
06.04.2021

Department of Planning, Lands & Heritage
Locked Bag 2506
PERTH
WA 6001

Attention: State Development Assessment Unit

**PARENT LOT 500 (120) MARINE PARADE, COTTESLOE, WA
MIXED USE DEVELOPMENT MULTIPLE DWELLINGS & CAFE**

COST PLAN MARCH 2021

The Cost Plan for the proposed mixed-use development at 120 Marine Parade \$21,332,817 ex GST, is based on current construction rates. Construction commencement of 120 Marine Parade is not expected until the fourth quarter of 2021.

Despite the deletion of one floor and the roof terrace from the previous costing submitted in October 2020, costs have increased due to current and prevailing market conditions. Since mid-2020 we have experienced higher than normal escalation in building costs. The main reasons for these can be summarised below:

- A marked increase in building activity in the residential sector for new homes and substantial renovations due to incentives provided by the Government's HomeBuilder Scheme
- Shortage of building trades. Labour shortages due to travel restrictions applied to interstate and overseas workers due to COVID-19 pandemic.
- Building material shortages from overseas manufacturers
- Substantial infrastructure investment by Federal Government
- Increased activity in WA's mining, petroleum industries and mineral exploration

The attached Cost Plan has been prepared by a Chartered Quantity Surveyor with over 30 years' experience in the Perth Development/Construction Market, an employee of Dempsey Construction (WA) Pty Ltd.

Dempsey Construction (WA) Pty Ltd is a separate entity to Gary Dempsey Developments



John R Jones

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