

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST ANALYSIS FOR PROVISIONAL

REFERENCE: 15
STAND: Residential Development
CITY: Pretoria
SUBURB: Montana
COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 18 200

COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT: 1

COST OF STAND: R 3 100 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 0% R 3 100 000

AVERAGE UNITE SIZE PER TYPE:

Storey			
1	Full Title Stand	m2	240
1	2 Bed, Town House	m2	100
1	3 Bed, Town House	m2	140
2	3 Bed Duplex	m2	200
2	4 Bed Duplex	m2	480
1	2 Bed, Flats	m2	60
1	3 Bed, Flats	m2	80
2	2 Bed, Flats	m2	60
2	3 Bed, Flats	m2	80

MAXIMUM UNITE PER TYPE/STAND:

Storey			
1	Full Title Stand	No	30
1	2 Bed, Town House	No	73
1	3 Bed, Town House	No	52
2	3 Bed Duplex	No	73

2	4 Bed Duplex	No	0
1	2 Bed, Flats	No	121
1	3 Bed, Flats	No	91
2	2 Bed, Flats	No	243
2	3 Bed, Flats	No	182

PROPERTY ZONED FOR MAX UNITS:

No	40
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UNIT TYPE PROFIT ANALYSIS:

				Cost /Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R	1 732 231	R 2 280 000	R 547 769	30
2	1	2 Bed, Town Hous	R	843 958	R 1 160 000	R 316 042	73
3	1	3 Bed, Town Hous	R	1 179 281	R 1 624 000	R 444 719	52
4	2	3 Bed Duplex	R	1 618 464	R 2 320 000	R 701 536	73
5	2	4 Bed Duplex	R	726 261	R 5 568 000	R 4 841 739	0
6	1	2 Bed, Flats	R	497 698	R 630 000	R 132 302	121
7	1	3 Bed, Flats	R	662 422	R 840 000	R 177 578	91
8	2	2 Bed, Flats	R	478 762	R 630 000	R 151 238	243
9	2	3 Bed, Flats	R	637 174	R 840 000	R 202 826	182

PROJECT TYPE PROFIT ANALYSIS:

Reference				Cost /Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R	52 544 339	R 69 160 000	R 16 615 661	24%
2	1	2 Bed, Town Hous	R	61 440 162	R 84 448 000	R 23 007 838	27%
3	1	3 Bed, Town Hous	R	61 322 590	R 84 448 000	R 23 125 410	27%
4	2	3 Bed Duplex	R	117 824 158	R 168 896 000	R 51 071 842	30%
5	2	4 Bed Duplex	R	-	R -	R -	0%
6	1	2 Bed, Flats	R	60 387 389	R 76 440 000	R 16 052 611	21%
7	1	3 Bed, Flats	R	60 280 389	R 76 440 000	R 16 159 611	21%
8	2	2 Bed, Flats	R	116 179 619	R 152 880 000	R 36 700 381	24%
9	2	3 Bed, Flats	R	115 965 618	R 152 880 000	R 36 914 382	24%

BUILDING COST WAS ANALYSED ON

Medium BUILDING COST

THE UNIT SELL PRICE USED WAS BASED ON A

Average

PRICE FOR THE AREA

FROM THE ANALYSIS ABOVE THE MOST VIABLE DEVELOPMENT IS;

REF	Storey	Type	Cost	Sell Price	Profit
4	2	3 Bed Duplex	R 117 824 158	R 168 896 000	R 51 071 842

INPUT COST

Stand	R	3 100 000
VAT on Stand	R	465 000
Transfer Fees	R	40 887
Professional Fees	R	7 572 039
Development Cost	R	1 833 870
	R	13 011 795
Bond Cost for 70%	R	167 310
NHBRC Fee's	R	1 627 080
Construction Cost First Inputs	R	17 510 339
Sectional Title Register	R	72 720
Marketing	R	3 377 920
	R	22 755 369
TOTAL INPUT COST	R	35 767 164

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R	117 824 158
70% of Project Cost	R	82 476 911

Input Cost Required from Developer **R 35 347 247**

Actual Input Cost **R 35 767 164**

Difference between Required and Actual Input **R 419 917**

RETURN ON INVESTMENT (INPUTS) **143%**

RETURN ON INVESTMENT (INPUTS) Per Annum **57%**

PROJECT DURATION

PROJECT MANAGEMENT STAGES

Stage 1	4	Months
Stage 1	4	Months
Stage 1	4	Months
Stage 1 - 5	16	Months
Stage 1 - 5	16	Months
Stage 6	2	Months
Stage 6	2	Months
Stage 6	12	Months
Stage 6	2	Months
Stage 1 -7	30	Months
TOTAL	30	Months