

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 49
 STAND: Residential Development
 CITY: Pretoria
 SUBURB: Menlopark
 COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 2 220

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

COST OF STAND: R 6 300 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 50% R 3 150 000

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	8	
1	3 Bed, Town House	No	0	
2	3 Bed Duplex	No	13	
2	4 Bed Duplex	No	10	
1	2 Bed, Flats	No	15	
1	3 Bed, Flats	No	11	
3	2 Bed, Flats	No	44	
3	3 Bed, Flats	No	33	

PROPERTY ZONED FOR MAX UNITS:

No 26

UNIT TYPE PROFIT ANALYSIS:

			Cost /Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 867 081	R 2 680 000	R 812 919	4
2	1	2 Bed, Town House	R 1 136 508	R 1 276 000	R 139 492	8
3	1	3 Bed, Town House	R 196 696	R 1 508 000	R 1 311 304	0
4	2	3 Bed Duplex	R 1 184 323	R 1 624 000	R 439 677	13
5	2	4 Bed Duplex	R 1 389 933	R 1 856 000	R 466 067	10
6	1	2 Bed, Flats	R 611 545	R 630 000	R 18 455	15
7	1	3 Bed, Flats	R 814 218	R 840 000	R 25 782	11
8	3	2 Bed, Flats	R 462 631	R 630 000	R 167 369	44
9	3	3 Bed, Flats	R 615 665	R 840 000	R 224 335	33

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost /Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 8 289 840	R 11 899 200	R 3 609 360	30%
2	1	2 Bed, Town House	R 9 174 719	R 10 300 800	R 1 126 081	11%
3	1	3 Bed, Town House	R -	R -	R -	0%
4	2	3 Bed Duplex	R 15 023 984	R 20 601 600	R 5 577 616	27%
5	2	4 Bed Duplex	R 13 714 007	R 18 312 533	R 4 598 526	25%
6	1	2 Bed, Flats	R 9 050 867	R 9 324 000	R 273 133	3%
7	1	3 Bed, Flats	R 9 037 815	R 9 324 000	R 286 185	3%
8	3	2 Bed, Flats	R 20 540 805	R 27 972 000	R 7 431 195	27%
9	3	3 Bed, Flats	R 20 501 650	R 27 972 000	R 7 470 350	27%

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
1	1	Full Title Stand	R 8 289 840	R 11 899 200	R 3 609 360

INPUT COST

Stand	R	3 150 000
VAT on Stand	R	472 500
Transfer Fees	R	40 887
Professional Fees	R	274 036
Development Cost	R	259 591
	R	4 197 014
Bond Cost for 70%	R	44 043
NHBRC Fee's	R	107 226
Construction Cost First Inputs	R	582 327
Sectional Title Register	R	-
Marketing	R	237 984
	R	971 579
TOTAL INPUT COST	R	5 168 593
Adjusted INPUT to 70% of Cost	R	2 486 952

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	6	Months
Stage 6	2	Months
Stage 1 - 6	24	Months
TOTAL	24	Months

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R	8 289 840
70% of Project Cost	R	5 802 888
Input Cost Required from Developer	R	2 486 952
Actual Input Cost	R	2 486 952
Difference between Required and Actual Input	R	-

RETURN ON INVESTMENT (INPUTS)

145%

RETURN ON INVESTMENT (INPUTS) Per Annum

73%

NOTES:

- 1 This property is way overpriced, although the analysis already applied a 50% reducing, the offer on 50% will still be too high.