

MULTIPLE RESIDENTIAL DEVELOPMENT AND BUILDING COST ANALYSIS FOR PROVISIONAL

REFERENCE: 9
STAND: Residential Development
CITY: Pretoria
SUBURB: Montana
COMPLEX: To be named

OPTION 1

MAIN STAND SIZE:	m2	20 263
COMPULSORY STOREYS FOR MAX. UNITS PER DEVELOPMENT:		1
COST OF STAND:		R 6 500 000
OFFER PRICE FOR STAND IF ASKING PRICE IS OVER PRICED, AT A DISCOUNT OF:	0%	R 6 500 000

AVERAGE UNITE SIZE PER TYPE:

Storey			
1	Full Title Stand	m2	240
1	2 Bed, Town House	m2	100
1	3 Bed, Town House	m2	140
2	3 Bed Duplex	m2	200
2	4 Bed Duplex	m2	480
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	34
1	2 Bed, Town House	No	81
1	3 Bed, Town House	No	58
2	3 Bed Duplex	No	81
2	4 Bed Duplex	No	0
1	2 Bed, Flats	No	135

1	3 Bed, Flats	No	101
2	2 Bed, Flats	No	270
2	3 Bed, Flats	No	203

PROPERTY ZONED FOR MAX UNITS:

No	60
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UNIT TYPE PROFIT ANALYSIS:

			Cost /Unit	Sale / Unit	Profit / Unit	No Units
1	1	Full Title Stand	R 1 820 895	R 2 280 000	R 459 105	34
2	1	2 Bed, Town House	R 761 472	R 1 160 000	R 398 528	81
3	1	3 Bed, Town House	R 1 063 800	R 1 624 000	R 560 200	58
4	2	3 Bed Duplex	R 1 416 557	R 2 320 000	R 903 443	81
5	2	4 Bed Duplex	R 726 261	R 5 568 000	R 4 841 739	0
6	1	2 Bed, Flats	R 448 207	R 630 000	R 181 793	135
7	1	3 Bed, Flats	R 596 433	R 840 000	R 243 567	101
8	2	2 Bed, Flats	R 418 190	R 630 000	R 211 810	270
9	2	3 Bed, Flats	R 556 411	R 840 000	R 283 589	203

PROJECT TYPE PROFIT ANALYSIS:

Reference			Cost /Project	Sale / Project	Profit / Project	% Profit
1	1	Full Title Stand	R 61 494 664	R 76 999 400	R 15 504 736	20%
2	1	2 Bed, Town House	R 61 718 856	R 94 020 320	R 32 301 464	34%
3	1	3 Bed, Town House	R 61 587 958	R 94 020 320	R 32 432 362	34%
4	2	3 Bed Duplex	R 114 814 778	R 188 040 640	R 73 225 862	39%
5	2	4 Bed Duplex	R -	R -	R -	0%
6	1	2 Bed, Flats	R 60 546 751	R 85 104 600	R 24 557 849	29%
7	1	3 Bed, Flats	R 60 427 621	R 85 104 600	R 24 676 979	29%
8	2	2 Bed, Flats	R 112 983 828	R 170 209 200	R 57 225 372	34%
9	2	3 Bed, Flats	R 112 745 569	R 170 209 200	R 57 463 631	34%

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
3	1	3 Bed, Town House	R 61 587 958	R 94 020 320	R 32 432 362

INPUT COST

Stand	R	6 500 000
VAT on Stand	R	975 000
Transfer Fees	R	62 371
Professional Fees	R	3 371 659
Development Cost	R	2 058 592
	R	12 967 622
Bond Cost for 70%	R	167 310
NHBRC Fee's	R	1 038 045
Construction Cost First Inputs	R	2 528 745
Sectional Title Register	R	59 305
Marketing	R	1 880 406
	R	5 673 810
TOTAL INPUT COST	R	18 641 431

BANK REQUIREMENT FOR PROJECT LOAN

Project Cost	R	61 587 958
70% of Project Cost	R	43 111 570
Input Cost Required from Developer	R	18 476 387

Actual Input Cost **R 18 641 431**

Difference between Required and Actual Input **R 165 044**

RETURN ON INVESTMENT (INPUTS) **174%**

RETURN ON INVESTMENT (INPUTS) Per Annum **87%**

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	8	Months
Stage 6	2	Months
Stage 1 -7	24	Months
TOTAL	24	Months