	-	.	-	-	M	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	169,890	169,890	511,874

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

Code	Category	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
		Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing									
RS1	Residential - 1 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS2	Residential - 2 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS3	Residential - 3 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RDD	Detached Dwelllings Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RTH	Townhouse Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
COM	Commerical Office	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RET	Retail Shops	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
IND	Industrial Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
STW	Storage & Warehousing	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RES	Apartments	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

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**

Code		Sales Commission (To be entered Exclusive of GST)	Sales Comm¹	% of Comm. Pre-sales²	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	3.00%	50.00%	0.00%	y		-	-	-
8002	RS2	Residential - 2 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8003	RS3	Residential - 3 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8004	RDD	Detached Dwellings Lots	3.00%	50.00%	0.00%	Y		-	-	-
8005	RTH	Townhouse Lots	3.00%	50.00%	0.00%	Y		-	-	-
8006	COM	Commerical Office	3.00%	50.00%	0.00%	Y		-	-	-
8007	RET	Retail Shops	3.00%	50.00%	0.00%	Y		-	-	-
8008	IND	Industrial Units	3.00%	50.00%	0.00%	Y		-	-	-
8009	STW	Storage & Warehousing	3.00%	50.00%	0.00%	Y		-	-	-
8010	RES	Apartments	3.00%	50.00%	0.00%	Y		908,550	999,405	1,079,132
							TOTAL	908,550	999,405	1,079,132

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	3.00%
% of Interest retained by Developer upon settlement	50.00%

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	-	Sales and marketing	1.00%	-	-	-	e		Dec-15 - Nov-16	y		302,850	333,135	359,711
8102	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8103	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8104	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8105	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8106	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8107	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8108	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8109	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8110	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8111	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	302,850	333,135	359,711

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

Main Inputs for St Leonards South

Site B: FSR 2:1 - FSR 2:1

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	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8202	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8203	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8204	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8205	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8206	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8207	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8208	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8209	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8210	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8211	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
							Pro-rata with Rental Income ('R')				TOTAL	-	-	-

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	-	Apartments	-	1,346	11,000	Per SqM	6	12	32	2	Feb-18 - Mar-18	112.17	Y	RES	13,460,000	14,806,000	15,374,075
9002	-	Apartments	-	1,346	11,500	Per SqM	0	-	32	6	Feb-18 - Jul-18	224.33	Y	RES	14,071,818	15,479,000	17,326,886
9003	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9004	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9005	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9006	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9007	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9008	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9009	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9010	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9011	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9012	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9013	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9014	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9015	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9016	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9017	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9018	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9019	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
9020	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-	-	-
														Capitalised Sales (refer to Tenants)	-	-	-
														Manual Input (refer to Cash Flow)	-	-	-
														TOTAL	27,531,818	30,285,000	32,700,961

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		-	-	-
9106	-	.	-	-	-	0	-	-	Y		-	-	-
9107	-	.	-	-	-	0	-	-	Y		-	-	-
9108	-	.	-	-	-	0	-	-	Y		-	-	-
9109	-	.	-	-	-	0	-	-	Y		-	-	-
9110	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	-	-	-

10000

Financing

(Advanced 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 at project end.

Equity

		Fixed Amount	Percentage		Opening Balances		Equity Totals
	Developer's Equity Contribution Injected in total upfront.	-	20.00%	% of Net Cash Flow to be Funded		Developer's Injections	5,481,234
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%					

Loan 1

			Description	Lender Name	Debt		Opening Balances		Loan 1 Totals
	Facility Limit Drawn down in total at loan commencement.		Fixed Amount: -	Percentage: 0.00%		Fixed Amount		Drawdown	-
	Month Commencement	Manual	0	Jun-2015					
	Maturity Month	Auto	0	N.A.					
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid				
		Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 1		0.00%					Profit Split	-

Loan 2

			Description	Lender Name	Debt		Opening Balances		Loan 2 Totals
	Facility Limit Drawn down in total at loan commencement.		Fixed Amount: -	Percentage: 0.00%		Fixed Amount		Drawdown	-
	Month Commencement	Auto	0						
	Maturity Month	Auto	0	N.A.					
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid				
		Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 2		0.00%					Profit Split	-

Loan 3

			Description	Lender Name	Debt		Opening Balances		Loan 3 Totals
	Facility Limit Drawn down in total at loan commencement.		Fixed Amount: -	Percentage: 0.00%		Fixed Amount		Drawdown	-
	Month Commencement	Auto	0						
	Maturity Month	Auto	0	N.A.					
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid				
		Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 3		0.00%					Profit Split	-

Main Inputs for St Leonards South

Site B: FSR 2:1 - FSR 2:1

Loan 4

Description	Lender Name	Debt		
No Limit (use as overdraft facility)	-			
10007 Interest Rate	7.35%	per annum Nominal - Capitalised (Compounded)		
10008 Fees	Amount	Percentage	Month Paid	
Application Fee	-	0.00%	0	
Line Fee	-	0.00%		
Maintain Leverage on Loan 4	0.00%	% of Future Positive Net Cash Flows		

Loan 4 Notes: Loan 4 is being used as an overdraft facility.

	Opening Balances	Loan 4 Totals
Drawdown		21,668,994
Interest Charged	-	1,607,346
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	-	Establishment Fees	1	75,842	-	18	1	Dec-16 - Dec-16	n		75,842	75,842	75,842
10010	-	.	-	-	-	0	-	-	Y		-	-	-
10011	-	.	-	-	-	0	-	-	Y		-	-	-
10012	-	.	-	-	-	0	-	-	Y		-	-	-
10013	-	.	-	-	-	0	-	-	Y		-	-	-
10014	-	.	-	-	-	0	-	-	Y		-	-	-
10015	-	.	-	-	-	0	-	-	Y		-	-	-
10016	-	.	-	-	-	0	-	-	Y		-	-	-
10017	-	.	-	-	-	0	-	-	Y		-	-	-
10018	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	75,842	75,842	75,842

Project Hurdle Rates

Project Discount Rate (target IRR)	18.00%	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	20.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	20.00%	

Summary of Project Returns

EstateMaster DF DEVELOPMENT FEASIBILITY

St Leonards South

Site B: FSR 2:1

FSR 2:1

Hill PDA Independent Property Consulting

Time Span:	Jun-15 to Sep-18	**Project Size:**	35. Apartments
Type:	Mixed Use		1 per 43.69 SqM of Site Area
Status:	Under Review	**Project Size:**	3,363.8 GFA
Site Area:	1,529. SqM		1 per 0.45 SqM of Site Area
FSR:	2:1	**Equated GFA:**	3,058.0 SqM

Estate Master Licensed to: HillPDA

	Quantity	SqM	AUD/Quantity	AUD Total	GFA	SqM of Site Area	Total Net Revenue
REVENUE							
	Quantity	SqM	AUD/Quantity	AUD			
Gross Sales Revenue	-	2,692.00	-	32,700,961	9,721	21,387	114.6%
Apartments	-	2,692.00	-	32,700,961			
Less Selling Costs				(1,185,170)	352	775	-4.2%
NET SALES REVENUE				31,515,791	9,369	20,612	110.4%
Interest Received				-	-	-	0.0%
Other Income				-	-	-	0.0%
TOTAL REVENUE (before GST paid)				31,515,791	9,369	20,612	110.4%
Less GST paid on all Revenue				(2,972,815)	884	1,944	-10.4%
TOTAL REVENUE (after GST paid)				**28,542,977**	**8,485**	**18,668**	**100.0%**
COSTS							
Land Purchase Cost				8,908,900	2,648	5,827	31.2%
Land Acquisition Costs				608,658	181	398	2.1%
Construction Costs (inc. Contingency)				15,752,846	4,683	10,303	55.2%
Basement				3,129,711	930	2,047	11.0%
Built Form				11,603,792	3,450	7,589	40.7%
Landscaping and Amenties				201,227	60	132	0.7%
Demolition				67,980	20	44	0.2%
Contingency				750,136	223	491	2.6%
Professional Fees				1,653,112	491	1,081	5.8%
Other				-	-	-	0.0%
Statutory Fees				143,208	43	94	0.5%
Miscellaneous				-	-	-	0.0%
Miscellaneous Costs 3				-	-	-	0.0%
Project Contingency (Reserve)				345,908	103	226	1.2%
Land Holding Costs				511,874	152	335	1.8%
Pre-Sale Commissions				253,672	75	166	0.9%
Finance Charges (inc. Fees)				75,842	23	50	0.3%
Interest Expense				1,607,346	478	1,051	5.6%
TOTAL COSTS (before GST reclaimed)				29,861,365	8,877	19,530	104.6%
Less GST reclaimed				(2,405,933)	715	1,574	-8.4%
Plus Corporate Tax				-	-	-	0.0%
TOTAL COSTS (after GST reclaimed)				**27,455,432**	**8,162**	**17,956**	**96.2%**

PERFORMANCE INDICATORS

			AUD Per GFA	AUD Per SqM of Site Area
1 **Net Development Profit**		**1,087,544**	323	711
3 **Development Margin (Profit/Risk Margin)**	Based on total costs (inc selling costs)	**3.80%**		
4 Residual Land Value	Based on Target Margin of 20% (Exclusive of GST)	5,078,675	1,510	3,322
5 **Net Present Value**	Based on Discount Rate of 18% p.a. Effective	**(2,782,822)**		
6 Benefit Cost Ratio		0.8656		
7 **Project Internal Rate of Return (IRR)**	Per annum Effective	**7.20%**		
8 Residual Land Value	Based on NPV (Exclusive of GST)	5,476,304	1,628	3,582
Equity IRR	Per annum Effective	5.73%		
Equity Contribution		5,481,234		
Peak Debt Exposure		22,260,564		
Equity to Debt Ratio		25.30%		
9 Weighted Average Cost of Capital (WACC)		9.90%		
10 Breakeven Date for Cumulative Cash Flow	Month 37	Jul-2018		

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

EstateMaster DF DEVELOPMENT FEASIBILITY

St Leonards South

Site B: FSR 2:1

FSR 2:1

Hill PDA Independent Property Consulting

Time Span:	Jun-15 to Sep-18	**Project Size:**	35. Apartments
Type:	Mixed Use		1 per 43.69 SqM of Site Area
Status:	Under Review	**Project Size:**	3,363.8 GFA
Site Area:	1,529. SqM		1 per 0.45 SqM of Site Area
FSR:	2:1	**Equated GFA:**	3,058.0 SqM

Estate Master Licensed to: HillPDA

RETURNS ON FUNDS INVESTED	**Developer's Equity**	**Loan 4 Debt** (Lender Name)	**Total Equity**	**Total Debt**
[1] Funds Invested (Cash Outlay)	5,481,234	21,668,994	5,481,234	21,668,994
% of Total Funds Invested	20.19%	79.81%	20.19%	79.81%
[2] Peak Exposure	5,481,234	22,260,564	5,481,234	22,260,564
Date of Peak Exposure	Jun-15	Jan-18	Jun-15	Jan-18
Month of Peak Exposure	Month 0	Month 31	Month 0	Month 31
Weighted Average Interest Rate	N.A.	7.35%	N.A.	7.35%
Interest Charged	-	1,607,346	-	1,607,346
Line Fees Charged	-	-	-	-
Application Fees Charged	-	-	-	-
Profit Share Received	-	-	-	-
[3] Total Profit to Funders	1,087,544	1,607,346	1,087,544	1,607,346
[4] Margin on Funds Invested	19.84%	7.42%	19.84%	7.42%
[5] Payback Date	Sep-18	Apr-18	Sep-18	Apr-18
Month of Payback	Month 39	Month 34	Month 39	Month 34
[6] IRR on Funds Invested	5.73%	7.60%	5.73%	7.60%
[7] Equity to Debt Ratio		25.30%		25.30%
[8] Loan to Value Ratio	16.76%	68.07%	16.76%	68.07%
[9] Loan Ratio	19.96% of Project & Finance Costs (inc Interest/Fees)	84.78% of Project & Finance Costs (inc Interest/Fees)	19.96% of Project & Finance Costs (inc Interest/Fees)	84.78% of Project & Finance Costs (inc Interest/Fees)

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.

Appendix I: SITE C FEASIBILITY

Development Feasibility Model

Estate Master Licensed to: HillPDA

Hill PDA

Independent Property Consulting

C14291

St Leonards South

Site C: FSR 2:1

FSR 2:1

Date of Report :	27-Feb-2015	**Project Size :**	37. Apartments
Time Span :	Jun-15 to Sep-18		1 per 44.51 SqM of Site Area
Type :	Mixed Use	**Project Size :**	3,623.4 GFA
Status :	Under Review		1 per 0.45 SqM of Site Area
Site Area :	1,647. SqM	**FSR :**	2:1
		Equated GFA :	3,294.0 SqM
Prepared By :	Report Prepared By	**Address :**	Address
Prepared For :	Report Prepared For		City/Suburb
Developer :	Enter Developer Name		State/County
			Country

Disclaimer

1.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.

2. 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.

Main Inputs for St Leonards South

Site C: FSR 2:1 - FSR 2:1

Estate Master Licensed to: HillPDA

Version 5.32 February 2015

Hill PDA
Independent Property Consulting

Preliminary

Cash Flow Title	**Site C: FSR 2:1**	Description of Option/Stage	FSR 2:1
Date of First Period:	Jun-2015		
Cash Flow Rest Period:	Monthly		
Enter Project Size (a)	37.0	Apartments	
Enter Project Size (b)	3,623.4	GFA	
Enter Site Area	1,647.0	SqM	Floor Space Ratio 2 :1

Equated Gross Floor Area= 3,294.0 SqM

Type	Mixed Use
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: 10.00%

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: 8,159,750

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%	815,975	-	1	1	Jul-15 - Jul-15		815,975	897,573	897,573
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%		7,343,775	3	1	Sep-15 - Sep-15		7,343,775	8,078,153	8,078,153
1008	-	Stamp Duty ¹	NSW		568,791	1	1	Jul-15 - Jul-15	(Stamp Duty calculated on Land Value of 8,975,725 inc. GST) Stamp Duty	568,791	568,791	568,791
		Interest on Deposit in Trust Account	0.00%	Interest from deposit shared between parties								
		Profit Share to Land Owner	0.00%	Paid progressively as project makes a profit.					**TOTAL**	8,728,541	9,544,516	9,544,516

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	-	Due Diligence	0.50%	40,799	-	I	-	Jul-15 - Sep-15	Y		40,799	44,879	44,879
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	40,799	44,879	44,879

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		Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
	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%
SUB	Basement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
EMW	Enabling INfrastructure	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
BUI	Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
LSA	Landscaping and Amenties	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%
	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs 3	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%

Main Inputs for St Leonards South

Site C: FSR 2:1 - FSR 2:1

Code	Item	Amount	And / Or	%	Basis	TOTAL
2000	Project Contingency	-	And / Or	2.00%	of Construction, Professional (exc Development Management), Other, Statutory Fees, Miscellaneous, Miscellaneous Costs 3	370,942

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	-	Design and approval	2.00%	-	-	-	-	1	12	Jul-15 - Jun-16	n	Do not escalate if %	307,126	307,126	307,126
3002	-	Consultants	6.00%	-	-	-	-	c	-	Dec-15 - Jan-18	n		921,379	921,379	921,379
3003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
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		-	-	-
3010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3011	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3012	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3013	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3014	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
3015	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')							
3099	-	Development Management	2.00%	% of Project Costs (inc Land but exc Finance & Tax)			-	C	-	Dec-15 - Jan-18	n		532,240	532,240	532,240
				² Dev Mgmt Fee: Pro-rata with Construction ('C'), Settlements ('S'), Project Costs inc Land ('P1') or exc Land ('P2')								Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	1,760,745	1,760,745	1,760,745

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	-	Construction	BUI	3,623	3,000	e	s	18	14	Dec-16 - Jan-18	y	RLB 2014 Over up to 10 sotrey	10,870,200	11,957,220	12,499,311
4002	-	Basement Parking - units (1.5 per unit)	SUB	56	41,475	e	s	18	14	Dec-16 - Jan-18	Y	RLB Basement CBD Mid point	2,301,863	2,532,049	2,646,841
4003	-	Landscaping & Amenities	LSA	37	5,000	e	s	18	14	Dec-16 - Jan-18	Y	Allowance	185,000	203,500	212,726
4004	-	Demolition	-	1	60,000	e	s	6	6	Dec-15 - May-16	Y	we have assumed $20k for 3 hous	60,000	66,000	66,983
4005	-	Vistors car parking (1per 4 dwellings)	-	14	41,475	e	-	18	14	Dec-16 - Jan-18	Y		575,466	633,012	661,710
4006	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4007	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4008	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4009	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4010	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4011	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4012	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4013	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4014	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4015	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4016	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4017	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4018	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4019	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
4025	-	.	-	-	-	-	-	0	-	-	Y		-	-	-
		¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)										Manual Input (refer to Cash Flow)	-	-	-
4099		Construction Contingency		-	And / Or	5.00%	of Construction Costs (inc GST)					Construction Contingency	699,626	769,589	804,379
												TOTAL	14,692,155	16,161,370	16,891,949

Main Inputs for St Leonards South

Site C: FSR 2:1 - FSR 2:1

5000 Other

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	-	.	-	-	-	-			-	N		-	-	-
5002	-	.	-	-	-	-	0	-	-	N		-	-	-
5003	-	.	-	-	-	-	0	-	-	N		-	-	-
5004	-	.	-	-	-	-	0	-	-	N		-	-	-
5005	-	.	-	-	-	-	0	-	-	N		-	-	-
5006	-	.	-	-	-	-	0	-	-	N		-	-	-
5007	-	.	-	-	-	-	0	-	-	N		-	-	-
5008	-	.	-	-	-	-	0	-	-	N		-	-	-
5009	-	.	-	-	-	-	0	-	-	N		-	-	-
5010	-	.	-	-	-	-	0	-	-	N		-	-	-
5011	-	.	-	-	-	-	0	-	-	N		-	-	-
5012	-	.	-	-	-	-	0	-	-	N		-	-	-
5013	-	.	-	-	-	-	0	-	-	N		-	-	-
5014	-	.	-	-	-	-	0	-	-	N		-	-	-
5015	-	.	-	-	-	-	0	-	-	N		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	-	-	-

6000 Statutory Fees

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	-	1% of construction cost Sect 94a	1.00%	-	-	-	-	12	1	Jun-16 - Jun-16	n		153,563	153,563	153,563
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
												Manual Input (refer to Cash Flow)	-	-	-
												TOTAL	153,563	153,563	153,563

[1] Based on net costs.

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

6000 Miscellaneous

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%	-	-	-	-	c	-	Dec-15 - Jan-18	n		-	-	-
6002	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6003	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6004	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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 3

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		-	-	-
6006	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	Y		-	-	-
6010	-	.	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')

Main Inputs for St Leonards South

Site C: FSR 2:1 - FSR 2:1

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 Span²	Cash Flow Period	Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
7001	-	Land Tax	1	114,232	Y	-	0	ds	Jun-15 - Jul-18	n		114,232	114,232	352,866
7002	-	Council Rates & Taxes	1	14,279	Q	-	0	ds	Jun-15 - Jul-18	n		57,116	57,116	163,401
7003	-	.	-	-	M	-	0	-	-	Y		-	-	-
7004	-	.	-	-	M	-	0	-	-	Y		-	-	-
7005	-	.	-	-	M	-	0	-	-	Y		-	-	-
7006	-	.	-	-	M	-	0	-	-	Y		-	-	-
7007	-	.	-	-	M	-	0	-	-	Y		-	-	-
7008	-	.	-	-	M	-	0	-	-	Y		-	-	-
7009	-	.	-	-	M	-	0	-	-	Y		-	-	-
7010	-	.	-	-	M	-	0	-	-	Y		-	-	-
7011	-	.	-	-	M	-	0	-	-	Y		-	-	-
7012	-	.	-	-	M	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	171,348	171,348	516,267

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	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
RS1	Residential - 1 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS2	Residential - 2 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RS3	Residential - 3 Bedroom Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RDD	Detached Dwelllings Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RTH	Townhouse Lots	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
COM	Commerical Office	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RET	Retail Shops	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
IND	Industrial Units	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
STW	Storage & Warehousing	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RES	Apartments	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

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

Code		Sales Commission (To be entered Exclusive of GST)	Sales Comm¹	% of Comm. Pre-sales²	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	3.00%	50.00%	0.00%	y		-	-	-
8002	RS2	Residential - 2 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8003	RS3	Residential - 3 Bedroom Units	3.00%	50.00%	0.00%	Y		-	-	-
8004	RDD	Detached Dwelllings Lots	3.00%	50.00%	0.00%	Y		-	-	-
8005	RTH	Townhouse Lots	3.00%	50.00%	0.00%	Y		-	-	-
8006	COM	Commerical Office	3.00%	50.00%	0.00%	Y		-	-	-
8007	RET	Retail Shops	3.00%	50.00%	0.00%	Y		-	-	-
8008	IND	Industrial Units	3.00%	50.00%	0.00%	Y		-	-	-
8009	STW	Storage & Warehousing	3.00%	50.00%	0.00%	Y		-	-	-
8010	RES	Apartments	3.00%	50.00%	0.00%	Y		978,075	1,075,883	1,161,710
							TOTAL	978,075	1,075,883	1,161,710

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	3.00%
% of Interest retained by Developer upon settlement	50.00%

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	-	Sales and marketing	1.00%	-	-	-	e		Dec-15 - Nov-16	y		326,025	358,628	387,237
8102	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8103	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8104	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8105	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8106	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8107	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8108	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8109	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8110	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8111	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
											TOTAL	326,025	358,628	387,237

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

Main Inputs for St Leonards South

Site C: FSR 2:1 - FSR 2:1

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	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8202	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8203	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8204	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8205	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8206	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8207	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8208	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8209	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8210	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
8211	-	.	0.00%	-	-	-	0	-	-	Y		-	-	-
											Manual Input (refer to Cash Flow)	-	-	-
							Pro-rata with Rental Income ('R')				TOTAL	-	-	-

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	-	Apartments	-	1,449	11,000	Per SqM	6	12	32	2	Feb-18 - Mar-18	120.75	Y	RES		14,490,000	15,939,000	16,550,546
9002	-	Apartments	-	1,449	11,500	Per SqM	0	-	32	6	Feb-18 - Jul-18	241.50	Y	RES		15,148,636	16,663,500	18,652,792
9003	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9004	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9005	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9006	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9007	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9008	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9009	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9010	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9011	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9012	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9013	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9014	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9015	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9016	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9017	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9018	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9019	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
9020	-	.	-	-	-	Per Unit	0	-	0	-	-	-	Y	-		-	-	-
															Capitalised Sales (refer to Tenants)	-	-	-
															Manual Input (refer to Cash Flow)	-	-	-
															TOTAL	29,638,636	32,602,500	35,203,338

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		-	-	-
9106	-	.	-	-	-	0	-	-	Y		-	-	-
9107	-	.	-	-	-	0	-	-	Y		-	-	-
9108	-	.	-	-	-	0	-	-	Y		-	-	-
9109	-	.	-	-	-	0	-	-	Y		-	-	-
9110	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	-	-	-

10000

Financing
(Advanced 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

Equity Notes: Equity is paying outstanding debt
Equity is repaid at project end.

Code	Item		Fixed Amount	Percentage			Opening Balances		Equity Totals
	Developer's Equity Contribution		Fixed Amount	Percentage			Opening Balances		Equity Totals
	Injected in total upfront.		-	20.00%	% of Net Cash Flow to be Funded			Developer's Injections	5,746,029
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%						

Loan 1

							Opening Balances		Loan 1 Totals
	Loan 1	Description	Lender Name	Debt			Opening Balances		Loan 1 Totals
	Facility Limit		Fixed Amount	Percentage					
	Drawn down in total at loan commencement.		-	0.00%	Fixed Amount			Drawdown	-
	Month Commencement	Manual	0	Jun-2015					
	Maturity Month	Auto	0	N.A.					
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid				
		Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 1		0.00%					Profit Split	-

Loan 2

							Opening Balances		Loan 2 Totals
	Loan 2	Description	Lender Name	Debt			Opening Balances		Loan 2 Totals
	Facility Limit		Fixed Amount	Percentage					
	Drawn down in total at loan commencement.		-	0.00%	Fixed Amount			Drawdown	-
	Month Commencement	Auto	0						
	Maturity Month	Auto	0	N.A.					
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid				
		Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 2		0.00%					Profit Split	-

Loan 3

							Opening Balances		Loan 3 Totals
	Loan 3	Description	Lender Name	Debt			Opening Balances		Loan 3 Totals
	Facility Limit		Fixed Amount	Percentage					
	Drawn down in total at loan commencement.		-	0.00%	Fixed Amount			Drawdown	-
	Month Commencement	Auto	0						
	Maturity Month	Auto	0	N.A.					
10004	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			-	Interest Charged	-
10005	Fees		Amount	Percentage	Month Paid				
		Application Fee	-	0.00%	0		-	Application Fees	-
		Line Fee	-	0.00%			-	Line Fees	-
	Profit Split to Lender 3		0.00%					Profit Split	-

Main Inputs for St Leonards South

Site C: FSR 2:1 - FSR 2:1

Loan 4 | Description | Lender Name | Debt

Loan 4 Notes: Loan 4 is being used as an overdraft facility.

	No Limit (use as overdraft facility)	-	
10007	Interest Rate	7.35%	per annum Nominal - Capitalised (Compounded)
	Maintain Leverage on Loan 4	0.00%	% of Future Positive Net Cash Flows

Code	Fees	Amount	Percentage	Month Paid
10008	Application Fee	-	0.00%	0
	Line Fee	-	0.00%	

	Opening Balances	Loan 4 Totals
Drawdown		22,708,588
Interest Charged	-	1,634,344
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	-	Establishment Fees	1	79,481	-	18	1	Dec-16 - Dec-16	n		79,481	79,481	79,481
10010	-	.	-	-	-	0	-	-	Y		-	-	-
10011	-	.	-	-	-	0	-	-	Y		-	-	-
10012	-	.	-	-	-	0	-	-	Y		-	-	-
10013	-	.	-	-	-	0	-	-	Y		-	-	-
10014	-	.	-	-	-	0	-	-	Y		-	-	-
10015	-	.	-	-	-	0	-	-	Y		-	-	-
10016	-	.	-	-	-	0	-	-	Y		-	-	-
10017	-	.	-	-	-	0	-	-	Y		-	-	-
10018	-	.	-	-	-	0	-	-	Y		-	-	-
										Manual Input (refer to Cash Flow)	-	-	-
										TOTAL	79,481	79,481	79,481

Project Hurdle Rates

Project Discount Rate (target IRR)	18.00%	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	20.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	20.00%	

Summary of Project Returns

EstateMaster DF DEVELOPMENT FEASIBILITY

St Leonards South

Site C: FSR 2:1

FSR 2:1

Hill PDA Independent Property Consulting

Time Span:	Jun-15 to Sep-18	**Project Size:**	37. Apartments
			1 per 44.51 SqM of Site Area
Type:	Mixed Use		
Status:	Under Review	**Project Size:**	3,623.4 GFA
Site Area:	1,647. SqM		1 per 0.45 SqM of Site Area
FSR:	2:1	**Equated GFA:**	3,294.0 SqM

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	Quantity	SqM	AUD/Quantity	AUD Total	GFA	SqM of Site Area	Total Net Revenue
REVENUE							
	Quantity	SqM	AUD/Quantity	AUD			
Gross Sales Revenue	-	2,898.00	-	35,203,338	9,716	21,374	114.6%
Apartments	-	2,898.00	-	35,203,338			
Less Selling Costs				(1,275,863)	352	775	-4.2%
NET SALES REVENUE				33,927,475	9,363	20,600	110.4%
Interest Received				-	-	-	0.0%
Other Income				-	-	-	0.0%
TOTAL REVENUE (before GST paid)				33,927,475	9,363	20,600	110.4%
Less GST paid on all Revenue				(3,200,303)	883	1,943	-10.4%
TOTAL REVENUE (after GST paid)				**30,727,172**	**8,480**	**18,656**	**100.0%**
COSTS							
Land Purchase Cost				8,975,725	2,477	5,450	29.2%
Land Acquisition Costs				613,669	169	373	2.0%
Construction Costs (inc. Contingency)				16,891,949	4,662	10,256	55.0%
Basement				2,646,841	730	1,607	8.6%
Built Form				12,499,311	3,450	7,589	40.7%
Landscaping and Amenties				212,726	59	129	0.7%
Other Construction Costs				728,693	201	442	2.4%
Contingency				804,379	222	488	2.6%
Professional Fees				1,760,745	486	1,069	5.7%
Other				-	-	-	0.0%
Statutory Fees				153,563	42	93	0.5%
Miscellaneous				-	-	-	0.0%
Miscellaneous Costs 3				-	-	-	0.0%
Project Contingency (Reserve)				370,942	102	225	1.2%
Land Holding Costs				516,267	142	313	1.7%
Pre-Sale Commissions				273,084	75	166	0.9%
Finance Charges (inc. Fees)				79,481	22	48	0.3%
Interest Expense				1,634,344	451	992	5.3%
TOTAL COSTS (before GST reclaimed)				31,269,770	8,630	18,986	101.8%
Less GST reclaimed				(2,527,709)	698	1,535	-8.2%
Plus Corporate Tax				-	-	-	0.0%
TOTAL COSTS (after GST reclaimed)				**28,742,061**	**7,932**	**17,451**	**93.5%**

PERFORMANCE INDICATORS

			AUD Per GFA	AUD Per SqM of Site Area
1 **Net Development Profit**		**1,985,111**	548	1,205
3 **Development Margin (Profit/Risk Margin)**	Based on total costs (inc selling costs)	**6.61%**		
4 Residual Land Value	Based on Target Margin of 20% (Exclusive of GST)	5,544,826	1,530	3,367
5 **Net Present Value**	Based on Discount Rate of 18% p.a. Effective	**(2,338,514)**		
6 Benefit Cost Ratio		0.8919		
7 **Project Internal Rate of Return (IRR)**	Per annum Effective	**9.27%**		
8 Residual Land Value	Based on NPV (Exclusive of GST)	5,955,827	1,644	3,616
Equity IRR	Per annum Effective	9.56%		
Equity Contribution		5,746,029		
Peak Debt Exposure		23,317,432		
Equity to Debt Ratio		25.30%		
9 Weighted Average Cost of Capital (WACC)		9.90%		
10 Breakeven Date for Cumulative Cash Flow	Month 37	Jul-2018		

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

EstateMaster
DF DEVELOPMENT FEASIBILITY

St Leonards South

Site C: FSR 2:1

FSR 2:1

Hill PDA
Independent Property Consulting

Time Span:	Jun-15 to Sep-18	**Project Size:**	37. Apartments
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Estate Master Licensed to: HillPDA

RETURNS ON FUNDS INVESTED	Developer's Equity	Loan 4 Debt (Lender Name)	Total Equity	Total Debt
[1] Funds Invested (Cash Outlay)	5,746,029	22,708,588	5,746,029	22,708,588
% of Total Funds Invested	20.19%	79.81%	20.19%	79.81%
[2] Peak Exposure	5,746,029	23,317,432	5,746,029	23,317,432
Date of Peak Exposure	Jun-15	Jan-18	Jun-15	Jan-18
Month of Peak Exposure	Month 0	Month 31	Month 0	Month 31
Weighted Average Interest Rate	N.A.	7.35%	N.A.	7.35%
Interest Charged	-	1,634,344	-	1,634,344
Line Fees Charged	-	-	-	-
Application Fees Charged	-	-	-	-
Profit Share Received	-	-	-	-
[3] Total Profit to Funders	1,985,111	1,634,344	1,985,111	1,634,344
[4] Margin on Funds Invested	34.55%	7.20%	34.55%	7.20%
[5] Payback Date	Sep-18	Apr-18	Sep-18	Apr-18
Month of Payback	Month 39	Month 34	Month 39	Month 34
[6] IRR on Funds Invested	9.56%	7.60%	9.56%	7.60%
[7] Equity to Debt Ratio		25.30%		25.30%
[8] Loan to Value Ratio	16.32%	66.24%	16.32%	66.24%
[9] Loan Ratio	19.99%	84.69%	19.99%	84.69%
	of Project & Finance Costs (inc Interest/Fees	of Project & Finance Costs (inc Interest/Fees	of Project & Finance Costs (inc Interest/Fees	of Project & Finance Costs (inc Interest/Fees

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.

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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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