

Consolidation of Stages

ESTATEMASTER Development Feasibility		1	2	3	4	5	6	7	8	TOTAL	
		Stage 1 - Subdivision	Stage 2 - Subdivision								
		Subdivision - 179 Lots	Subdivision - 200 Lots								
		14. ha 179. lots	14. ha 179. lots								
		Land Subdivision Under Review	Land Subdivision Under Review								
Estate Master for Excel Licensed to: Unlicensed											
REVENUE											
Total Sales Revenue		43,964,759	45,767,496							89,732,254	
Less Selling Costs		(1,746,031)	(1,858,806)							(3,604,637)	
NET SALE PROCEEDS		42,218,728	43,908,690							86,127,617	
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	43,908,690							86,127,617	
Less GST paid		(3,996,796)	(4,160,681)							(8,157,478)	
TOTAL REVENUE (after GST paid)		38,221,932	39,748,208							77,970,140	
COSTS											
Land Purchase Cost		13,000,000	13,000,000							26,000,000	
Land Transaction Costs		753,672	753,672							1,507,344	
Construction (inc. Construct. Contingency)		7,220,000	7,910,000							15,130,000	
Professional Fees		1,098,875	1,128,114							2,226,989	
Statutory Fees		7,240,000	8,080,000							15,320,000	
Miscellaneous Costs 1		-	-							-	
Miscellaneous Costs 2		-	-							-	
Miscellaneous Costs 3		-	-							-	
Project Contingency (Project Reserve)		-	-							-	
Land Holding Costs		412,819	407,497							820,316	
Pre-Sale Commissions		-	-							-	
Finance Charges (inc. Line Fees)		90,000	90,000							180,000	
Interest Expense		1,943,735	2,031,827							3,975,562	
TOTAL COSTS (before GST reclaimed)		31,759,101	33,401,110							65,160,211	
Less GST reclaimed		(2,107,553)	(2,183,173)							(4,290,726)	
Plus Corporate Tax		-	-							-	
TOTAL COSTS (after GST reclaimed)		29,651,547	31,217,937							60,869,484	
PERFORMANCE INDICATORS											
Gross Development Profit ¹		8,570,384	8,530,271							17,100,656	
Net Developer's Profit after Profit Share ²		8,570,384	8,530,271							17,100,656	
Development Margin (Profit/Risk Margin) ³		27.30%	25.79%							26.52%	
Target Development Margin		25.00%	25.00%							-	
Residual Land Value (Target Margin) ⁴		13,520,053	13,190,185							26,710,238	
Breakeven Date for Cumulative Cash Flow ⁵		Sep-2010	Sep-2010							Sep-2010	
Discount Rate (Target IRR)		20.00%	20.00%							-	
Net Present Value ⁶	@ Start of Stage	1,319,231	1,192,451							2,511,682	
Date of Commencement		Jun-07	Jun-07							-	
Holding Discount Rate	10.00%									-	
NPV at Start of Consolidated Cash Flow ⁷		1,319,231	1,192,451							2,511,682	
Benefit Cost Ratio ⁸		1.064	1.054							-	
Project Internal Rate of Return (IRR) ⁹		24.72%	24.13%							24.42%	
Residual Land Value (NPV) ¹⁰	@ Start of Stage	14,763,684	14,594,190							29,357,874	
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							4,000,000	
IRR on Equity ¹²		47.37%	47.26%							47.32%	
Weighted Average Cost of Capital (WACC)		6.84%	6.88%							-	
YIELD ANALYSIS											
	Qty	Area	Qty	Area						Qty	Area
SALES		SqKm		SqKm							SqKm
Residential - 1 Bedroom Units	179	0	200	0						379	0
TOTAL	179	0	200	0						379	0
TENANCIES		SqM		SqM							SqM
TOTAL		0		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.											
7. Net Present Value of each stage at commencement of the consolidated cash flow using the Holding Discount Rate.											
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.											