

Investment Opportunity:
Buy-2-Let-Property
Reef Acres, Springs



Re-Sale of unit 63, Reef Acres, Krugersrus, Springs.

~~**R420 000**~~
Asking price R399 000

Keen Seller. Offered R21 000 below the developers price.

Rent R3 200 p.m.

This property offers the following:	
Floor Area (m ²) Residential	52
Floor Level	First Floor
Bedrooms	2 with built in cupboards
Lounge	1
Bathrooms	One
Kitchen	1 Open Plan
Parking*	Covered Parking
Living areas	Communal garden & recreational areas
Security	Fenced, controlled access.

Financial sense:

The property is a fair sized two bedroom unit which is rented at R3200. The purchaser bought two units from the developer, but due to a changed personal situation, he urgently wants to sell off the one unit. The developer still have a few similar remaining units which he sells for R420 000. Because this seller is keen to sell, the property is offered at R21 000 below the current selling price of the developer. Even at R420 000 this property is good value for money and increased growth could be expected as soon as the supply from the developer is sold out.

From the table below, it is clear that the return on investment in the first year is 9.62% gross. Even the net rental return in the first year is close to the banks prime rate at present.

Purchase:	
Purchase Price	399000.00
Deposit (10%)	39900.00
Bond Amount (90%)	359100.00

Initial Investment	
Deposit	39900.00
Transfer	15000.00
Bond	6000.00
Total:	60900.00

Monthly Cash Flow	
Bond Payment	3230.92
Levies HOA	624.00
Municipal Taxes (approxamite)	127.00
Total monthly Expences	3981.92
Rental Income	3200.00
Less agents commission @ 10%	-320.00
Net income	2880.00
Monthly Shortfall	-1101.92

9.00%	Interest rate
240	Bond Term Mnths

Gross ROI	9.62%
Net ROI	8.66%

The shortfall in the first year is only R1101.92 and a break even situation is envisaged after 5 years if rent escalation is assumed at 8% p.a. Should rent escalation could be maintained at 10% p.a., a break even situation is envisaged after 4 years.

Property condition:

This first floor, corner unit is in a very neat condition. It has tiled floors throughout and should be easy to maintain. The complex is fairly new and is in occupation since 2009. The developer still owns some units and the final phase of the development is still in progress.

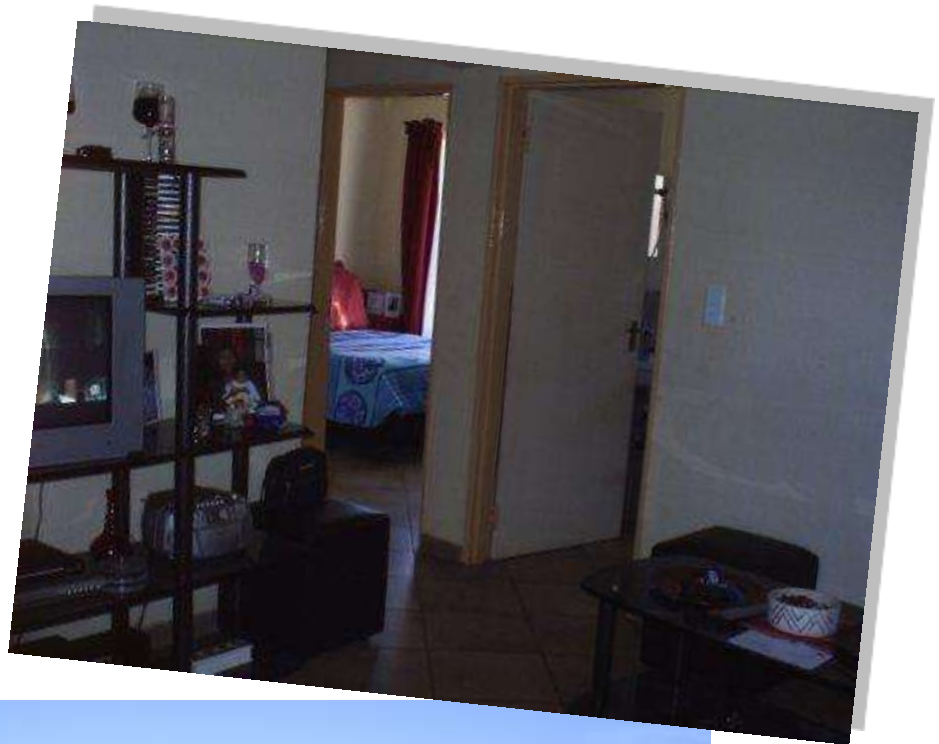
General maintenance of the complex is good and the exterior of the complex is well kept.

Location and suburb information:

The property is situated in a security complex in Krugersrus, Springs. It is right opposite the Far East Rand Hospital and there is a constant rental demand. The complex is about 20 minutes drive away from the OR Tambo Airport in Johannesburg.



Pictures from similar units



Own Your Own Investment Property.

This opportunity will be taken up soon. If you are interested, please phone me immediately.

Cobus van der Merwe 083 4405172