

Deal Basics

We have acquired 20 open stands ready for development in 3 different complexes in Pretoria.

The stands vary from 800m² to as far as 1000m² and an allowance to build 100m² to 300m² houses is given and each complex comes with its own guidelines in regard of building styles etc. Fully complete properties of an average 3 - 4 bedroom house are selling between R1 million to as much as R2 million.

The preferred strategy for these stands is to utilize a building loan and build a house and sell it to end user who prefers to buy a completed house.

Opportunity

Partner with us with your credit profile of R1 million – R2million and apply for a building loan. Once approved, we will build the property and at completion we will sell to the end user. In the meantime as developers together with you, we will make our profit from building the project.

You will only contribute your credit profile, whilst we do the rest – i.e. secure the land, get all plans signed off, manage the bank application of financing, build the property and sell it. After the property has been sold we will share the profits.

Timelines

- The entire project is a 9 – 12 months project from offer to purchase to completion of building the house.
- All profits made per project will be split equally.

How will it work?

Task

- You are happy with the opportunity and are ready to JV with M5 (50% split)
- Send all FICA & income to bond originator to check affordability (Finvice)
- Sign the JV agreement documents
- Put an offer on the stands and have our bond originator apply for financing. In parallel have the plans approved
- Once application and plans are approved development and site preparation will commence.

We have already secured the stands ready to formalize our offers and start building. Those that have dreamt of doing a flip – this is a guaranteed FLIP!

We have already negotiated the stands, what is left is to put in formal offers. Steps to follow:

Typical Financials (this could vary slightly)

Leloko Estate			
PHASE 1 (9months)			
Sales			
Selling Price			R 1 999 999,00
Less Commission			R 0,00
Nett Selling Price to end user			R 1 999 999,00
Cost Of Sales			
Land Purchase Price		R 390 000,00	
Building Cost per m2 to the bank	R 6 500,00		
Size of House /Square Meters	200		
Total Building Cost		R 1 300 000,00	
Plans		R 40 000,00	
Engineer		N/A	
Town Planner -		N/A	
Bulk Services Estimate		N/A	
Power and Water Supply		N/A	
Transferring Attorney		R 30 000,00	
TOTAL BOND AMOUNT			R 1 760 000,00
Nett Profit			R 239 999,00
Land Purchase Price		R 390 000,00	
ACTUAL Building Cost per m2	R 5 750,00		
Size of House /Square Meters	200		
Total Building Cost		R 1 150 000,00	
TOTAL COST of LAND & BUILDING			R 1 540 000,00
Cash unlocked			R 459 999,00
ESTIMATED HOLDING COSTS	3 months	R 70 000,00	
Agents Commission selling to end user	4%	R 79 999,96	
NETT PROFIT			R 309 999,04

XANADO RETIREMENT			
PHASE 1(9months)-1 Unit			
Sales			
Selling Price			R 1 200 000,00
Less Commission			R 0,00
Nett Selling Price to end user			R 1 200 000,00
Cost Of Sales			
Land Purchase Price		R 250 000,00	
Build cost per m2 to the bank	R 6 500,00	R 0,00	
Size of House / square Meters	120	R 780 000,00	
Plans		R 15 000,00	
Engineer		N/A	
Town Planner -		N/A	
Bulk Services Estimate		N/A	
Power and Water Supply		N/A	
Transferring Attorney		R 20 000,00	
BOND AMOUNT			R 1 065 000,00
Nett Profit			R 135 000,00
Land Purchase Price		R 250 000,00	
ACTUAL BUILD COST	R 5 750,00		
Size of House / square Meters	120	R 690 000,00	
TOTAL COST of LAND & BUILDING			R 940 000,00
Cash unlocked			R 260 000,00
HOLDING COSTS 3 Months		R 40 000,00	
Agents Comm	3,4%	R40 800,00	
NETT CASH			R 179 200,00

The number for GATEWAY MANOR are very close to Leloko Estate.