

24 October 2018

Mr George Revay
Platino Properties
c/o Lord Sixty Seven Pty Ltd
Suite 11, Level 2
20 Young Street
NEUTRAL BAY NSW 2089

Dear George,

RE: PLANNING PROPOSAL OF 67-75 LORDS ROAD, LEICHHARDT NSW 2040

We are advised that Lord Sixty Seven Pty Ltd intend to submit a Planning Proposal for the above site seeking changed planning controls to allow for re-development of the site into a mixed-use project accommodating circa 235 dwellings and 3,000m² of saleable employment/community floorspace (as per the concept scheme submitted in support of the application).

We are advised that as part of the Planning Proposal process an Out of Sequence Checklist is required by the Parramatta Road Corridor Urban Transformation Strategy ("PRCUTS"), and this in turn requires the applicant to address Criteria 5, feasibility criteria, as follows:

"The planning proposal demonstrates a land use and development scenario that demonstrates economic feasibility with regard to the likely costs of infrastructure and the proposed funding arrangements available for the precinct or Frame Area"

We have been instructed by Lord Sixty Seven Pty Ltd to assess whether the subject reasonably satisfies the above criteria.

To assist in our assessment, we have been provided with the following information:

- Proposed planning control maps
- Draft site-specific Development Control Plan dated September 2018
- Urban Design Report dated October 2018
- Details of the concept scheme under the proposed controls
- Estimated Infrastructure Charges of:
 - Local Council Infrastructure Contributions - \$3,863,000
 - State Infrastructure Contributions - \$4,129,000

Based on the above information, we have undertaken a high-level feasibility analysis of the proposed redevelopment. We comment that the proposal is at the very early stages of the development lifecycle and as such, our feasibility assessment is decidedly subjective and based upon numerous assumptions. Where possible we have verified these costs against industry benchmarks however, in some instances it has been necessary to use our professional judgement in the absence of benchmarks or appropriate advice. Any party relying upon this advice needs understand that a “hypothetical” feasibility approach is a professional opinion and that the assumptions used are professional opinions only, based upon our experience with similar type development properties and subject to change over time.

Our analysis suggests that even with the noted infrastructure charges the project will return economically feasible return metrics (Profit and Risk and Internal Rate of Return) based upon our current understanding of the market and acceptable return metrics.

Should you have any further queries please do not hesitate to contact the undersigned.

Yours sincerely,



Andrew T Berwick
Associate Director
Valuation and Advisory



Christopher J Sutton
Divisional Director
(Counter-signatory only)