

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 46
 STAND: Residential Development
 CITY: Pretoria
 SUBURB: Mooiplaas
 COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 2 210 000

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

COST OF STAND: R 58 000 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 0% R 58 000 000

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

MAXIMUM UNITE PER TYPE/STAND:

Storey			
1	Full Title Stand	No	4420
1	2 Bed, Town House	No	8036
1	3 Bed, Town House	No	6800
2	3 Bed Duplex	No	12629
2	4 Bed Duplex	No	9822
1	2 Bed, Flats	No	14733
1	3 Bed, Flats	No	11050
3	2 Bed, Flats	No	44200
3	3 Bed, Flats	No	33150

PROPERTY ZONED FOR MAX UNITS:

No 2100

UNIT TYPE PROFIT ANALYSIS:

			Cost /Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 534 490	R 2 960 000	R 1 425 510	4420
2	1	2 Bed, Town House	R 915 934	R 1 454 640	R 538 706	8036
3	1	3 Bed, Town House	R 1 081 440	R 1 719 120	R 637 680	6800
4	2	3 Bed Duplex	R 1 145 038	R 1 851 360	R 706 322	12629
5	2	4 Bed Duplex	R 1 310 297	R 2 115 840	R 805 543	9822
6	1	2 Bed, Flats	R 490 279	R 720 000	R 229 721	14733
7	1	3 Bed, Flats	R 652 530	R 960 000	R 307 470	11050
8	3	2 Bed, Flats	R 479 333	R 720 000	R 240 667	44200
9	3	3 Bed, Flats	R 637 935	R 960 000	R 322 065	33150

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost /Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 6 782 447 245	R 13 083 200 000	R 6 300 752 755	48%
2	1	2 Bed, Town House	R 7 360 781 684	R 11 690 016 000	R 4 329 234 316	37%
3	1	3 Bed, Town House	R 7 353 793 139	R 11 690 016 000	R 4 336 222 861	37%
4	2	3 Bed Duplex	R 14 460 190 247	R 23 380 032 000	R 8 919 841 753	38%
5	2	4 Bed Duplex	R 12 870 031 496	R 20 782 250 667	R 7 912 219 171	38%
6	1	2 Bed, Flats	R 7 223 445 327	R 10 608 000 000	R 3 384 554 673	32%
7	1	3 Bed, Flats	R 7 210 452 368	R 10 608 000 000	R 3 397 547 632	32%
8	3	2 Bed, Flats	R 21 186 525 918	R 31 824 000 000	R 10 637 474 082	33%
9	3	3 Bed, Flats	R 21 147 547 043	R 31 824 000 000	R 10 676 452 957	34%

BUILDING COST WAS ANALYSED ON Medium BUILDING COST

THE UNIT SELL PRICE USED WAS BASED ON A Up Market PRICE FOR THE AREA

FROM THE ANALYSIS ABOVE THE MOST VIABLE DEVELOPMENT IS;

REF	Storey	Type	Cost	Sell Price	Profit
1	1	Full Title Stand	R 6 782 447 245	R 13 083 200 000	R 6 300 752 755

INPUT COST

Stand	R	58 000 000
VAT on Stand	R	8 700 000
Transfer Fees	R	167 535
Professional Fees	R	393 519 672
Development Cost	R	217 886 954
	R	678 274 160
Bond Cost for 70%	R	167 310
NHBRC Fee's	R	112 931 000
Construction Cost First Inputs	R	836 229 303
Sectional Title Register	R	-
Marketing	R	261 664 000
	R	1 210 991 613
TOTAL INPUT COST	R	1 889 265 773
Adjusted INPUT to 70% of Cost	R	2 034 734 173

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	40	Months
Stage 6	2	Months
Stage 1 - 6	58	Months
TOTAL	58	Months

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R	6 782 447 245
70% of Project Cost	R	4 747 713 071
Input Cost Required from Developer	R	2 034 734 173
Actual Input Cost	R	2 034 734 173

Difference between Required and Actual Input R -

RETURN ON INVESTMENT (INPUTS) **310%**

RETURN ON INVESTMENT (INPUTS) Per Annum **64%**

NOTES:

- 1 This project is suitable for most types except flats
- 2 This project will be a phased project, about 10 phases or more
- 3 Because of the phasing of this project the actual ROI /Annum will be more than 300% and not 64%
- 4 Because of the phasing only phase one will require external inputs, the remainder will be financed internally.