

Investment Case for 2 Bedroom Apartment in Castle Rock

Purchase price incl. all fees	R 1 581 041
Furnishing:	R 120 000
Total capital outlay	R 1 701 041

1. Short-term only

Aggregated monthly income after expenses:	R 21 859	*see detailed expected returns in fig.1
Less rates and levies:	(R 2 600)	
Less elec & wifi	(R 2 000)	
Net monthly income:	R 17 259	
Net annual income:	R 207 108	
ROI:	12.1%	

2. Long-term only

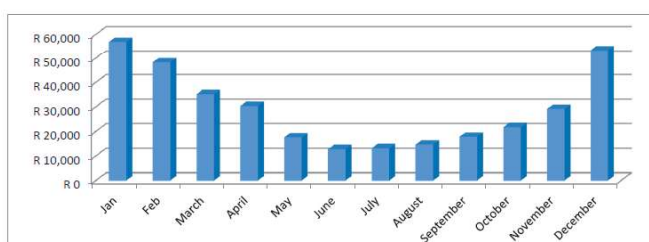
Monthly income from tenant:	R 15 000	*unfurnished rate
Less rates and levies:	(R 2 600)	
Net monthly income:	R 12 400	
Net annual income:	R 148 800	
ROI:	9.4%	*calculated on R 1 581 041

3. Hybrid (9 month student lease + 3 month short-term)

Monthly income from tenant:	R 15 000	
Total income from tenant (9 months)	R 135 000	
Seasonal income from short-term (3 months):	R 120 475	*Dec, Jan, Feb from fig.1
Total annual income:	R 255 475	
Less rates and levies (annual):	(R 31 200)	
Less elec and wifi (3 months):	(R 6 000)	*calculated at R 2000/month for 2 bed unit
Net annual income:	R 218 275	
ROI:	12.8%	

Expected return - Castle Rock 2 bed

	Jan	Feb	March	April	May	June	July	August	September	October	November	December	Totals for year
Occupancy ave	85.00%	85.00%	80.00%	75.00%	70.00%	70.00%	70.00%	70.00%	80.00%	80.00%	80.00%	85.00%	
Nightly price ave	R 2,160	R 2,025	R 1,418	R 1,350	R 810	R 608	R 608	R 675	R 743	R 878	R 1,215	R 2,025	
Expected result	R 56,916	R 48,195	R 35,154	R 30,375	R 17,577	R 12,758	R 13,183	R 14,648	R 17,820	R 21,762	R 29,160	R 53,359	R 350,906
Low result	R 42,687	R 36,145	R 26,366	R 22,781	R 13,183	R 9,568	R 9,887	R 10,986	R 13,365	R 16,322	R 21,970	R 40,019	R 263,179
High result	R 71,145	R 60,244	R 43,943	R 37,969	R 21,971	R 15,947	R 16,478	R 18,309	R 22,275	R 27,203	R 36,450	R 66,698	R 438,632
Return after exp	R 45,327.6	R 36,562.3	R 26,445.7	R 22,738.4	R 12,810.8	R 9,071.6	R 9,401.5	R 10,537.8	R 12,998.9	R 16,056.9	R 21,795.9	R 40,568.1	R 262,314.9



Avg p/m
R21,859.6



Please note that these estimates are based on actual earnings of similar units in the same area and Manageairs experience of what the holiday letting market is prepared to pay. We have projected our most accurate and honest estimates and have not attempted to inflate these figures in any way. Also note, listings take 2-3 months to establish a reputation online and get to market related earnings.