

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST VIABILITY FOR (PROVISIONAL)

REFERENCE: 50
 STAND: Residential Development
 CITY: Pretoria
 SUBURB: Queenswood
 COMPLEX: To be named

OPTION 1

MAIN STAND SIZE: m2 2 157

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

COST OF STAND: R 3 767 000

OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF: 40% R 2 260 200

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 | 12 | |
| 2 | 4 Bed Duplex | No | 0 | |
| 1 | 2 Bed, Flats | No | 14 | |
| 1 | 3 Bed, Flats | No | 0 | |
| 3 | 2 Bed, Flats | No | 43 | |
| 3 | 3 Bed, Flats | No | 0 | |

PROPERTY ZONED FOR MAX UNITS: No 43

UNIT TYPE PROFIT ANALYSIS:

| | | | Cost /Unit | Sale / Unit | Profit / Unit | No Units |
|---|---|-------------------|-------------|-------------|---------------|----------|
| 1 | 1 | Full Title Stand | R 1 566 088 | R 1 900 000 | R 333 912 | 4 |
| 2 | 1 | 2 Bed, Town House | R 166 435 | R 1 276 000 | R 1 109 565 | 0 |
| 3 | 1 | 3 Bed, Town House | R 196 696 | R 1 508 000 | R 1 311 304 | 0 |
| 4 | 2 | 3 Bed Duplex | R 1 120 474 | R 1 624 000 | R 503 526 | 12 |
| 5 | 2 | 4 Bed Duplex | R 242 087 | R 1 856 000 | R 1 613 913 | 0 |
| 6 | 1 | 2 Bed, Flats | R 556 817 | R 630 000 | R 73 183 | 14 |
| 7 | 1 | 3 Bed, Flats | R 109 565 | R 840 000 | R 730 435 | 0 |
| 8 | 3 | 2 Bed, Flats | R 444 388 | R 630 000 | R 185 612 | 43 |
| 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 6 756 103 | R 8 196 600 | R 1 440 497 | 18% |
| 2 | 1 | 2 Bed, Town House | R - | R - | R - | 0% |
| 3 | 1 | 3 Bed, Town House | R - | R - | R - | 0% |
| 4 | 2 | 3 Bed Duplex | R 13 810 641 | R 20 016 960 | R 6 206 319 | 31% |
| 5 | 2 | 4 Bed Duplex | R - | R - | R - | 0% |
| 6 | 1 | 2 Bed, Flats | R 8 007 031 | R 9 059 400 | R 1 052 369 | 12% |
| 7 | 1 | 3 Bed, Flats | R - | R - | R - | 0% |
| 8 | 3 | 2 Bed, Flats | R 19 170 904 | R 27 178 200 | R 8 007 296 | 29% |
| 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 |
|-----|--------|--------------|--------------|--------------|-------------|
| 8 | 3 | 2 Bed, Flats | R 19 170 904 | R 27 178 200 | R 8 007 296 |

INPUT COST

| | | |
|--------------------------------|----------|------------------|
| Stand | R | 2 260 200 |
| VAT on Stand | R | 339 030 |
| Transfer Fees | R | 34 125 |
| Professional Fees | R | 1 076 741 |
| Development Cost | R | 246 623 |
| | R | 3 956 718 |
| Bond Cost for 70% | R | 79 888 |
| NHBRC Fee's | R | 411 987 |
| Construction Cost First Inputs | R | 2 288 075 |
| Sectional Title Register | R | 46 026 |
| Marketing | R | 543 564 |
| | R | 3 369 540 |
| TOTAL INPUT COST | R | 7 326 258 |
| Adjusted INPUT to 70% of Cost | R | 5 751 271 |

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 | 19 170 904 |
| 70% of Project Cost | R | 13 419 633 |
| Input Cost Required from Developer | R | 5 751 271 |
| Actual Input Cost | R | 5 751 271 |
| Difference between Required and Actual Input | R | - |

RETURN ON INVESTMENT (INPUTS)

139%

RETURN ON INVESTMENT (INPUTS) Per Annum

70%

NOTES:

- 1 For this project to be viable the highest offer would be 40% less than the asking price.
- 2 Although Duplex's shows a higher profit for this area flats will be the best option.