

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 41
 STAND: Residential Development
 CITY: Pretoria
 SUBURB: Muckleneuk
 COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 2 241

COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT FOR FLATS: 3

COST OF STAND: R 4 400 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 30% R 3 080 000

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	4
1	2 Bed, Town House	No	0
1	3 Bed, Town House	No	0
2	3 Bed Duplex	No	13
2	4 Bed Duplex	No	0
1	2 Bed, Flats	No	15
1	3 Bed, Flats	No	0
3	2 Bed, Flats	No	45
3	3 Bed, Flats	No	0

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 1 726 716	R 1 900 000	R 173 284	4
2	1	2 Bed, Town Hou	R 166 435	R 1 276 000	R 1 109 565	0
3	1	3 Bed, Town Hou	R 196 696	R 1 508 000	R 1 311 304	0
4	2	3 Bed Duplex	R 1 176 675	R 1 624 000	R 447 325	13
5	2	4 Bed Duplex	R 242 087	R 1 856 000	R 1 613 913	0
6	1	2 Bed, Flats	R 604 990	R 630 000	R 25 010	15
7	1	3 Bed, Flats	R 109 565	R 840 000	R 730 435	0
8	3	2 Bed, Flats	R 460 446	R 630 000	R 169 554	45
9	3	3 Bed, Flats	R 109 565	R 840 000	R 730 435	0

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost / Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 7 739 140	R 8 515 800	R 776 660	9%
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 15 068 164	R 20 796 480	R 5 728 316	28%
5	2	4 Bed Duplex	R -	R -	R -	0%
6	1	2 Bed, Flats	R 9 038 545	R 9 412 200	R 373 655	4%
7	1	3 Bed, Flats	R -	R -	R -	0%
8	3	2 Bed, Flats	R 20 637 172	R 28 236 600	R 7 599 428	27%
9	3	3 Bed, Flats	R -	R -	R -	0%

BUILDING COST WAS ANALYSED ON Standard 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 15 068 164	R 20 796 480	R 5 728 316

INPUT COST

Stand	R 3 080 000
VAT on Stand	R 462 000
Transfer Fees	R 40 887
Professional Fees	R 745 782
Development Cost	R 261 660
	R 4 590 328
Bond Cost for 70%	R 75 633
NHBRC Fee's	R 229 606
Construction Cost First Inputs	R 1 584 786
Sectional Title Register	R 18 725
Marketing	R 415 930
	R 2 324 680
TOTAL INPUT COST	R 6 915 008
Adjusted INPUT to 70% of Cost	R 4 520 449

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 - 6	30	Months
TOTAL	30	Months

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R 15 068 164
70% of Project Cost	R 10 547 715
Input Cost Required from Developer	R 4 520 449
Actual Input Cost	R 4 520 449
Difference between Required and Actual Input	R -

RETURN ON INVESTMENT (INPUTS) **127%**

RETURN ON INVESTMENT (INPUTS) Per Annum **51%**

NOTES:

- 1 This project requires an adjusted offer to generate the stated ROI.
- 2 2 Bed Flats can also be an option