

Consolidation of Stages

ESTATE MASTER <small>PROPERTY SOFTWARE</small> Development Feasibility		1	2	3	4	5	6	7	8
		Stage 1 - Subdivision	Stage 2 - Subdivision						
Summary of Comparison of Options Greenwood Park Estate		Subdivision - 179 Lots	Subdivision - 200 Lots						
		14. ha 179. lots	14. ha 179. lots						
		14. Ha	14. Ha						
Estate Master for Excel Licensed to: Unlicensed		Land Subdivision Under Review	Land Subdivision Under Review						
REVENUE									
Total Sales Revenue		43,964,759	45,767,496						
Less Selling Costs		(1,746,031)	(1,858,606)						
NET SALE PROCEEDS		42,218,728	43,908,890						
Rental Income		-	-						
Less Outgoings & Vacancies		-	-						
Less Letting Fees		-	-						
Less Incentives (Rent Free and Fit Out Costs)		-	-						
Less Other Leasing Costs		-	-						
NET RENTAL INCOME		-	-						
Interest Received		-	-						
Other Income		-	-						
TOTAL REVENUE (before GST paid)		42,218,728	43,908,890						
Less GST paid		(3,996,796)	(4,160,681)						
TOTAL REVENUE (after GST paid)		38,221,932	39,748,208						
COSTS									
Land Purchase Cost		13,000,000	13,000,000						
Land Transaction Costs		753,672	753,672						
Construction (inc. Construct. Contingency)		7,220,000	7,910,000						
Professional Fees		1,098,875	1,128,114						
Statutory Fees		7,240,000	8,080,000						
Miscellaneous Costs 1		-	-						
Miscellaneous Costs 2		-	-						
Miscellaneous Costs 3		-	-						
Project Contingency (Project Reserve)		-	-						
Land Holding Costs		412,819	407,497						
Pre-Sale Commissions		-	-						
Finance Charges (inc. Line Fees)		90,000	90,000						
Interest Expense		1,943,735	2,031,827						
TOTAL COSTS (before GST reclaimed)		31,759,101	33,401,110						
Less GST reclaimed		(2,107,553)	(2,183,173)						
Plus Corporate Tax		-	-						
TOTAL COSTS (after GST reclaimed)		29,651,547	31,217,937						
PERFORMANCE INDICATORS									
Gross Development Profit ¹		8,570,384	8,530,271						
Net Developer's Profit after Profit Share ²		8,570,384	8,530,271						
Development Margin (Profit/Risk Margin) ³		27.30%	25.79%						
Target Development Margin		25.00%	25.00%						
Residual Land Value (Target Margin) ⁴		13,520,053	13,190,185						
Breakeven Date for Cumulative Cash Flow ⁵		Sep-2010	Sep-2010						
Discount Rate (Target IRR)		20.00%	20.00%						
Net Present Value ⁶		1,319,231	1,192,451						
Benefit Cost Ratio ⁸		1.064	1.054						
Project Internal Rate of Return (IRR) ⁹		24.72%	24.13%						
Residual Land Value (NPV) ¹⁰		14,763,684	14,594,190						
Maximum Debt Exposure		17,918,621	18,826,451						
Date of Maximum Project Overdraft		Sep-2009	Jan-2009						
Breakeven Date for Project Overdraft ¹¹		Aug-2010	Aug-2010						
Total Equity Contribution		2,000,000	2,000,000						
IRR on Equity ¹²		47.37%	47.26%						
Weighted Average Cost of Capital (WACC)		6.84%	6.88%						
YIELD ANALYSIS									
		Qty	Area	Qty	Area				
SALES			SqKm		SqKm				
Residential - 1 Bedroom Units		179	0	200	0				
TOTAL		179	0	200	0				
TENANCIES			SqM		SqM				
TOTAL			0		0				
Footnotes (based on current Preferences):									
1. Development Profit: is total revenue less total cost including interest paid and received									
2. Developer's Net Profit after distribution of profit share.									
3. Development Margin: is profit divided by total development costs (inc selling costs).									
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.									
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).									
6. Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.									
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.									
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.									
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.									
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.									
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.									