

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 1
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

*Feastudy was used to prepare this feasibility study.*

*Licensed to Devfeas Pty Ltd*

### Categorised Profit & Loss (Inclusive of GST) – Margin Scheme

Amounts are in \$'s

Income:	Development Sales	1,200,000	
	Rental	19,363	
	Other	30,000	
	Less: GST Collected in Income	-86,306	1,163,057
Less Development Costs:			
	Land Purchase Price	300,000	
	Stamp Duty Fees	11,330	
	Finance Establishment Fees	9,135	
	Conveyancing Fees (Purchase)	3,000	
	Consultants Fees	60,000	
	Construction	613,175	
	Leasing Fees	6,473	
	Rates and Taxes	5,234	
	Selling Fees	24,000	
	Conveyancing Fees (Sale)	12,000	
	Other	25,000	
	Contingency Amount	10,602	
	Less: GST Input Tax Credits	-66,295	1,013,653
Margin Before Interest			149,404
	Less Borrowing Interest:		
	First Debt	44,699	
	Second Debt	35,053	79,752
Profit Margin			69,652
Total Development Cost			1,093,405
Internal Rate of Return			8.36%
Margin on Development Cost			6.37%
GST Collected in Income			86,306
GST Input Tax Credits			66,295
Peak Level of First Debt:	688,610		(Occurs on October 2017)
Peak Level of Second Debt:	235,053		(Occurs on October 2017)
Equity Amount:	100,000		(46.30% IRR on Equity)
Margin on Equity:	69,652		(69.65% MoE)

*End of Categorised Profit & Loss (Inclusive of GST) – Margin Scheme*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 2
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### Itemised Profit & Loss (Inclusive of GST) – Margin Scheme

Amounts are in \$'s

Income:			
Development Sales			
Sell-On Income Item 1	1,200,000	1,200,000	
Rent Income			
Rent Income Item 1	21,576		
Outgoing	-2,213	19,363	
Lending Interest			0
Other Income			
Other Income Item 1	30,000	30,000	
Less: GST Collected in Income		-86,306	1,163,057
Less Development Costs:			
Land Purchase Price		300,000	
Stamp Duty on Transfer		11,330	
Stamp Duty on First Mortgage		0	
Stamp Duty on Second Mortgage		0	
Finance Establishment Fee (1st Debt)		6,784	
Finance Establishment Fee (2nd Debt)		2,351	
Conveyancing Fees (Purchase)		3,000	
Consultant Items			
Consultant Cost Item 1	60,000	60,000	
Construction Items			
Construction Cost Item 1	613,175	613,175	
Leasing Fees			6,473
Rates and Taxes Items			
Council Rates	3,619		
Water & Sewer	1,615		
Land Tax	0	5,234	
Selling Fees		24,000	
Conveyancing Fees (Sale)		12,000	
Other Costs Items			
Council Contribution	25,000	25,000	
Contingency Amount		10,602	
Less: GST Input Tax Credits		-66,295	1,013,653
Margin Before Interest			149,404
Less Borrowing Interest:			
First Debt		44,699	
Second Debt		35,053	79,752
Profit Margin			69,652
<hr/>			
Total Development Cost			1,093,405
Internal Rate of Return			8.36%
Margin on Development Cost			6.37%
<hr/>			
GST Collected in Income			86,306
GST Input Tax Credits			66,295
<hr/>			
Equity Amount:	100,000		(46.30% IRR on Equity)
Margin on Equity:	69,652		(69.65% MoE)
Peak Level of First Debt:	688,610		(Occurs on October 2017)
Peak Level of Second Debt:	235,053		(Occurs on October 2017)

*End of Itemised Profit & Loss (Inclusive of GST) – Margin Scheme*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 3
Description:	Two Duplex Houses	4:40 PM
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### Profit & Loss (Valuer's Style) (Inclusive of GST) – Margin Scheme

Amounts are in \$'s

Income:	Total Gross Realisation	1,200,000	
	Rent Income	19,363	
	Other	30,000	
	Less: GST Collected in Income	-86,306	1,163,057
Less:	Selling Fees	24,000	
	Conveyancing Fees (Sale)	12,000	
	Less: GST Input Tax Credits	-3,273	32,727
Gross Profit (Ex GST)			1,130,330
Profit & Risk Factor (Ex GST)		6.57% (8.36% IRR)	69,652
Equity Amount:		100,000 (46.30% IRR on Equity)	
Margin on Equity:		69,652 (69.65% MoE)	
Less Costs:	Land Purchase Price	300,000	
	Stamp Duty Fees	11,330	
	Finance Establishment Fees	9,135	
	Conveyancing Fees (Purchase)	3,000	
	Consultants Fees	60,000	
	Construction Unescalated	600,000	
	Construction Escalation	13,175	613,175
	Leasing Fees	6,473	
	Rates and Taxes	5,234	
	Other	25,000	
	Contingency	10,602	
	Less: GST Input Tax Credits	-63,023	980,926
	Sub-Total	980,926	
	Primary Borrowing Interest	44,699	
	Secondary Borrowing Interest	35,053	
Total Net Development Costs			1,060,678
GST Collected in Income			86,306
GST Input Tax Credits			66,295

*End of Profit & Loss (Valuer's Style) (Inclusive of GST) – Margin Scheme*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 4
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### GST Summary Report

Amounts are in \$'s

	With GST	GST	Pre-GST
<b>Income:</b>			
Development Sales	1,200,000	81,818	1,118,182
Rental	19,363	1,760	17,602
Other	30,000	2,727	27,273
<b>Totals</b>	<b>1,249,363</b>	<b>86,306</b>	<b>1,163,057</b>
<b>Development Costs:</b>			
Land Purchase Price	300,000	0	300,000
Stamp Duty on Transfer	11,330	0	11,330
Stamp Duty on First Mortgage	0	0	0
Stamp Duty on Second Mortgage	0	0	0
Finance Establishment Fees (1st Debt)	6,784	0	6,784
Finance Establishment Fees (2nd Debt)	2,351	0	2,351
Conveyancing Fees (Purchase)	3,000	273	2,727
Consultants Fees	60,000	5,455	54,545
Construction			
Unescalated	600,000		
Escalation	13,175		
Leasing Fees	6,473	588	5,884
Rates and Taxes			
Council Rates	3,619		
Water & Sewer	1,615		
Land Tax	0		
Selling Fees	5,234	0	5,234
Conveyancing Fees (Sale)	24,000	2,182	21,818
Other	12,000	1,091	10,909
Contingency	25,000	0	25,000
	10,602	964	9,638
<b>Total Before Borrowing Interest</b>	<b>1,079,948</b>	<b>66,295</b>	<b>1,013,653</b>
First Debt Borrowing Interest	44,699	0	44,699
Second Debt Borrowing Interest	35,053	0	35,053
<b>Total Development Cost</b>	<b>1,159,700</b>	<b>66,295</b>	<b>1,093,405</b>
<b>Profit Margin (Excluding GST)</b>			<b>69,652</b>
<b>Internal Rate of Return</b>			<b>8.36%</b>
<b>Margin on Development Cost</b>			<b>6.37%</b>
<b>GST Collected in Income</b>			<b>86,306</b>
<b>GST Included in Costs</b>			<b>66,295</b>

*End of GST Summary Report*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 5
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### Itemised Costs Cashflow Report

Amounts are in \$'s

Period Number	15 months in Development					Subtotals
	1	2	3	4	5	
Month	2016 Sep	Oct	Nov	Dec	2017 Jan	
Land Cost Item 1	4,000	296,000				300,000
Stamp Duty (Trans)		11,330				11,330
Stamp Duty (1st Mort)						0
Finance Est. Fee (1st)		6,784				6,784
Stamp Duty (2nd Mort)						0
Finance Est. Fee (2nd)		2,351				2,351
Convey. (Purchasing)		3,000				3,000
Consultant Cost Item 1	43,286	1,286	1,286	1,286	1,286	48,429
Construction Cost Item	42,857	43,000	43,143	43,287	43,431	215,719
Council Rates		1,607				1,607
Water & Sewer		239			239	478
Land Tax						0
Selling Fees						0
Convey. (Selling)						0
Leasing Fees						0
Council Contribution	5,000	5,000	5,000	5,000	5,000	25,000
Contingency	951	3,615	494	496	500	6,056
GST Debits in Inc.			909	909	909	2,727
<b>Costs Before Interest</b>	<b>96,094</b>	<b>374,211</b>	<b>50,832</b>	<b>50,978</b>	<b>51,365</b>	<b>623,480</b>
1st Debt Interest		1,270	1,582	1,903	2,313	7,067
2nd Debt Interest		2,500	2,531	2,563	2,595	10,189
<b>Total Costs</b>	<b>96,094</b>	<b>377,980</b>	<b>54,946</b>	<b>55,443</b>	<b>56,272</b>	<b>640,736</b>

*Itemised Costs Cashflow Report continues on the next page*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 6
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### Itemised Costs Cashflow Report (continued)

Amounts are in \$'s

Period Number	15 months in Development					Subtotals
	6	7	8	9	10	
Month	2017 Feb	Mar	Apr	May	2017 Jun	
Land Cost Item 1						300,000
Stamp Duty (Trans)						11,330
Stamp Duty (1st Mort)						0
Finance Est. Fee (1st)						6,784
Stamp Duty (2nd Mort)						0
Finance Est. Fee (2nd)						2,351
Convey. (Purchasing)						3,000
Consultant Cost Item 1	1,286	1,286	1,286	1,286	1,286	54,857
Construction Cost Item	43,576	43,721	43,867	44,013	44,160	435,057
Council Rates						1,607
Water & Sewer			239			717
Land Tax						0
Selling Fees						0
Convey. (Selling)						0
Leasing Fees						0
Council Contribution						25,000
Contingency	449	450	454	453	454	8,316
GST Debits in Inc.						2,727
<b>Costs Before Interest</b>	<b>45,311</b>	<b>45,457</b>	<b>45,846</b>	<b>45,752</b>	<b>45,900</b>	<b>851,746</b>
1st Debt Interest	2,675	3,042	3,415	3,790	4,170	24,159
2nd Debt Interest	2,627	2,660	2,693	2,727	2,761	23,658
<b>Total Costs</b>	<b>50,613</b>	<b>51,159</b>	<b>51,954</b>	<b>52,269</b>	<b>52,831</b>	<b>899,563</b>

*Itemised Costs Cashflow Report continues on the next page*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 7
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Prepared By:	MKA	File: ResidentialSourceDemo2016

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### Itemised Costs Cashflow Report (continued)

Amounts are in \$'s

Period Number	15 months in Development					Totals
	11	12	13	14	15	
Month	2017 Jul	Aug	Sep	Oct	2017 Nov	
Land Cost Item 1						300,000
Stamp Duty (Trans)						11,330
Stamp Duty (1st Mort)						0
Finance Est. Fee (1st)						6,784
Stamp Duty (2nd Mort)						0
Finance Est. Fee (2nd)						2,351
Convey. (Purchasing)						3,000
Consultant Cost Item 1	1,286	1,286	1,286	1,286		60,000
Construction Cost Item	44,307	44,455	44,603	44,752		613,175
Council Rates			2,013			3,619
Water & Sewer	674			225		1,615
Land Tax						0
Selling Fees					24,000	24,000
Convey. (Selling)					12,000	12,000
Leasing Fees		6,473				6,473
Council Contribution						25,000
Contingency	463	522	479	463	360	10,602
GST Debits in Inc.			440	440	82,698	86,306
<b>Costs Before Interest</b>	<b>46,729</b>	<b>52,736</b>	<b>48,821</b>	<b>47,165</b>	<b>119,058</b>	<b>1,166,254</b>
1st Debt Interest	4,559	4,961	5,329	5,691		44,699
2nd Debt Interest	2,796	2,831	2,866	2,902		35,053
<b>Total Costs</b>	<b>54,084</b>	<b>60,527</b>	<b>57,016</b>	<b>55,758</b>	<b>119,058</b>	<b>1,246,006</b>

*End of Itemised Costs Cashflow Report*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 8
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

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### Categorised Cashflow Report

Amounts are in \$'s

Development Length spans 15 months (1 year, 3 months) Development Cashflow begins September 2016 and ends November 2017						
Period Number	1	2	3	4	5	Subtotals
Month	2016 Sep	Oct	Nov	Dec	2017 Jan	
Land Purchasing	4,000	319,465				323,465
Consultants' Fees	43,286	1,286	1,286	1,286	1,286	48,429
Construction Costs	42,857	43,000	43,143	43,287	43,431	215,719
Council Rates		1,607				1,607
Water & Sewer		239			239	478
Land Tax						0
Selling & Conv.						0
Leasing Fees						0
Other Costs	5,000	5,000	5,000	5,000	5,000	25,000
Contingency Costs	951	3,615	494	496	500	6,056
GST Debits in Inc.			909	909	909	2,727
<b>COSTS B4 INT.</b>	<b>96,094</b>	<b>374,211</b>	<b>50,832</b>	<b>50,978</b>	<b>51,365</b>	<b>623,480</b>
Sell-On Income						0
Rent Income						0
Other Income		-10,000	-10,000	-10,000		-30,000
GST Tax Credits		-7,918	-4,627	-4,084	-4,097	-20,726
<b>INCOME B4 INT.</b>	<b>0</b>	<b>-17,918</b>	<b>-14,627</b>	<b>-14,084</b>	<b>-4,097</b>	<b>-50,726</b>
Net Outlay	96,094	356,293	36,205	36,894	47,268	572,754
Equity Input	-96,094	-3,906				-100,000
Cum. 1st Debt B4 Int.		152,387	188,592	225,486	272,754	
1st Debt Interest		1,270	1,582	1,903	2,313	7,067
Cum. 1st Debt Interest		1,270	2,852	4,755	7,067	
Cum. Net 1st Debt		153,657	191,444	230,241	279,821	
Cum. 2nd Debt B4 Int.		200,000	200,000	200,000	200,000	
2nd Debt Interest		2,500	2,531	2,563	2,595	10,189
Cum. 2nd Debt Interest		2,500	5,031	7,594	10,189	
Cum. Net 2nd Debt		202,500	205,031	207,594	210,189	
Cum. Net All Debt		356,157	396,476	437,835	490,010	
<b>NET FLOW</b>	<b>96,094</b>	<b>360,063</b>	<b>40,319</b>	<b>41,359</b>	<b>52,175</b>	<b>590,010</b>
NPV Factors	1.0000	0.9931	0.9862	0.9794	0.9726	
NPV Net Flow	-96,094	-357,572	-39,763	-40,507	-50,746	-584,682
AUV	300,000	300,000	300,000	300,000	300,000	
ACV	300,000	300,000	300,000	300,000	300,000	
AAV	15,000	15,000	15,000	15,000	15,000	
Remaining Sales Units	2	2	2	2	2	
Construction Esc.	1.0000	1.0033	1.0067	1.0100	1.0134	
Rent/Land Esc.	1.0000	1.0033	1.0067	1.0100	1.0134	
Absolute Sellon Esc.	1.0000	1.0000	1.0000	1.0000	1.0000	
Ownership Factor	0.0000	1.0000	1.0000	1.0000	1.0000	

*Categorised Cashflow Report continues on the next page*



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### Categorised Cashflow Report (continued)

Amounts are in \$'s

Development Length spans 15 months (1 year, 3 months) Development Cashflow begins September 2016 and ends November 2017						
Period Number	6	7	8	9	10	Subtotals
Month	2017 Feb	Mar	Apr	May	2017 Jun	
Land Purchasing						323,465
Consultants' Fees	1,286	1,286	1,286	1,286	1,286	54,857
Construction Costs	43,576	43,721	43,867	44,013	44,160	435,057
Council Rates						1,607
Water & Sewer			239			717
Land Tax						0
Selling & Conv.						0
Leasing Fees						0
Other Costs						25,000
Contingency Costs	449	450	454	453	454	8,316
GST Debits in Inc.						2,727
<b>COSTS B4 INT.</b>	<b>45,311</b>	<b>45,457</b>	<b>45,846</b>	<b>45,752</b>	<b>45,900</b>	<b>851,746</b>
Sell-On Income						0
Rent Income						0
Other Income						-30,000
GST Tax Credits	-4,111	-4,119	-4,132	-4,146	-4,159	-41,394
<b>INCOME B4 INT.</b>	<b>-4,111</b>	<b>-4,119</b>	<b>-4,132</b>	<b>-4,146</b>	<b>-4,159</b>	<b>-71,394</b>
Net Outlay	41,200	41,338	41,713	41,606	41,741	780,352
Equity Input						-100,000
Cum. 1st Debt B4 Int.	313,954	355,292	397,005	438,611	480,352	
1st Debt Interest	2,675	3,042	3,415	3,790	4,170	24,159
Cum. 1st Debt Interest	9,743	12,785	16,200	19,990	24,159	
Cum. Net 1st Debt	323,696	368,076	413,204	458,600	504,511	
Cum. 2nd Debt B4 Int.	200,000	200,000	200,000	200,000	200,000	
2nd Debt Interest	2,627	2,660	2,693	2,727	2,761	23,658
Cum. 2nd Debt Interest	12,816	15,477	18,170	20,897	23,658	
Cum. Net 2nd Debt	212,816	215,477	218,170	220,897	223,658	
Cum. Net All Debt	536,513	583,553	631,374	679,498	728,169	
<b>NET FLOW</b>	<b>46,502</b>	<b>47,040</b>	<b>47,822</b>	<b>48,123</b>	<b>48,672</b>	<b>828,169</b>
NPV Factors	0.9659	0.9592	0.9526	0.9460	0.9394	
NPV Net Flow	-44,916	-45,121	-45,553	-45,524	-45,724	-811,521
AUV	300,000	300,000	300,000	300,000	300,000	
ACV	300,000	300,000	300,000	300,000	300,000	
AAV	15,000	15,000	15,000	15,000	15,000	
Remaining Sales Units	2	2	2	2	2	
Construction Esc.	1.0168	1.0202	1.0236	1.0270	1.0304	
Rent/Land Esc.	1.0168	1.0202	1.0236	1.0270	1.0304	
Absolute Sellon Esc.	1.0000	1.0000	1.0000	1.0000	1.0000	
Ownership Factor	1.0000	1.0000	1.0000	1.0000	1.0000	

*Categorised Cashflow Report continues on the next page*

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### Categorised Cashflow Report (continued)

Amounts are in \$'s

Development Length spans 15 months (1 year, 3 months) Development Cashflow begins September 2016 and ends November 2017						
Period Number	11	12	13	14	15	Totals
Month	2017 Jul	Aug	Sep	Oct	2017 Nov	
Land Purchasing						323,465
Consultants' Fees	1,286	1,286	1,286	1,286		60,000
Construction Costs	44,307	44,455	44,603	44,752		613,175
Council Rates			2,013			3,619
Water & Sewer	674			225		1,615
Land Tax						0
Selling & Conv.					36,000	36,000
Leasing Fees		6,473				6,473
Other Costs						25,000
Contingency Costs	463	522	479	463	360	10,602
GST Debits in Inc.			440	440	82,698	86,306
<b>COSTS B4 INT.</b>	<b>46,729</b>	<b>52,736</b>	<b>48,821</b>	<b>47,165</b>	<b>119,058</b>	<b>1,166,254</b>
Sell-On Income					-1,200,000	-1,200,000
Rent Income		-4,841	-4,841	-4,841	-4,841	-19,363
Other Income						-30,000
GST Tax Credits	-4,173	-4,187	-4,794	-4,215	-7,533	-66,295
<b>INCOME B4 INT.</b>	<b>-4,173</b>	<b>-9,028</b>	<b>-9,635</b>	<b>-9,056</b>	<b>-1,212,373</b>	<b>-1,315,658</b>
Net Outlay	42,557	43,708	39,186	38,109	-1,093,315	-149,404
Equity Input					169,652	69,652
Cum. 1st Debt B4 Int.	522,908	566,616	605,802	643,911	-214,351	
1st Debt Interest	4,559	4,961	5,329	5,691		44,699
Cum. 1st Debt Interest	28,718	33,679	39,008	44,699	44,699	
Cum. Net 1st Debt	551,626	600,296	644,810	688,610	-169,652	
Cum. 2nd Debt B4 Int.	200,000	200,000	200,000	200,000	-35,053	
2nd Debt Interest	2,796	2,831	2,866	2,902		35,053
Cum. 2nd Debt Interest	26,454	29,285	32,151	35,053	35,053	
Cum. Net 2nd Debt	226,454	229,285	232,151	235,053		
Cum. Net All Debt	778,081	829,580	876,961	923,663	-169,652	
<b>NET FLOW</b>	<b>49,911</b>	<b>51,500</b>	<b>47,381</b>	<b>46,702</b>	<b>-1,093,315</b>	<b>-69,652</b>
NPV Factors	0.9329	0.9265	0.9201	0.9137	0.9074	
NPV Net Flow	-46,564	-47,714	-43,594	-42,672	992,065	0
AUV	310,151	310,151	310,151	310,151	310,151	
ACV	845,659	845,659	845,659	845,659	845,659	
AAV	42,283	42,283	42,283	42,283	42,283	
Remaining Sales Units	2	2	2	2	0	
Construction Esc.	1.0338	1.0373	1.0407	1.0442	1.0477	
Rent/Land Esc.	1.0338	1.0373	1.0407	1.0442	1.0477	
Absolute Sellon Esc.	1.0000	1.0000	1.0000	1.0000	1.0000	
Ownership Factor	1.0000	1.0000	1.0000	1.0000	0.0000	

*End of Categorised Cashflow Report*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

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Development:	Residential Source	page 11
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

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*Feastudy was used to prepare this feasibility study.*

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### Sell-On Income Calculations

Amounts are in \$'s

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Total Sales Income:	1,200,000
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Absolute Sell-On Income items	(Rent Income capitalisation does not apply)			
Item No.	Description	Quantity	Rate	Value
1	Sell-On Income Item 1	2	600,000	1,200,000
Total Absolute Sales:				1,200,000

---

*End of Sell-On Income Calculations*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 12
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

*Feastudy was used to prepare this feasibility study.*

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### Sensitivity Analysis for Land Cost Variations

Amounts are in \$'s

Range is -10.00% to +10.00% in 2.00% Increments of \$6,000

Land Cost	Sale Value	Dev. Cost	Margin	MDC	IRR
270,000	1,200,000	1,057,004	103,325	9.78%	12.76%
276,000	1,200,000	1,064,284	96,591	9.08%	11.86%
282,000	1,200,000	1,071,565	89,856	8.39%	10.97%
288,000	1,200,000	1,078,845	83,121	7.70%	10.09%
294,000	1,200,000	1,086,125	76,387	7.03%	9.22%
<hr/>					
300,000	1,200,000	1,093,405	69,652	6.37%	8.36%
<hr/>					
306,000	1,200,000	1,100,702	62,900	5.71%	7.51%
312,000	1,200,000	1,107,999	56,149	5.07%	6.66%
318,000	1,200,000	1,115,296	49,397	4.43%	5.83%
324,000	1,200,000	1,122,599	42,640	3.80%	5.00%
330,000	1,200,000	1,129,906	35,878	3.18%	4.19%

### Sensitivity Analysis for Rental Income Variations

Amounts are in \$'s

Range is -10.00% to +10.00% in 2.00% Increments of \$1,120

Unescalated Rent	Sale Value	Dev. Cost	Margin	MDC	IRR
50,400	1,200,000	1,092,827	68,470	6.27%	8.22%
51,520	1,200,000	1,092,943	68,706	6.29%	8.25%
52,640	1,200,000	1,093,058	68,943	6.31%	8.28%
53,760	1,200,000	1,093,174	69,179	6.33%	8.30%
54,880	1,200,000	1,093,289	69,416	6.35%	8.33%
<hr/>					
56,000	1,200,000	1,093,405	69,652	6.37%	8.36%
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57,120	1,200,000	1,093,520	69,888	6.39%	8.39%
58,240	1,200,000	1,093,636	70,125	6.41%	8.41%
59,360	1,200,000	1,093,752	70,361	6.43%	8.44%
60,480	1,200,000	1,093,867	70,598	6.45%	8.47%
61,600	1,200,000	1,093,983	70,834	6.47%	8.50%

*End of Sensitivity Analysis for Rental Income Variations*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 13
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

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### Sensitivity Analysis for Construction Cost Variations

Amounts are in \$'s

Range is -10.00% to +10.00% in 2.00% Increments of \$12,263

Cost	Sale Value	Dev. Cost	Margin	MDC	IRR
551,857	1,200,000	1,026,485	136,572	13.30%	16.70%
564,121	1,200,000	1,039,869	123,188	11.85%	15.01%
576,384	1,200,000	1,053,253	109,804	10.43%	13.33%
588,648	1,200,000	1,066,637	96,420	9.04%	11.66%
600,911	1,200,000	1,080,021	83,036	7.69%	10.00%
613,175	1,200,000	1,093,405	69,652	6.37%	8.36%
625,438	1,200,000	1,106,789	56,268	5.08%	6.73%
637,702	1,200,000	1,120,173	42,884	3.83%	5.11%
649,965	1,200,000	1,133,569	29,488	2.60%	3.50%
662,229	1,200,000	1,146,969	16,088	1.40%	1.90%
674,492	1,200,000	1,160,369	2,687	0.23%	0.32%

### Sensitivity Analysis for Construction Period Variations

Amounts are in \$'s

Range is -3 months to 7 months, in 1 month Increments

End - Months	Sale Value	Dev. Cost	Margin	MDC	IRR
07/2017 -- 11	1,200,000	1,071,742	72,958	6.81%	11.00%
08/2017 -- 12	1,200,000	1,078,631	75,218	6.97%	10.48%
09/2017 -- 13	1,200,000	1,085,492	77,506	7.14%	10.04%
10/2017 -- 14	1,200,000	1,093,405	69,652	6.37%	8.36%
11/2017 -- 15	1,200,000	1,101,358	61,758	5.61%	6.91%
12/2017 -- 16	1,200,000	1,109,300	53,875	4.86%	5.65%
01/2018 -- 17	1,200,000	1,117,280	45,953	4.11%	4.53%
02/2018 -- 18	1,200,000	1,125,311	37,982	3.38%	3.53%
03/2018 -- 19	1,200,000	1,133,395	29,957	2.64%	2.64%
04/2018 -- 20	1,200,000	1,141,533	21,879	1.92%	1.83%
05/2018 -- 21	1,200,000	1,149,732	13,739	1.20%	1.09%

*End of Sensitivity Analysis for Construction Period Variations*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 14
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

*Feastudy was used to prepare this feasibility study.*

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### Sensitivity Analysis for Sell-On Income Variations

Amounts are in \$'s

Range is -10.00% to +10.00% in 2.00% Increments of \$24,000

Sell-On Income	Sale Value	Dev. Cost	Margin	MDC	IRR
1,080,000	1,080,000	1,090,099	-36,133	-3.31%	-4.59%
1,104,000	1,104,000	1,090,761	-14,976	-1.37%	-1.88%
1,128,000	1,128,000	1,091,422	6,181	0.57%	0.77%
1,152,000	1,152,000	1,092,083	27,338	2.50%	3.35%
1,176,000	1,176,000	1,092,744	48,495	4.44%	5.88%
<hr/>					
1,200,000	1,200,000	1,093,405	69,652	6.37%	8.36%
<hr/>					
1,224,000	1,224,000	1,094,066	90,809	8.30%	10.78%
1,248,000	1,248,000	1,094,727	111,966	10.23%	13.16%
1,272,000	1,272,000	1,095,388	133,123	12.15%	15.49%
1,296,000	1,296,000	1,096,049	154,280	14.08%	17.77%
1,320,000	1,320,000	1,096,710	175,437	16.00%	20.00%

### Sensitivity Analysis for Sell-On Period Variations

Amounts are in \$'s

Range is -3 months to 7 months, in 1 month Increments

End - Months	Sale Value	Dev. Cost	Margin	MDC	IRR
08/2017 -- 12	1,200,000	1,071,742	72,958	6.81%	11.00%
09/2017 -- 13	1,200,000	1,078,631	75,218	6.97%	10.48%
10/2017 -- 14	1,200,000	1,085,492	77,506	7.14%	10.04%
<hr/>					
11/2017 -- 15	1,200,000	1,093,405	69,652	6.37%	8.36%
<hr/>					
12/2017 -- 16	1,200,000	1,103,006	60,110	5.45%	6.55%
01/2018 -- 17	1,200,000	1,112,683	50,492	4.54%	5.03%
02/2018 -- 18	1,200,000	1,122,481	40,753	3.63%	3.74%
03/2018 -- 19	1,200,000	1,132,370	30,923	2.73%	2.63%
04/2018 -- 20	1,200,000	1,142,367	20,985	1.84%	1.67%
05/2018 -- 21	1,200,000	1,152,464	10,948	0.95%	0.81%
06/2018 -- 22	1,200,000	1,162,667	805	0.07%	0.06%

*End of Sensitivity Analysis for Sell-On Period Variations*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 15
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

*Feastudy was used to prepare this feasibility study.*

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### Sensitivity Analysis for Borrowing Interest Rate Variations

Amounts are in \$'s

Range is -2.50% to +2.50% in 0.50% Increments

Interest	Sale Value	Dev. Cost	Margin	MDC	IRR
7.50%	1,200,000	1,075,512	87,545	8.14%	10.52%
8.00%	1,200,000	1,079,060	83,997	7.78%	10.09%
8.50%	1,200,000	1,082,623	80,434	7.43%	9.66%
9.00%	1,200,000	1,086,201	76,856	7.08%	9.23%
9.50%	1,200,000	1,089,795	73,262	6.72%	8.79%
10.00%	1,200,000	1,093,405	69,652	6.37%	8.36%
10.50%	1,200,000	1,097,030	66,027	6.02%	7.92%
11.00%	1,200,000	1,100,671	62,386	5.67%	7.48%
11.50%	1,200,000	1,104,327	58,730	5.32%	7.04%
12.00%	1,200,000	1,107,999	55,058	4.97%	6.60%
12.50%	1,200,000	1,111,687	51,370	4.62%	6.16%

*End of Sensitivity Analysis for Borrowing Interest Rate Variations*

# PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 16
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

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## Inputs Report

Amounts are in \$'s

### Development Settings

#### Development Identification

Development Name:	Residential Source
Type of Development:	Residential
Capital City:	Adelaide
Description:	Two Duplex Houses
Location:	Brighton, SA
Prepared By:	MKA

#### Development Dates

Reference Date:	September 2016
Completion Date:	November 2017
First month of financial year:	July

#### Residual Land Value Calculation

Residual Land Value Calculation is NOT required.

#### Equity

Equity is provisionally injected as a sum of money: 100,000

#### Equity and Joint Venture

A joint venture does NOT apply to the development.

#### Loans and Interest

Both Primary and Secondary Debt Funds apply to borrowings.	
Primary Debt interest rate per annum throughout cashflow:	10.00%
Primary Debt Finance Establishment Fee:	1.00%
Secondary Debt interest rate per year throughout cashflow:	15.00%
Secondary Debt Finance Establishment Fee:	1.00%
Provisional Secondary Debt instalments:	
200,000	Oct 2016
Lending interest rate per annum:	0.00%

#### Escalation Rates

Construction escalation rate per annum:	4.00%
Rent/Land escalation rate per annum:	4.00%
Absolute Sell-On escalation rate:	0.00%

#### GST Settings

This Developer is registered for GST.	
GST rate:	10.00%
GST is remitted/refunded monthly.	
The Margin Scheme has been used.	

#### Other Settings

Contingency as a percentage of all costs before interest:	1.00%
Monetary amounts are shown in units, rather than in thousands.	
Total Site Area: 00 Square Metres	
Plot Ratio Data is not used.	

*Inputs Report continues on the next page*



## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 17
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

*Feastudy was used to prepare this feasibility study.*

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### Inputs Report (continued)

Amounts are in \$'s

#### Land Costs

Total Land Costs: 300,000

#### Land Costs Item 1 of 1

Description:	Land Cost Item 1		
Total Purchase Cost:	300,000		
Stamp Duty on Transfer Date:	Oct 2016	Settlement Date:	Oct 2016
No input tax credit is available for this item.			
	Amount		Date
Option:	0		
Deposit:	4,000		Sep 2016

#### Construction Costs

Total Unescalated Construction Costs: 600,000  
 Total Construction Escalation: 13,175

#### Construction Cost Item 1 of 1

Description:	Construction Cost Item 1		
Amount:	600,000		
Escalation:	13,175		
Quantity	Rate	Units	
400	1,500	sq. ms.	
Method:	Linear		
Start Date: Sep 2016		End Date: Oct 2017	

#### Consultants' Fees

Total Consultants' Fees: 60,000

#### Consultant's Fees 1 of 1

Description:	Consultant Cost Item 1		
Fee is paid as a percentage:	10.00%		
Consultant's Fee is linked to Construction Item 1.			
	(Construction Cost Item 1)		
Plan	Work	Super	End
30.00%	40.00%	30.00%	0.00%
Plan Offset: 0 month(s)		Work Offset: 0 month(s)	
Total fee for this item	60,000		

#### Rates and Taxes

Total Rates and Taxes: 5,234

#### Rates and Taxes Item 1 of 3

Description:	Council Rates
Fee Basis:	Assessed Annual Value
Fee Frequency:	Annual
Fee Paid:	September
Fee Method:	Use Tax Scales

*Inputs Report continues on the next page*

## PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Residential Source	page 18
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

*Feastudy was used to prepare this feasibility study.*

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### Inputs Report (continued)

Amounts are in \$'s

#### Rates and Taxes Item 2 of 3

Description:	Water & Sewer
Fee Basis:	Assessed Capital Value
Fee Frequency:	Quarterly
Fee Paid:	July
Fee Method:	Use Tax Scales

#### Rates and Taxes Item 3 of 3

Description:	Land Tax
Fee Basis:	Assessed Unimproved Value
Fee Frequency:	Annual
Fee Paid:	December
Fee Method:	Use Tax Scales

#### Assessed Values for Rates and Taxes

Assessed Unimproved Value is calculated as a percentage of Escalated Imputed Land Value:	100.00%	
Assessed Capital Value is calculated as a percentage of Escalated Imputed Capital Value:	100.00%	
Assessed Annual Value is calculated as a percentage of Assessed Capital Value:	5.00%	

#### Duties and Conveyancing Fees

Stamp Duty on Transfer is calculated using the tax library.		11,330
Stamp Duty on First Mortgage is calculated using the tax library.		0
Stamp Duty on Second Mortgage is calculated using the tax library.		0
Purchaser's Conveyancing Fees:	1.00%	3,000
Vendor's Conveyancing Fees:	1.00%	12,000

#### Selling and Leasing Fees

Selling Fees:	2.00%	24,000
Leasing Fees:	10.00%	6,473

#### Other Costs

Total Other Costs:	25,000
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#### Other Cost Item 1 of 1

Description:	Council Contribution
Total Amount:	25,000
Start Date:	Sep 2016
End Date:	Jan 2017
GST does NOT apply to this item.	

*Inputs Report continues on the next page*

# PROPERTY DEVELOPMENT FEASIBILITY STUDY

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Development:	Residential Source	page 19
Description:	Two Duplex Houses	4:40 PM
Location:	Brighton, SA	Aug 20
Capital City:	Adelaide	2016
Prepared By:	MKA	File: ResidentialSourceDemo2016

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*Feastudy was used to prepare this feasibility study.*

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## Inputs Report (continued)

Amounts are in \$'s

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### Sell-On Income Items

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Total Sell-On Income:	1,200,000
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#### Sell-On Income Item 1 of 1

Description:	Sell-On Income Item 1		
Quantity:	Rate:	Amount:	Date:
2	600,000	1,200,000	Nov 2017

The Margin Scheme applies to this item.

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### Rent Income Items

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Total Rent Income Received:	19,363
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#### Rent Income Item 1 of 2

Description:	Rent Income Item 1		
Rent Start Date:	Aug 2017		
Leasing Vacancy:	0.00%		
Rent item is NOT linked to a Sell-On item.			
GST applies to this item.			
Quantity:	Rate1:	Rate2:	Amount:
2	600	52	62,400

#### Rent Income Item 2 of 2

Description:	Outgoing	
Rent Start Date:	Aug 2017	
Leasing Vacancy:	0.00%	
Rent item is NOT linked to a Sell-On item.		
GST applies to this item.		
Amount:	-6,400	

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### Other Income Items

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Total Other Income:	30,000
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#### Other Income Item 1 of 1

Description:	Other Income Item 1	
Monthly Amount:	10,000	
Start Date:	Oct 2016	
End Date:	Dec 2016	
GST applies to this item.		

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*End of Inputs Report*