

|   |                              |       |               |               |               |               |               |               |               |               |               |                |               |
|---|------------------------------|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| 5 African Street -10-year forecast                      |                              |       |               |               |               |               |               |               |               |               |               |                |               |
| <b>Cash Flow</b>  |                              |       |               |               |               |               |               |               |               |               |               |                |               |
| <b>Item</b>   | <b>Method of Calculation</b> |       | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> | <b>Year 6</b> | <b>Year 7</b> | <b>Year 8</b> | <b>Year 9</b> | <b>Year 10</b> | <b>TOTALS</b> |
| Rental income   | Percentage Escalation        | 5.00% | 165000        | 173250        | 181913        | 191008        | 200559        | 210586        | 221116        | 232172        | 243780        | 255969         | 2075352       |
| Capital investment                                      | 930000                       |       |               |               |               |               |               |               |               |               |               |                |               |
| Expenses  |                              | 6.00% | 26044         | 27607         | 29263         | 31019         | 32880         | 34853         | 36944         | 39161         | 41510         | 44001          | 343281        |
| Interest paid   |                              |       | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             |
| Bond amount   |                              |       |               |               |               |               |               |               |               |               |               |                |               |
| Profit before Taxation                                  |                              |       | 138956        | 145643        | 152649        | 159989        | 167679        | 175734        | 184172        | 193011        | 202270        | 211968         | 1732072       |
| Less Taxation   |                              | 0.00% | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             |
| Nett after tax income                                   |                              |       | 138956        | 145643        | 152649        | 159989        | 167679        | 175734        | 184172        | 193011        | 202270        | 211968         | 1732072       |
| Yield Before Interest and Tax                           |                              |       | 14.94%        | 15.66%        | 16.41%        | 17.20%        | 18.03%        | 18.90%        | 19.80%        | 20.75%        | 21.75%        | 22.79%         | 186.24%       |
| Yield after tax and including interest and investments  |                              |       | 14.94%        | 17.01%        | 19.29%        | 21.81%        | 24.60%        | 27.69%        | 31.08%        | 34.83%        | 38.96%        | 43.51%         | 0.00%         |
| Cumulative cash flow - cash available for re-investment |                              |       | 138956        | 297105        | 476494        | 679368        | 908190        | 1165661       | 1454742       | 1778680       | 2141031       | 2545692        |               |
| Investment Income                                       |                              | 9%    | 0             | 12506         | 26739         | 42884         | 61143         | 81737         | 104909        | 130927        | 160081        | 192693         | 813621        |
| Annual Income Rental and Investments                    |                              |       | 138956        | 158149        | 179389        | 202874        | 228822        | 257471        | 289081        | 323938        | 362351        | 404661         |               |

**Notes :**

Rental : Monthly rental of R3 500 ppm = R16 500pm = R165 000 pa (10 month leases)

Capital Investment : Asking price of R864 000 plus improvements of R66 000 = R930 000

Expenses : Rates R16 066pa Maintenance 5% of rent = R8 250 Insurance 2% = R1 728 Totalling R26 044 pa

Interest paid can be adjusted to suit particular circumstances.

Note : Bond interest does not reduce over the period, because the model does not adjust for capital repayments.

Taxation : can be adjusted

Investments : 1) Assumes total income re-invested

2) Investment income realised at end of following year

Income : Cumulative Income is a function of current years after tax income + Investment income for current year + total accumulated cash (After tax income + Investment Income)

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