

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 48
 STAND: Residential Development
 CITY: Pretoria
 SUBURB: Olympus AH
 COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 10 000

COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT: 1

COST OF STAND: R 6 000 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 0% R 6 000 000

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

MAXIMUM UNITE PER TYPE/STAND:

Storey			
1	Full Title Stand	No	20
1	2 Bed, Town House	No	36
1	3 Bed, Town House	No	31
2	3 Bed Duplex	No	57
2	4 Bed Duplex	No	44
1	2 Bed, Flats	No	67
1	3 Bed, Flats	No	50
2	2 Bed, Flats	No	133
2	3 Bed, Flats	No	100

PROPERTY ZONED FOR MAX UNITS:

No 30

UNIT TYPE PROFIT ANALYSIS:

			Cost /Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 738 656	R 2 440 000	R 701 344	20
2	1	2 Bed, Town Hou	R 1 044 298	R 1 276 000	R 231 702	36
3	1	3 Bed, Town Hou	R 1 233 143	R 1 508 000	R 274 857	31
4	2	3 Bed Duplex	R 1 209 239	R 1 624 000	R 414 761	57
5	2	4 Bed Duplex	R 1 398 083	R 1 856 000	R 457 917	44
6	1	2 Bed, Flats	R 561 249	R 630 000	R 68 751	67
7	1	3 Bed, Flats	R 747 156	R 840 000	R 92 844	50
8	2	2 Bed, Flats	R 510 537	R 630 000	R 119 463	133
9	2	3 Bed, Flats	R 679 541	R 840 000	R 160 459	100

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost /Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 34 773 117	R 48 800 000	R 14 026 883	29%
2	1	2 Bed, Town Hou	R 37 974 481	R 46 400 000	R 8 425 519	18%
3	1	3 Bed, Town Hou	R 37 942 858	R 46 400 000	R 8 457 142	18%
4	2	3 Bed Duplex	R 69 099 353	R 92 800 000	R 23 700 647	26%
5	2	4 Bed Duplex	R 62 137 038	R 82 488 889	R 20 351 851	25%
6	1	2 Bed, Flats	R 37 416 589	R 42 000 000	R 4 583 411	11%
7	1	3 Bed, Flats	R 37 357 797	R 42 000 000	R 4 642 203	11%
8	2	2 Bed, Flats	R 68 071 660	R 84 000 000	R 15 928 340	19%
9	2	3 Bed, Flats	R 67 954 077	R 84 000 000	R 16 045 923	19%

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
1	1	Full Title Stand	R 34 773 117	R 48 800 000	R 14 026 883

INPUT COST

Stand	R 6 000 000
VAT on Stand	R 900 000
Transfer Fees	R 62 371
Professional Fees	R 1 780 632
Development Cost	R 1 047 526
	R 9 790 529
Bond Cost for 70%	R 123 541
NHBRC Fee's	R 459 000
Construction Cost First Inputs	R 3 783 843
Sectional Title Register	R -
Marketing	R 976 000
	R 5 342 384

TOTAL INPUT COST	R 15 132 912
Adjusted INPUT to 70% of Cost	R 10 431 935

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
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BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R 34 773 117
70% of Project Cost	R 24 341 182

Input Cost Required from Developer	R 10 431 935
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Actual Input Cost	R 10 431 935
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Difference between Required and Actual Input	R -
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RETURN ON INVESTMENT (INPUTS)	134%
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RETURN ON INVESTMENT (INPUTS) Per Annum	58%
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