

# PROPERTY INVESTMENT REPORT

THE MERAKI

C / P

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# INVESTMENT OVERVIEW

The Meraki is a modern apartment building ideally situated in Menlopark. The building consists of 22 one-bedroom apartments. The apartments are ideal for students, young professionals or bachelors.

Menlopark is an upmarket suburb in Pretoria, which was ranked as one of Pretoria's most in-demand suburbs in 2018 by Private Property.

It is a highly attractive investment location as it is ideally situated just minutes away from fast-growing Menlyn, the CBD, shopping centres, main arterials, the University of Pretoria and top schools.

**1 / MODERN ONE BEDROOM APARTMENTS**

**2 / FULLY MANAGED, PASSIVE INVESTMENT**

**3 / IDEAL BUY-TO-LET INVESTMENT**

**4 / PRIME LOCATION WITH HIGH PROPENSITY TO RENT**

**5 / PRICED AT A DISCOUNT TO COMPARABLES IN THE LOCATION**

**Completion of construction expected March 2021.**



**MODERN + CONTEMPORARY LIVING**

# INVESTMENT STRATEGY



Crowdprop intends to purchase two fully furnished units under a 5-year investment term. The properties will be rented out upon completion and you will receive rental income in the form of dividends for a 5-year period. After which, a vote will be taken to determine if investors want to sell or continue with the investment for a longer time period.

Our aim is to purchase the property at a discount to other options in the locality. This provides investors with downside capital protection, a more favourable yield and higher capital appreciation. The rental amount charged is more affordable on average to other options in the locality, providing an incentive for tenants to rent in a modern, new building in a prime area, with top lifestyle amenities. A further incentive is the property's location which is within five kilometres of major points of interest.

## KEY FACTS

TOTAL CAPITAL RAISE : R2 710 000

NET RENTAL YIELD : 6.5%

INVESTMENT TERM : 5 YEARS FROM COMPLETION

RENTAL DISTRIBUTIONS : QUARTERLY BASIS

NO. OF SHARES ON OFFER : 1 MILLION SHARES

PRICE PER SHARE : R2.71 PER SHARE

MINIMUM INVESTMENT : R10 027 (3700 SHARES)

# FINANCIAL ANALYSIS



<b><u>COST BREAKDOWN:</u></b>	<b><u>PER UNIT:</u></b>	<b><u>TWO UNITS:</u></b>	<b><u>ASSUMPTIONS:</u></b>
<b>PROPERTY PURCHASE PRICE</b> (INCLUDES CAPITAL RAISE FEE)	R1 250 000	R2 500 000	<b>PROPERTY INCOMES AND EXPENSES ARE EXPECTED TO GROW BY 5% AND 3% RESPECTIVELY EACH YEAR</b>  <b>*PROVISIONS: WILL BE RETURNED TO INVESTORS AT THE END OF THE INVESTMENT TERM IF NOT UTILISED. THIS COVERS VACANCY LOSS AS WELL AS UNFORESEEN EXPENSES AND MAINTENANCE. IT IS REQUIRED TO ENSURE THAT INVESTORS DON'T NEED TO CONTRIBUTE ADDITIONAL CAPITAL.</b>
<b>TRANSFER FEES</b> (CONVEYANCING ETC)	R20 000	R40 000	
<b>12-MONTH LIQUIDITY PROVISION*</b>	R30 000	R60 000	
<b>FURNITURE COST</b>	R50 000	R100 000	
<b>FILING OF PROSPECTUS &amp; LEGAL FEES</b>	R5 000	R10 000	
<b>TOTAL INVESTMENT INTO CROWDPROP</b>	<b>R1 355 000</b>	<b>R2 710 000</b>	

<b><u>CASH FLOW BREAKDOWN :</u></b>	<b><u>Y1</u></b>	<b><u>Y2</u></b>	<b><u>Y3</u></b>	<b><u>Y4</u></b>	<b><u>Y5</u></b>
<b>GROSS RENTAL INCOME</b> (R11 500 PER UNIT PER MONTH)	R276 000	R289 800	R304 290	R319 505	R335 480
<b>PROPERTY MANAGEMENT FEE</b> (5% OF GROSS RENTAL + VAT)	(R15 870)	(R16 664)	(R17 497)	(R18 372)	(R19 290)
<b>MAINTENANCE PROVISION*</b>	(R8 280)	(R8 694)	(R9 129)	(R9 585)	(R10 064)
<b>PROPERTY LEVIES</b>	(R36 000)	(R37 080)	(R38 192)	(R39 338)	(R40 518)
<b>PROPERTY RATES</b>	(R24 000)	(R24 720)	(R25 462)	(R26 226)	(R27 012)
<b>ACCOUNTING FEES (SPV)</b> (R500 PER MONTH)	(R6 000)	(R6 180)	(R6 365)	(R6 556)	(R6 753)
<b>CROWDPROP MANAGEMENT FEE</b> (5% OF NET RENTAL INCOME)	(R9 293)	(R10 258)	(R10 839)	(R11 451)	(R12 095)
<b>PRE-TAX NET RENTAL INCOME</b>	<b>R176 557</b>	<b>R186 639</b>	<b>R197 263</b>	<b>R208 457</b>	<b>R220 250</b>
<b>NET RENTAL ROI</b>	<b>6.52%</b>	<b>6.89%</b>	<b>7.28%</b>	<b>7.69%</b>	<b>8.13%</b>

# INVESTMENT FORECAST

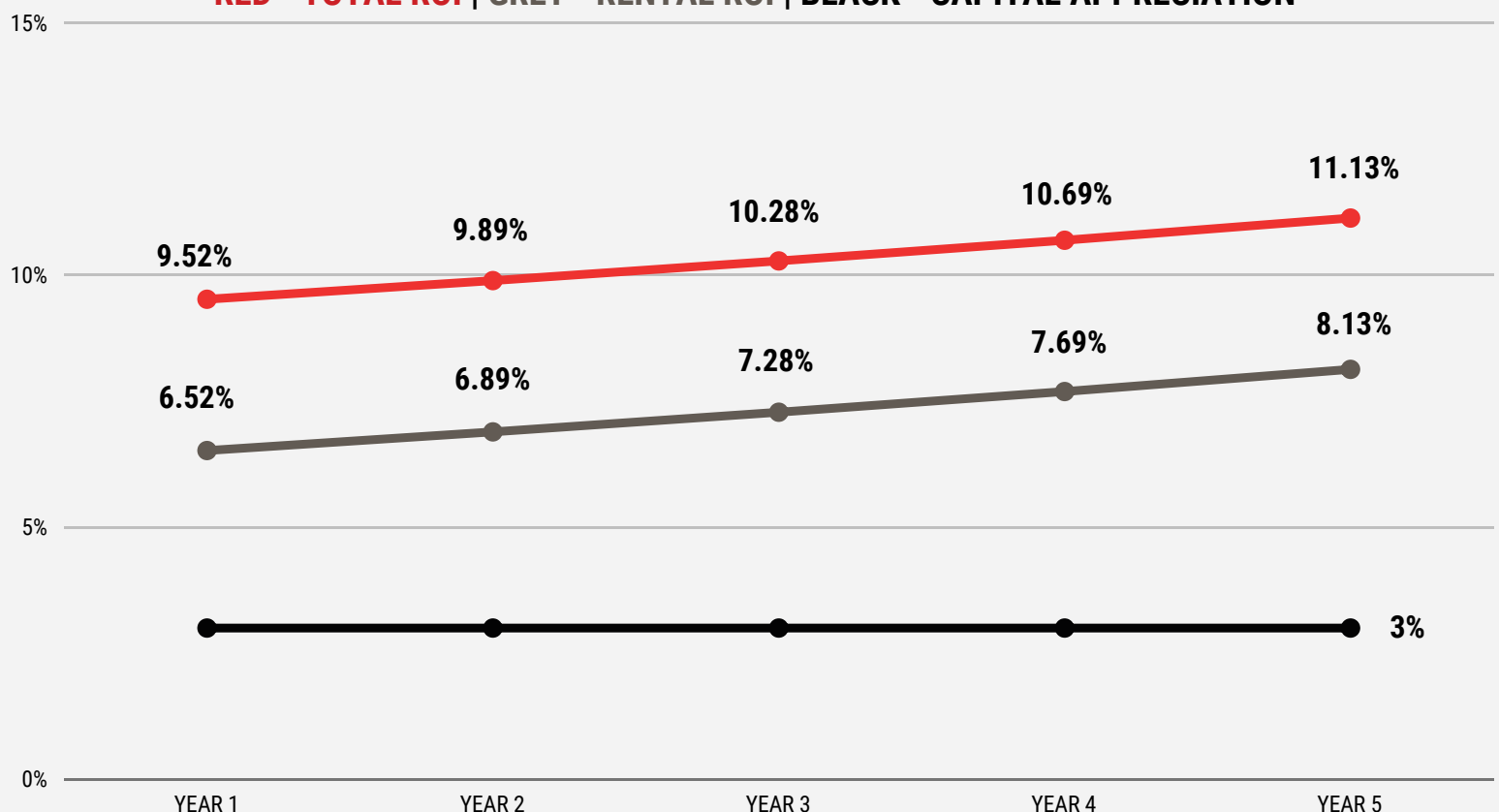


TOTAL NET RENTAL INCOME OVER 5 YEARS	R989 436
COST OF INVESTMENT	R2 710 000
CAPITAL APPRECIATION ON INVESTMENT OVER 5 YEARS (CONSERVATIVELY ESTIMATED AT 3% PER YEAR - IN LINE WITH INFLATION)	R406 500
MARKET VALUE OF PROPERTIES IN YEAR 5	R3 116 500
TOTAL PROFIT ON INVESTMENT	R1 395 936
TOTAL ROI OVER THE INVESTMENT TERM	51.5%
ANNUALISED ROI	10.3%

ESTIMATES PROVIDED ARE FOR ILLUSTRATIVE PURPOSES ONLY. CROWDPROP DOES NOT GUARANTEE ANY PERFORMANCE RETURNS. INVESTORS ARE REQUIRED TO PERFORM THEIR OWN DUE DILIGENCE AND OBTAIN THEIR OWN FINANCIAL ADVICE BEFORE INVESTING. CROWDPROP DOES NOT PROVIDE FINANCIAL ADVICE.

## PROJECTED ROI OVER 5 YEARS

RED - TOTAL ROI | GREY - RENTAL ROI | BLACK - CAPITAL APPRECIATION



# INVESTMENT SUMMARY



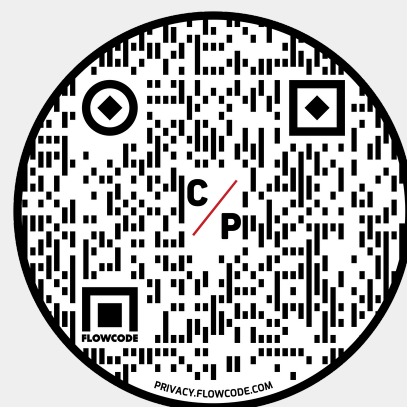
TOTAL COST PER APARTMENT	R 1 355 000.00
NUMBER OF UNITS TO BE PURCHASED	2 APARTMENTS
TOTAL INVESTMENT AMOUNT	R 2 710 000.00
NUMBER OF SHARES	1 MILLION SHARES
PRICE PER SHARE	R 2.71 PER SHARE
MINIMUM INVESTMENT AMOUNT	R 10 027.00
MINIMUM SHARE PURCHASE	3 700 SHARES
EQUIVALENT SHAREHOLDING	0.37 %

**NB: ANY AMOUNT INVESTED OVER AND ABOVE THE MINIMUM INVESTMENT SHOULD BE IN INCREMENTS OF THE STIPULATED SHARE PRICE.**

**(EXAMPLE: 15000 SHARES X R2.71 = R40 650 INVESTMENT COST)**

## HOW TO INVEST

SCAN TO REGISTER



1

**REGISTER A PROFILE ON OUR WEBSITE**

2

**VERIFY YOUR IDENTITY**

3

**DEPOSIT FUNDS INTO YOUR CROWDPROP WALLET**

4

**CHOOSE ANY AVAILABLE INVESTMENT OF YOUR LIKING**