

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 39
 STAND: Residential Development
 CITY: Pretoria
 SUBURB: Lynnwood Manor
 COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 2 060

COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT: 4

COST OF STAND: R 4 000 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 50% R 2 000 000

AVERAGE UNITE SIZE PER TYPE:

Storey			
1	Full Title Stand	m2	200
1	2 Bed, Town House	m2	110
1	3 Bed, Town House	m2	130
2	3 Bed Duplex	m2	140
2	4 Bed Duplex	m2	160
1	2 Bed, Flats	m2	60
1	3 Bed, Flats	m2	80
4	2 Bed, Flats	m2	60
4	3 Bed, Flats	m2	80

MAXIMUM UNITE PER TYPE/STAND:

Storey			
1	Full Title Stand	No	4
1	2 Bed, Town House	No	7
1	3 Bed, Town House	No	6
2	3 Bed Duplex	No	12
2	4 Bed Duplex	No	9
1	2 Bed, Flats	No	14
1	3 Bed, Flats	No	10
4	2 Bed, Flats	No	55
4	3 Bed, Flats	No	41

PROPERTY ZONED FOR MAX UNITS:

No 4.12

UNIT TYPE PROFIT ANALYSIS:

			Cost / Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 881 639	R 2 160 000	R 278 361	4
2	1	2 Bed, Town Hou	R 1 146 947	R 1 276 000	R 129 053	7
3	1	3 Bed, Town Hou	R 1 354 455	R 1 508 000	R 153 545	6
4	2	3 Bed Duplex	R 1 274 561	R 1 624 000	R 349 439	12
5	2	4 Bed Duplex	R 1 482 069	R 1 856 000	R 373 931	9
6	1	2 Bed, Flats	R 617 239	R 630 000	R 12 761	14
7	1	3 Bed, Flats	R 821 810	R 840 000	R 18 190	10
8	4	2 Bed, Flats	R 499 179	R 630 000	R 130 821	55
9	4	3 Bed, Flats	R 664 397	R 840 000	R 175 603	41

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost / Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 7 752 353	R 8 899 200	R 1 146 847	13%
2	1	2 Bed, Town Hou	R 8 591 677	R 9 558 400	R 966 723	10%
3	1	3 Bed, Town Hou	R 8 585 163	R 9 558 400	R 973 237	10%
4	2	3 Bed Duplex	R 15 003 401	R 19 116 800	R 4 113 399	22%
5	2	4 Bed Duplex	R 13 569 164	R 16 992 711	R 3 423 547	20%
6	1	2 Bed, Flats	R 8 476 751	R 8 652 000	R 175 249	2%
7	1	3 Bed, Flats	R 8 464 640	R 8 652 000	R 187 360	2%
8	4	2 Bed, Flats	R 27 421 586	R 34 608 000	R 7 186 414	21%
9	4	3 Bed, Flats	R 27 373 141	R 34 608 000	R 7 234 859	21%

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 15 003 401	R 19 116 800	R 4 113 399

INPUT COST

Stand	R 2 000 000
VAT on Stand	R 300 000
Transfer Fees	R 33 160
Professional Fees	R 857 055
Development Cost	R 236 102
	R 3 426 317
Bond Cost for 70%	R 79 888
NHBRC Fee's	R 211 062
Construction Cost First Inputs	R 1 821 242
Sectional Title Register	R 17 794
Marketing	R 382 336
	R 2 512 321
TOTAL INPUT COST	R 5 938 638
Adjusted INPUT to 70% of Cost	R 4 501 020

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	10	Months
Stage 6	2	Months
Stage 1 - 6	28	Months
TOTAL	28	Months

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R 15 003 401
70% of Project Cost	R 10 502 381
Input Cost Required from Developer	R 4 501 020
Actual Input Cost	R 4 501 020

Difference between Required and Actual Input R -

RETURN ON INVESTMENT (INPUTS) **91%**

RETURN ON INVESTMENT (INPUTS) Per Annum **39%**

NOTES:

- 1 This project can only be viable if bought for the reduced offer of R 2 000 000.
- 2 The Compulsory storeys is only applicable if flats were constructed.