

320 THE TERRACE, WELLINGTON
Residential Redevelopment

CONCEPT ESTIMATE

for

VICTORIA UNIVERSITY OF WELLINGTON

Report Date: 29 May 2015

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GENERAL

Introduction

Rider Levett Bucknall (RLB) have been engaged to provide high level budget advice in the form of a concept estimate of the likely scale of costs required to enable the existing building located at 320 The Terrace, Wellington.

Based on preliminary advice provided in reports by Beca and following further discussion with Wareham Cameron and Co we were requested to indicate a likely range to re-establish the accommodation as typical moderate quality student units or higher quality private residential units.

We were not asked to consider additional costs that may be required to provide additional central support facilities such as kitchen and dining facilities; entertainment and leisure facilities; and/or study, teaching and administration facilities, if required.

We believe conversion to teaching and/or admin use would be very expensive compared to reuse as accommodation as there would be additional demolition costs; additional plant rooms and infrastructure works; and likely additional strengthening and compliance costs associated with change of use. We also question with limited ceiling heights for running likely new services what level of conversion would actually be possible.

Estimate Methodology

We have estimated the construction costs based on the extent of works indicated in the BECA reports based on building areas and areas of some specific elements and historical analysis of similar local strengthening and refurbishment projects including, but not limited to the Wellington City Council Housing Upgrade projects, VUW student accommodation projects and large building structural upgrade projects. Contingency provisions have been included for unknowns during design stages and construction stages and are at what we would consider the minimum levels considering the level of information currently available and current unknowns.

The budgets included for VUW Project Specific Costs are based on projects of similar scale and nature with the requirement to include all typical consultants required to design, monitor, manage and peer review proposed works; all likely consent costs required by local authorities; typical furniture, fittings and equipment required in residential accommodation; and sundry provisions for signage and specific client contingencies.

The option included for Private Residential adjustments assume the fitout and facilities will be required to have higher than previously allowed finishes and fittings with additional facilities such as provision of dishwashers, additional built-in storage, rubbish disposal chutes, etc. The adjustment also includes a notional credit for reduced FF&E costs on the basis that for private residential use no allowance would be required for beds, desks, sofas, etc. We note no specific requirements for this form of conversion have been established and the basis of title and ownership and any additional requirements of this are still to be determined, if this option is considered further.

CONCEPT ESTIMATE

Basis of Estimate

Our estimate has been prepared with reference to Beca Ltd reports titled 314 The Terrace - Building Services Condition Assessment - Services dated 8 May 2015 and 314 The Terrace - Building Structure Condition & Detailed Seismic Assessment report dated 28 May 2015.

We note the reports provided do not establish the specific requirements of new accommodation with respect the fitout in respect to finishes, fittings and fixtures, services, etc., though it is expected these would be within existing unit footprints and of the moderate standard required for student accommodation or private residential accommodation (not high end apartments).

Estimate Summary

Our estimate summary is as follows:

	Estimated Range	
Structural Upgrade Works	\$3.5m	\$5.5m
Building Upgrade Works	\$23.5m	\$28.0m
VUW Project Specific Costs	\$5.5m	\$7.0m
Total – Student Flat Accommodation	\$32.5m	\$40.50m
Option – Private Residential	\$2.0m	\$3.0m
Total – Private Residential Accommodation	\$34.5m	\$43.5m

Refer to the attached estimate for further details.

We note it is important to remember this is high level estimating advice and as such is subject to significant estimating tolerances that we would suggest could be in the order of +/- 20%.

Estimate Exclusions and Assumptions

Project Specific Exclusions

- Replacing and/or Upgrading Existing Foundations
- Other Building Refurbishment, Maintenance & Strengthening (Unknown)

General Exclusions

- Goods & Services Tax – GST
- Escalation Beyond May 2015
- Removal of Hazardous Materials (Unknown)
- Treatment of Contamination (Unknown)

Assumptions

- Units remain within existing unit footprints and numbers of bedrooms typically retained as existing.
- Fitouts would be similar to those required by Wellington City Council for residential housing and/or VUW for student flat accommodation.

**320 THE TERRACE - UPGRADE WORKS
CONCEPT ESTIMATE (MAY 2015)**

Estimate Summary

Rates current at May 2015

Zone	Level	Estimated Range	
		Low - Medium	Medium - High
A STRUCTURAL UPGRADE WORKS			
A1	Replacing/Upgrading Foundations	Excl.	Excl.
A2	Seismic Strengthening	2,250,000	3,500,000
A3	Concrete Remedial Works (SUM)	500,000	750,000
A4	Staging & Temporary Works (SUM)	250,000	500,000
A5	Contingency Provisions (15%min.)	500,000	750,000
A6	Escalation Provisions (4-5%p.a.)	Excl.	Excl.
		\$3,500,000	\$5,500,000
B BUILDING UPGRADE WORKS			
B1	Services Infrastructure Upgrades	1,500,000	2,500,000
B2	Facade Replacement	5,000,000	6,000,000
B3	Roofing & Waterproofing	Main Flat Roof Ok 350,000	450,000
B4	Flat Fitout Refurbishment	12,000,000	13,250,000
B5	External Works Upgrades (SUM)	550,000	750,000
B6	Asbestos Removal/Disposal (SUM)	350,000	550,000
B7	Staging & Temporary Works (SUM)	500,000	750,000
B8	Contingency Provisions (15%min.)	3,250,000	3,750,000
B9	Escalation Provisions (4-5%p.a.)	Excl.	Excl.
		\$23,500,000	\$28,000,000
C VUW PROJECT SPECIFIC COSTS			
C1	Consultant Fees & Expenses	Typical VUW Budget for Type and Scale of Project	5,500,000
C2	Consent Fees & Expenses		
C3	VUW Furniture & Fittings		
C4	VUW ITS Equipment & Services		
C5	VUW Signs, Sundry & Contingency		
		\$5,500,000	\$7,000,000
D PROJECT SPECIFIC EXCLUSIONS			
D1	Other Building Refurbishment	Excl.	Excl.
D2	Other Building Maintenance	Excl.	Excl.
D3	Other Building Strengthening	Excl.	Excl.
E GENERAL EXCLUSIONS			
E1	Goods & Services Tax - GST	Excl.	Excl.
E2	Escalation Beyond May 2015	Excl.	Excl.
E3	Removal of Hazardous Materials	Where Unknown Excl.	Excl.
E4	Treatment of Contamination	Where Unknown Excl.	Excl.
BASE - ESTIMATED TOTAL (Excluding GST)		\$32,500,000	\$40,500,000
F OPTION - PRIVATE RESIDENTIAL			
F1	Extra Fitout Costs	1,850,000	2,600,000
F2	Credit VUW Flat FF&E	(500,000)	(550,000)
F3	Extra Contingencies	275,000	375,000
F4	Extra Fees & Other	375,000	575,000
OPTION - ESTIMATED TOTAL (Excluding GST)		\$2,000,000	\$3,000,000