

## MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 40  
 STAND: Residential Development  
 CITY: Pretoria  
 SUBURB: Pretoria North  
 COMPLEX: To be named

**OPTION 1**

MAIN STAND SIZE: m2 2 552

COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT: 3

COST OF STAND: R 2 900 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 20% R 2 320 000

**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
3	2 Bed, Flats	m2	60
3	3 Bed, Flats	m2	80

**MAXIMUM UNITE PER TYPE/STAND:**

Storey			
1	Full Title Stand	No	5
1	2 Bed, Town House	No	0
1	3 Bed, Town House	No	0
2	3 Bed Duplex	No	15
2	4 Bed Duplex	No	0
1	2 Bed, Flats	No	17
1	3 Bed, Flats	No	13
3	2 Bed, Flats	No	51
3	3 Bed, Flats	No	38

**PROPERTY ZONED FOR MAX UNITS:**

No 42

**UNIT TYPE PROFIT ANALYSIS:**

			Cost / Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 468 008	R 1 710 000	R 241 992	5
2	1	2 Bed, Town Hou	R 126 490	R 969 760	R 843 270	0
3	1	3 Bed, Town Hou	R 149 489	R 1 146 080	R 996 591	0
4	2	3 Bed Duplex	R 1 036 348	R 1 234 240	R 197 892	15
5	2	4 Bed Duplex	R 183 986	R 1 410 560	R 1 226 574	0
6	1	2 Bed, Flats	R 526 738	R 570 000	R 43 262	17
7	1	3 Bed, Flats	R 701 142	R 760 000	R 58 858	13
8	3	2 Bed, Flats	R 428 124	R 570 000	R 141 876	51
9	3	3 Bed, Flats	R 569 657	R 760 000	R 190 343	38

**PROJECT TYPE PROFIT ANALYSIS:**

Reference			Cost / Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 7 492 711	R 8 727 840	R 1 235 129	14%
2	1	2 Bed, Town Hou	R -	R -	R -	0%
3	1	3 Bed, Town Hou	R -	R -	R -	0%
4	2	3 Bed Duplex	R 15 112 920	R 17 998 746	R 2 885 825	16%
5	2	4 Bed Duplex	R -	R -	R -	0%
6	1	2 Bed, Flats	R 8 961 574	R 9 697 600	R 736 026	8%
7	1	3 Bed, Flats	R 8 946 571	R 9 697 600	R 751 029	8%
8	3	2 Bed, Flats	R 21 851 472	R 29 092 800	R 7 241 328	25%
9	3	3 Bed, Flats	R 21 806 461	R 29 092 800	R 7 286 339	25%

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
<b>8</b>	3	2 Bed, Flats	R 21 851 472	R 29 092 800	R 7 241 328

**INPUT COST**

Stand	R 2 320 000
VAT on Stand	R 348 000
Transfer Fees	R 34 125
Professional Fees	R 1 273 919
Development Cost	R 285 536
	<b>R 4 261 580</b>
Bond Cost for 70%	R 101 652
NHBRC Fee's	R 456 808
Construction Cost First Inputs	R 2 707 078
Sectional Title Register	R 53 136
Marketing	R 581 856
	<b>R 3 900 530</b>
<b>TOTAL INPUT COST</b>	<b>R 8 162 110</b>
<b>Adjusted INPUT to 70% of Cost</b>	<b>R 6 555 442</b>

**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	<b>16</b>	Months
Stage 6	2	Months
Stage 6	2	Months
Stage 6	<b>10</b>	Months
Stage 6	2	Months
Stage 1 - 6	<b>28</b>	Months
<b>TOTAL</b>	<b>28</b>	Months

**BANK REQUIREMENT FOR PROJECT LOAN**

Project Cost	R 21 851 472
70% of Project Cost	R 15 296 030
<b>Input Cost Required from Developer</b>	<b>R 6 555 442</b>
<b>Actual Input Cost</b>	<b>R 6 555 442</b>
Difference between Required and Actual Input	R -

**RETURN ON INVESTMENT (INPUTS)** **110%**

**RETURN ON INVESTMENT (INPUTS) Per Annum** **47%**

**NOTES:**

- 1 This project can only achieve the stated ROI if the reduced offer is accepted of R 2 320 000
- 2 If more storeys is added the ROI will be higher. Only then will a reduced offer not be required