

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST ANALYSIS FOR PROVISIONAL

REFERENCE: 25
STAND: Residential Development
CITY: Pretoria
SUBURB: Pretoria North
COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 2 500
COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT: 2
COST OF STAND: R 2 500 000
OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 30% R 1 750 000

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	4
1	2 Bed, Town House	No	10

1	3 Bed, Town House	No	0
2	3 Bed Duplex	No	10
2	4 Bed Duplex	No	0
1	2 Bed, Flats	No	17
1	3 Bed, Flats	No	13
2	2 Bed, Flats	No	33
2	3 Bed, Flats	No	25

PROPERTY ZONED FOR MAX UNITS:

No	20
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UNIT TYPE PROFIT ANALYSIS:

			Cost /Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 637 083	R 2 052 000	R 414 917	4
2	1	2 Bed, Town Ho	R 813 459	R 881 600	R 68 141	10
3	1	3 Bed, Town Ho	R 160 988	R 1 234 240	R 1 073 252	0
4	2	3 Bed Duplex	R 1 426 655	R 1 763 200	R 336 545	10
5	2	4 Bed Duplex	R 551 958	R 4 231 680	R 3 679 722	0
6	1	2 Bed, Flats	R 495 886	R 570 000	R 74 114	17
7	1	3 Bed, Flats	R 660 006	R 760 000	R 99 994	13
8	2	2 Bed, Flats	R 437 352	R 570 000	R 132 648	33
9	2	3 Bed, Flats	R 581 960	R 760 000	R 178 040	25

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost /Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 6 821 177	R 8 550 000	R 1 728 823	20%
2	1	2 Bed, Town Ho	R 8 134 593	R 8 816 000	R 681 407	8%
3	1	3 Bed, Town Ho	R -	R -	R -	0%
4	2	3 Bed Duplex	R 14 266 549	R 17 632 000	R 3 365 451	19%
5	2	4 Bed Duplex	R -	R -	R -	0%
6	1	2 Bed, Flats	R 8 264 769	R 9 500 000	R 1 235 231	13%
7	1	3 Bed, Flats	R 8 250 071	R 9 500 000	R 1 249 929	13%
8	2	2 Bed, Flats	R 14 578 394	R 19 000 000	R 4 421 606	23%
9	2	3 Bed, Flats	R 14 548 998	R 19 000 000	R 4 451 002	23%

BUILDING COST WAS ANALYSED ON

Standard

BUILDING COST

THE UNIT SELL PRICE USED WAS BASED ON A

Standard

PRICE FOR THE AREA

FROM THE ANALYSIS ABOVE THE MOST VIABLE DEVELOPMENT IS;

REF	Storey	Type	Cost	Sell Price	Profit
8	2	2 Bed, Flats	R 14 578 394	R 19 000 000	R 4 421 606

INPUT COST

Stand	R	1 750 000
VAT on Stand	R	262 500
Transfer Fees	R	29 474
Professional Fees	R	831 974
Development Cost	R	275 763
	R	3 149 712
Bond Cost for 70%	R	79 888
NHBRC Fee's	R	298 333
Construction Cost First Inputs	R	623 981
Sectional Title Register	R	37 200
Marketing	R	380 000
	R	1 419 402
TOTAL INPUT COST	R	4 569 113

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R	14 578 394
70% of Project Cost	R	10 204 876

Input Cost Required from Developer **R 4 373 518**

Actual Input Cost **R 4 569 113**

Difference between Required and Actual Input **R 195 595**

RETURN ON INVESTMENT (INPUTS) **97%**

RETURN ON INVESTMENT (INPUTS) Per Annum **58%**

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	4	Months
Stage 6	2	Months
Stage 1 - 7	20	Months
TOTAL	20	Months