Schedule 9

Financial Model

KEW - Financial Model Summary

360 Lot Housing and Apartment Scheme - OCTOBER 2006

YIELD		
Houses	201	
Apartments	159	
KRS Dwellings	20	**380**
REVENUE		
Houses	224,162	
Apartments	154,875	
GROSS REVENUE	**379,037**	**379,037**
GST	29,912	
Land	43,920	
NET REVENUE	**305,205**	**305,205**
GENERAL SCHEME		
Masterplanning / Acquisition	1,000	
Site Accommodation	809	
Services Relocation	710	
Demolition	3,129	
Remediation	4,074	
KRS Dwellings	2,100	
Recreation Centre	3,240	
HV Cable Undergrounding	2,760	
Heritage Core	3,092	
Hutchinson Drive Water Main	195	**21,109**
DEVELOPMENT COSTS		
Infrastructure		
Civil Works		
Construction	12,692	
Authority	1,124	
Council	234	
Retaining walls	2,766	
Site clearing & vegatation removal	50	**16,866**
Landscaping		
Streetscapes	1,561	
Parks	5,454	
WSUD Allowance	1,089	
Memorials & Oak Walk	175	
Landscape Maintenance	650	**8,949**
Construction		
Houses		
Construction	89,994	
KRS Retrofit	600	
Builders defects	142	**90,736**
Apartments		
Construction	66,165	
Basement	10,850	**77,015**
Contingency	5,807	**5,807**
CONSULTANTS		
Architects	6,884	
Consultants	6,532	**13,416**
STATUTORY	1,084	**1,084**
SALARIES	5,303	**5,303**
MARKETING & SALES		
Promotion & Advertising	5,400	
Sales Commission	3,790	
Conveyancing	271	**9,461**
DEVELOPMENT COSTS TOTAL	**249,746**	**249,746**
FINANCE	15,077	**15,077**
PROJECT MANAGEMENT & OVERHEADS FEE @ 2.00%	4,995	**4,995**
PROJECT COSTS TOTAL	**269,818**	**269,818**
PROFIT		***$35,387***
RETURN ON COST		***13.12%***
IRR %		***23.56%***

KEW - Financial Model Assumptions

360 Lot Housing and Apartment Scheme - OCTOBER 2006

REVENUE

Housing - Stage 1	**Price per sqm**	**Average Sale Price**
Type A (334 sqm)	$3,950 /sqm	$1,319,300
Type B (264 sqm)	$3,919 /sqm	$1,034,800
Type C (228 sqm)	$4,246 /sqm	$968,200
Type E (277 sqm)	$4,458 /sqm	$1,235,000
Custom (280 sqm)	$4,598 /sqm	$1,287,500

Housing - Balance of Site	**Price per sqm**	**Average Sale Price**
10m (Rear Garage - 220 sqm)	$4,500 /sqm	$990,000
13m (Rear Garage Corner - 250 sqm)	$4,500 /sqm	$1,125,000
13m (Front Garage - 250 sqm)	$4,500 /sqm	$1,125,000
15m (Front Garage Corner - 280 sqm)	$4,500 /sqm	$1,260,000
Custom (280 sqm)	$4,643 /sqm	$1,300,000

Apartments	**Price per sqm**	**Average Sale Price**
River Arc - 3 Bed - 136 sqm	$7,407 /sqm	$1,000,000
City View - 2 Bed - 120 sqm	$7,500 /sqm	$900,000
City View - 3 Bed - 135 sqm	$7,500 /sqm	$1,012,500

COSTS

Land

Present value of land payments (NPV)	$30,979,157
Total of land payments over project life	$43,920,000
Total Lots (excluding 20 KRS houses)	360
Payment per lot on settlement	$122,000

Civil

Based on current PFJ budget	$14,050,000
Additional allowance for retaining walls & benching ($12,500 per lot)	$2,766,000

Landscaping (Parks & Streetscapes)

Based on current MDG budget	$7,210,000
Additional allowance for WSUD (Bioretention in public areas)	$1,089,000
Landscape maintenance allowance	$650,000

Construction Cost

Housing - Stage 1	**Construction Cost per sqm**	**Construction Cost**
Type A (334 sqm)	$1,800 /sqm	$601,200
Type B (264 sqm)	$1,800 /sqm	$475,200
Type C (228 sqm)	$1,800 /sqm	$410,400
Type E (277 sqm)	$1,800 /sqm	$498,600
Custom (280 sqm)	$1,800 /sqm	$504,000

Housing - Balance of Site	**Construction Cost per sqm**	**Construction Cost**
10m (Rear Garage - 220 sqm)	$1,800 /sqm	$396,000
13m (Rear Garage Corner - 250 sqm)	$1,800 /sqm	$450,000
13m (Front Garage - 250 sqm)	$1,800 /sqm	$450,000
15m (Front Garage Corner - 280 sqm)	$1,800 /sqm	$504,000
Custom (280 sqm)	$1,800 /sqm	$504,000

Apartments	**Construction Cost per sqm**
River Arc Building	$2,500 /sqm
River Arc Basement	$800 /sqm
City View Building	$2,700 /sqm
City View Basement	$1,000 /sqm

Note: Construction costs include site preliminaries and supervisors. The rates are based on net living area within external walls excluding garage, balconies, courtyards & service courts

Consultants

Architects	Housing	$15,000 per lot
	Apartments	4.50% of construction cost
Other Consultants	Housing	3.00% of construction cost
	Apartments	3.50% of construction cost

Statutory

No allowance for; land tax, stamp duty or council rates

Salaries (100% attributable to project)

Allowance made for:

1 x Development Manager	$150,000
1 x Construction Manager	$185,000
1 x Cost Planner	$130,000
1 x Senior Estimator	$100,000
1 x Junior Estimator	$70,000
1 x Marketing Manager	$120,000
Total Annual Cost	**$755,000**
Project management fees to end March 06	$266,750
Total Cost (61 months)	*$5,303,000*
Construction cost incl contingency	*$199,373,000*
% Construction Costs	***2.66%***

Poject Management and Overheads Fee (not 100% attributable to project)

	Project Cost	$249,746,000
PM & O/H Fee	**2.00%**	**$4,994,920**

KEW - Financial Model Assumptions

360 Lot Housing and Apartment Scheme - OCTOBER 2006

Marketing & Selling

Marketing

Advertising, and Marketing	(includes allowance for an information centre in Stage 1 and running 2 display homes for the balance of site)	$15,000 per lot

Selling

1 x Sales Consultant	(includes allowance made for conjunctional sales and 1 x sales assistant)	1.00% of gross revenue
Conveyancing Fee		$1,000 per lot

GST

All project costs are GST exclusive. GST liability is based on the margin scheme calculation with a land value of $50m as at June 2000

Finance

Debt : Equity	100% debt
Interest rate	8% per annum

General

Project Contingency		3.00% of the total civil, housing & apartment construction cost
Construction rate	Housing - Stage 1	12 starts per month
	Housing - Balance of site	6 starts per month (40 week build time)
	Apartments - Balance of site	
	River Arc Buildings	12 months per pair of buildings
	City View Buildings	18 months

Gereral Scheme - Costs spread across all stages

Item	Revenue	Costs	
Masterplanning (all consultants) & Bid Preparation / Acquisition		$1,000,000	
Site accommodation & office running costs		$809,000	
Services Relocation		$710,000	
Demolition		$3,129,000	
Remediation		$4,074,000	
KRS Houses	$10,900,000	$13,000,000	
Recreation Centre		$3,240,000	
HV Cable Undergrounding		$2,780,000	
Heritage Buildings		$3,092,000	
Hutchinson Drive Water Main		$195,000	
Total	**$10,900,000**	**$32,009,000**	***Net Cost*** ***$21,109,000***

KEW - Financial Model Detail

General Scheme

ITEM	MASTER PLANNING / ACQUISITION	SITE ACCOMM	SERVICES RELOCATION	DEMOLITION	REMEDIATION	KRS DWELLINGS	RECREATION CENTRE	HV CABLE U/GROUNDING	HERITAGE CORE	HUTCHINSON DRIVE WATER MAIN	TOTAL
REVENUE											
KRS Houses	0	0	0	0	0	10,900	0	0	0	0	10,900
TOTAL REVENUE	**$0**	**$0**	**$0**	**$0**	**$0**	**$10,900**	**$0**	**$0**	**$0**	**$0**	**$10,900**
COSTS											
Infrastructure											
Civil Works											
Construction											0
Authority											0
Council											0
Retaining walls											0
Landscaping											
Streetscapes											
Parks											0
WSUD Allowance											0
Construction		789	650	3,089	4,074	13,000	3,000	2,400	3,042	170	30,214
CONTINGENCY								240			240
CONSULTANTS											
Architects	600	10					200		40		850
Consultants	400		50	20			30	100		20	620
STATUTORY		10	10	20			10	20	10	5	85
TOTAL COSTS	**$1,000**	**$809**	**$710**	**$3,129**	**$4,074**	**$13,000**	**$3,240**	**$2,760**	**$3,092**	**$195**	**$32,009**
NET PROJECT COST	**-$1,000**	**-$809**	**-$710**	**-$3,129**	**-$4,074**	**-$2,100**	**-$3,240**	**-$2,760**	**-$3,092**	**-$195**	**-$21,109**

KEW - Financial Model Detail

Development Stages

STAGE	1	2	3	4	5	6	7	8	9	10	TOTAL
REVENUE											
Houses	87,427	23,935	19,865	14,130	25,285	21,105	21,730	19,705	10,980	0	224,162
Apartments	0	12,000	12,000	12,000	12,000	12,000	18,000	6,000	0	76,875	154,875
GROSS REVENUE	**$87,427**	**$35,935**	**$31,865**	**$26,130**	**$37,285**	**$33,105**	**$39,730**	**$25,705**	**$10,980**	**$76,875**	**$379,037**
LAND	$7,198	$4,026	$3,538	$3,172	$4,392	$3,782	$4,636	$2,806	$1,220	$9,150	43,920
GST	5,385	2,850	2,531	2,047	2,935	2,618	3,132	2,046	872	5,496	23,912
NET REVENUE	**$54,844**	**$29,059**	**$25,796**	**$20,911**	**$29,958**	**$26,705**	**$31,962**	**$20,853**	**$8,888**	**$56,229**	**$305,205**
DEVELOPMENT COSTS											
Infrastructure											
Civil Works											
Construction	3,723	1,326	1,074	884	1,516	1,200	1,263	1,074	632	0	12,692
Authority	336	118	95	78	134	106	112	95	56	0	1,124
Council	69	24	20	16	28	22	23	20	12	0	234
Retaining walls	812	289	234	193	330	261	275	234	138	0	2,766
Site cleaning & vegatation removal	0	0	0	0	0	0	0	0	0	50	50
Landscaping											
Streetscapes	464	165	134	110	189	149	157	134	79	0	1,581
Parks	1,601	570	461	380	651	516	543	461	271	0	5,454
WSUD Allowance	320	114	92	76	130	103	108	92	54	0	1,089
Memorials & Oak Walk	0	0	0	175	0	0	0	0	0	0	175
Landscape Maintenance	191	68	55	45	78	61	65	55	32	0	650
Construction											
Houses											
Construction	27,444	9,558	7,866	5,652	10,098	8,442	8,676	7,866	4,392	0	89,094
KRS Retrofit	600	0	0	0	0	0	0	0	0	0	600
Builders defects	43	12	12	10	17	14	15	12	7	0	142
Apartments											
Construction	0	5,100	5,100	5,100	5,100	5,100	7,650	2,550	0	30,465	66,165
Basement	0	800	800	800	800	800	1,200	400	0	5,250	10,850
Contingency	1,068	544	478	408	572	503	603	390	170	1,073	5,807
CONSULTANTS											
Architects	1,235	581	521	476	626	551	698	368	150	1,658	6,884
Other Consultants	1,467	581	493	418	589	518	621	401	175	1,289	6,532
STATUTORY	176	107	97	89	115	102	120	81	46	151	1,084
SALARIES	975	497	437	370	523	450	550	356	155	980	5,303
MARKETING & SALES											
Promotion & Advertising	885	495	435	390	540	465	570	345	150	1,125	5,400
Sales Commission	674	359	319	261	373	331	397	257	110	709	3,790
Conveyancing	44	25	22	20	27	23	29	17	8	56	271
TOTAL DEVELOPMENT COSTS	**$42,121**	**$21,313**	**$18,745**	**$15,949**	**$22,436**	**$19,727**	**$23,875**	**$15,228**	**$6,637**	**$42,806**	**$228,637**