

Vuttomi Group

SOCIAL HOUSING WITH A DIFFERENCE

CORNUBIA UMHLANGA HILLS



A LEAP INTO SOCIAL UPLIFTMENT AUGUST 2020



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INTRODUCTION

The aim of the proposed development is to offer the eThekweni Municipality the non-profit sector and the local community the opportunity to work together to improve the local economy.

It will focus on uplifting and improving the living conditions of the local community and making the area more aesthetic.

The proposed development has been designed and planned to minimise negative financial, social, economic, and environmental impacts.

Project Name:

Vuttomi Group Cornubia, Social housing Development

Property Description:

Umhlanga Hills Cornubia

Total Land Size:

Measuring 8,0677 hectares in extent

Project Description:

The Proposed Cornubia Development is within the restructuring zone of the Umhlanga Hills, situated in Cornubia, a township in Umhlanga with in the Kzn area that falls within the eThekweni Municipality. Umhlanga is well established.

Cornubia Social Housing Development consist of 652 Social housing units covering an area of approximately 5.51 Hectares.

Anticipated Construction Period for the total Development is Eighteen months.

REDLEX PROFILE



VUTTOMI
GROUP

Redlex 397 (Pty) Ltd

Company Profile

Redlex 397 (Pty) Ltd



Company Profile

Our Service Providers

We outsource to personnel firms who assist us in our other areas of function to enable us to serve you more professionally and efficiently

CONVEYANCERS
Helgaard Raubenheimer
Tel: 012 362 5785

BANKERS
First National Bank
Melrose Arch
Tel: 011 684-1990

Our Office

No. 6 Buford Road
Houghton
Tel: 011 047 0660

Contact Details

Nonhlanhla Ditshego
Cell: 076 630 8320

Dudley Ditshego
Cell: 072 606 0954

Company Profile

Redlex

Our focus on the marketing of residential developments allows us to deliver a professional service to the investor and end-users alike.

With experience across the board from: student accommodation, low cost housing developments to up-market residential estates, the team assists land owners in realising the full potential of their land by packaging and marketing an appropriate development scheme.

Packaging New Development

- Identifying land and its risk profile constraints
- Establishing a development strategy
- Producing a development programme
- Producing a feasibility analysis
- Appointing, retaining and supervising a complete technical and financial team
- Preparing a final development report

Marketing the Developments

- Verifying the market through research
- Developing an appropriate marketing strategy
- Preparing a market plan
- Appointing and managing ancillary service providers
- Preparing sales and contract documentation
- Sales and rental administration
- Final handover



The Company

- Registered with the Estate Agency Affairs Board
- 100% Black Economic Empowerment compliant

Property Investment Club

Redlex owns a Property Investment Club that consists of Estate Agents, Developers, Investors and Conveyancers

The aim of the club is to:

- Supply Estate Agents with stock from the Developers
- Give Conveyancers business opportunities from developments
- Give Investors a chance to buy off a development before it goes to the public

This will eventually form a complete professional team to carry forth a development

Our Service Products

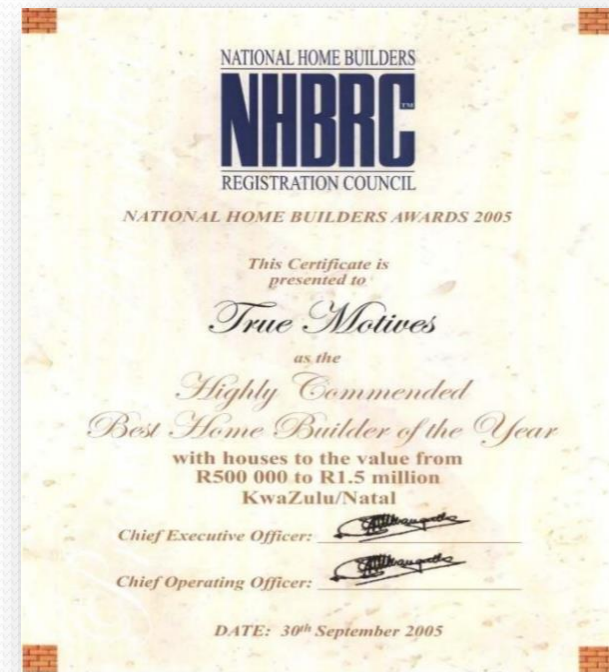
Redlex offers a full spectrum of property services with the convenience of single points of contact

- Student Accommodation
- Residential Property Sales
- Private Property Management
- Renovation
- Interior Decoration
- Investors Representative
- Development Advisors
- Project Sales and Marketing Off Plan

In Conclusion, Redlex can offer landowners and investors a complete service for the development of residential property

The Business Opportunity

- 1. As the Vuttomi Group, we wish to participate in this subsector, and hence we are submitting this request for support, which is needed in compliance with the applicable social housing regulations.
- 2. Vuttomi Group will partner with True Motives Established in 2001. True Motives has built more than 1500 homes in various sectors. Built churches, office parks and roads. True Motives was awarded the best builder of the year in 2005 from the NHBRC.
- 3. According to Statistics South Africa's (Stats SA) General Household Survey (GHS) of 2018, about 81,1% of all households resided in formal dwellings in 2018.
- Although the percentage of households that have received government subsidy to access housing has increased from 5,6% in 2002 to 13,6% by 2018, 13,1% of households were still living in informal dwellings. This could be attributed to the fact that rapid household growth and population relocation is making it very difficult to address existing backlogs in the face of fresh demands. (www.gov.za/about-sa/humansettlements).
- 4. eThekweni Municipality has confirmed in its website that more than 230 000 households in its jurisdiction are informal settlements, something which it is attempting to eradicate through incremental upgrades, etc.
- 5. It has also been established that there are several people that are migrant workers, and as such, they do not wish to own properties in Durban, and **hence quality rental accommodation becomes handy.**



The Project



Located in Cornubia, uMhlanga Hills is a truly integrated node with proximity to retail, commercial and industrial areas with many amenities within walking distance enjoying great accessibility. Its prime location and high development standards make it a natural extension of uMhlanga Ridge providing extremely attractive opportunities.



An accelerating and promising trend is the emergence of more inclusionary neighbourhoods that accommodate a greater mix of income groups. Located in Cornubia, uMhlanga Hills is positioned as a high quality, integrated, affordable to mid-market neighbourhood with retirement and school opportunities.

INTEGRATED DEVELOPMENT NODE

Fact Sheet

- 43 developable hectares
- 150 000m² combined bulk made up of four precincts
- Strategically located along the Go!Durban route
- Accessible through new roads and the M41 interchanges currently being constructed
- Along the proposed Dube East arterial road
- Opposite to the new 85 000m² Cornubia Shopping Centre
- Adjacent to Cornubia Town Centre
- Close proximity to the Cornubia Business Hub
- Direct access to uMhlanga Ridge Town Centre via a new bridge being constructed over the N2
- All precincts enjoy the pleasing aesthetic of being nestled amongst rehabilitated green spaces

The Project

3.0 THE PROJECT

3.1 Location: The site is located at Cornubia Umhlanga Hills

3.2 The Extent: It is approximately 8,066 Hectares in extent.

3.3 Proposed Land use

The planned development is a Social Housing development but with a small commercial component

The following is a breakdown of the project components.

- 1000 parking bays in total.
- The building has an overall total of 652 housing units.

The breakdown of the housing units is as follows.

176 x 1 Bedroom units, each with 38m² of Gross Building Area (GBA)

476 x 2 Bedroom units, each with 48 m² of Gross Building Area (GBA)

• A stand-alone commercial component of approximately 300m² (GBA), earmarked for a fast food Outlet, Shops and Restaurant.

• To comply with other SHRA requirements, the project has a Communal Laundry, a Drying Area, a Creche/Children's Play Area of 120m².

• Further to the above, the building will be secured externally by a Clearvu boundary fence, and internally by turnstiles and or Exit/Entrance bi-lock cubicles to ensure that only authorized people can enter.

3.4 Flexibility of the designs:

Whilst the Developer's first is social housing tenants but the designs are such that, should that priority change, the units can used as normal residential units or as student's accommodation for

Professional Team

2.0 THE PROJECT'S PROFESIONAL TEAM & CONTRACTOR

For its successful planning and execution and in recognition of the fact that,

this is a complicated project which requires diverse skills and experience

Vuttomi Group has engaged the following highly experienced companies in the following roles.

COMPANY NAME ROLE / DISCIPLINE

1 True Motives	Project Managers
2 JWM Architects	Architects
3 PINNACLEQS	Quantity Surveyors
4 DAVE ALLPAS	Civil Engineers
5 DAVE ALLPAS	Structural Engineers
6 KHANYESA AFRICA	Electrical Engineers
7 DTM Projects	Mechanical Engineers
8 VUTTOMI GROUP	Managing Agent
9 TRUE MOTIVES	Contractor

ENVISAGED PROJECTS TIMELINES.

*A detailed procurement and implementation program
Are available on request, however the following is
a synopsis of what is envisaged with regards to
timelines.*

1.Appointment and briefing of Consultants	Done
2.Detail Design Development	October 2020
3.Civil Engineering Drawings	November 2020
4.Construction Drawings preparation	November 2020
5.Finalize Bills of Quantities	November 2020
6.Building Plan submission	November 2020
7.Finalize budgets	November 2020
8.Comply with all Term Sheet condition	December 2020
9.Commencement of Construction	March 2021
10.Completion of Construction	September 2022
11.Project close out processes	November 2020
12.Project handover/occupation	November 2020

Managing Agent

Vuttomi Commercial Development Management Group is a full-service Professional Design and Project Management company providing experienced leadership and expertise to Real Estate Developers, Retailers, and Contractors throughout South Africa. Whether you're a large company considering outsourcing alternatives, or a small company looking to grow your Business, Vuttomi Commercial offers a wide range of services geared toward providing cost-effective solutions to meet your development goals. Our primary objective is to effectively manage our client's Projects to increase their opportunities, to develop their tenant relationships and pursue more deals. Vuttomi Commercial is comprised of development and construction professionals who have over decades of combined experience working for design firms, developers, contractors, and retailers.

Our extensive experience provides us with a unique ability to fully understand what is critical to our clients and their business while also having the insight on what it takes to pull a successful project together from feasibility to design and permitting, thru construction and turnover to your tenants. We have successfully managed the development Southeast. We have extensive experience working on residential projects. By adopting a partnership mentality with our clients Vuttomi Commercial manages each project using a team oriented approach to ensure our client's objectives remain the primary focus with each team member. Vuttomi role as a member of this team is to manage a well-planned collaboration of efforts on the part of owners, tenants, design professionals, contractors, and regulatory agencies. Success requires careful planning to ensure needs and requirements are met, schedules are kept, quality standards are adhered to, costly mistakes are minimized and projects are completed within budget and on schedule.

As part of local development and entrepreneurship the Developer will work hand in hand with the SBDI to assist and empower local businesses and manufacturing companies, this will be a sub contracting party to the proposed project and sustain continuous job creation over and possibly after project completion.

We believe that it is from the township economy that the collective energies and potentialities for driving an inclusive, labour absorbing and growing provincial economy.

Contracting Parties to Empower local supply chain such as:

1. Concrete batch plant
2. Roofing Contractors – manufacturing structures
3. Manufacture & Supply of doors and windows (Steel/Aluminium)
4. Supply of masonry items (brick and pre cast concrete)
5. Supply chain on ceilings, Ironmongery , sanitary ware etc.

As part of the strategy for radical economic transformation, we are focusing on the revitalisation and mainstreaming of the township enterprises. We want to provide necessary support to the township entrepreneurs so that they can grow. This will help change the structure of the local economy – a larger number of SMMEs will assume centre stage.

Current Amenities

- Sports & Recreational Facilities
- Churches
- Schools
- Shopping Centres
- Medical Facilities
- Restaurants

Because of all the current amenities within the 3km radius of Umhlanga Cornubia site .

Skills development challenges exist, especially in rural areas. Our approach to overcoming these challenges is to advise and assist the Appointed contractor by designing alternative skills development programmes and to work with various accredited training services providers. Construction is a labour-intensive industry, which places heavy reliance upon the skills of its workforce. With the existing challenges in mind, previous studies indicated that training and development has been shown to increase worker's motivation and subsequently their productivity.

During Construction and Development Phase of each Development, various training opportunities are created in the following Trades:

- Concreters
- Shutter hand
- Bricklayers
- Roof Slaters and Tilers
- Carpenters and Joiners
- Plumbers
- Painters and Decorators
- Handypersons
- Wall/Floor Tiles
- Plasterers
- Roof Slaters and Tilers
- Mobile construction Plant operators
- Health and Safety
- Security
- Scaffold Erectors
- Cleaners
- Store man and stock clerks
- Working on Height
- HIV Awareness
- Other

Skills Transfer and Training



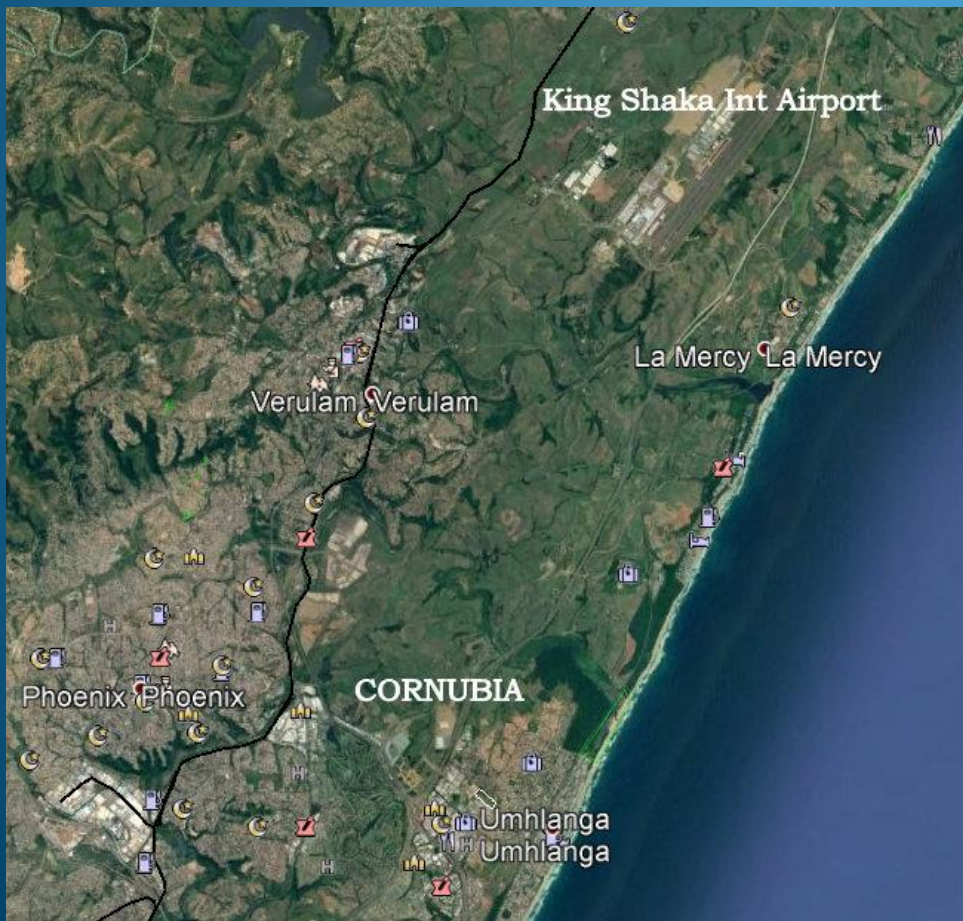
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- ✓ Aligned with National Social Development Strategy
- ✓ Located in the North Central EThekweni Metro
- ✓ Close to economic activity
- ✓ A new precinct – enhanced life style
- ✓ Numerous job opportunities



SOCIAL HOUSING WITH A DIFFERENCE

CORNUBIA



SOCIAL HOUSING WITH A DIFFERENCE CORNUBIA



SOCIAL HOUSING WITH A DIFFERENCE CORNUBIA



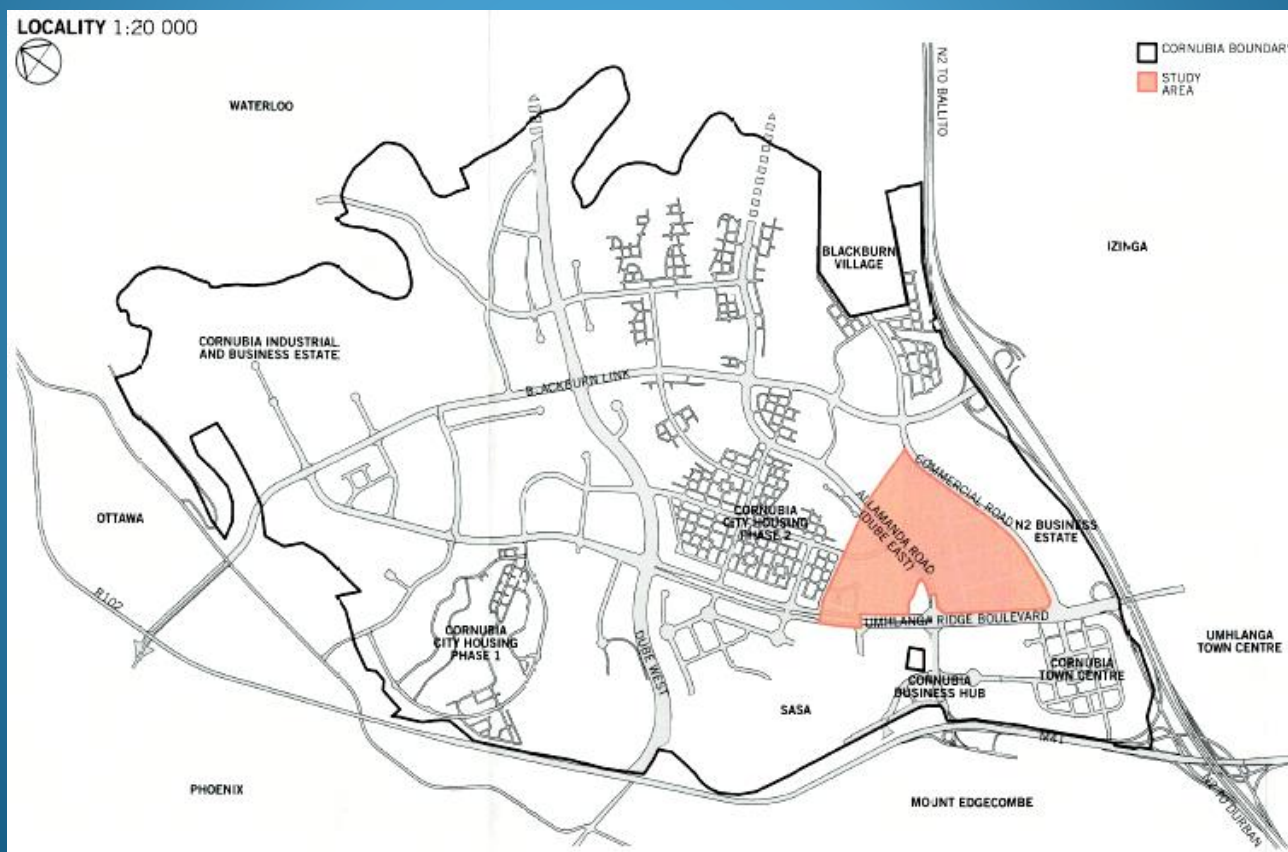
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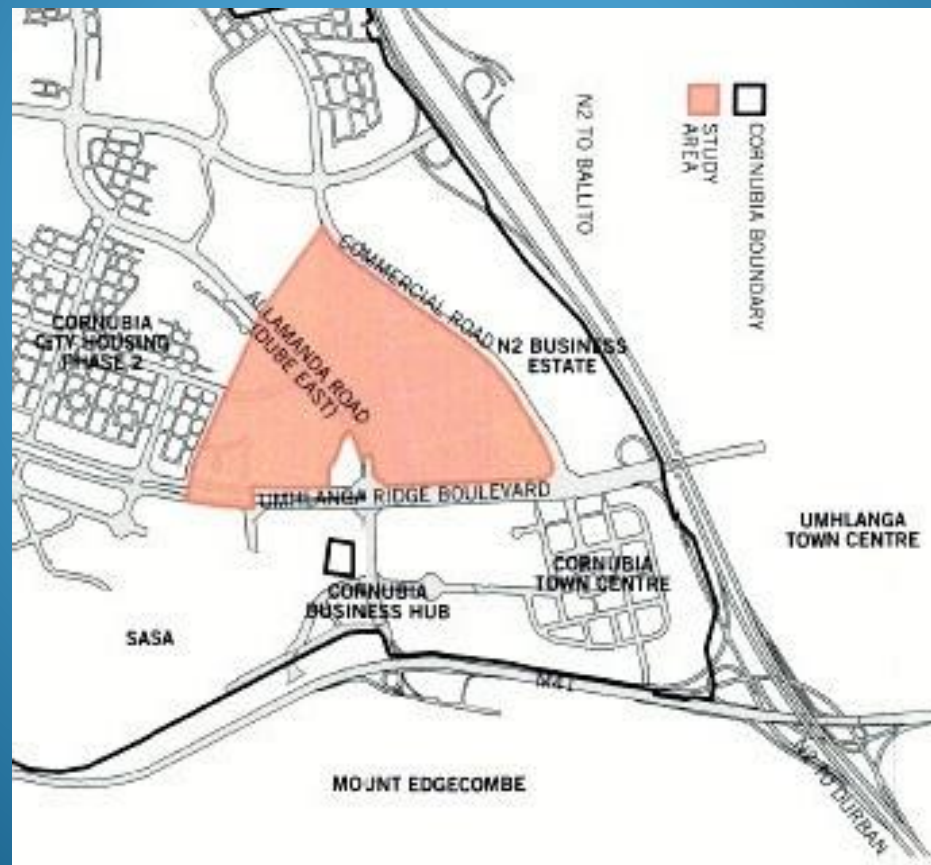
DEVELOPMENT SITE – SOCIAL HOUSING



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SOCIAL HOUSING WITH A DIFFERENCE CORNUBIA

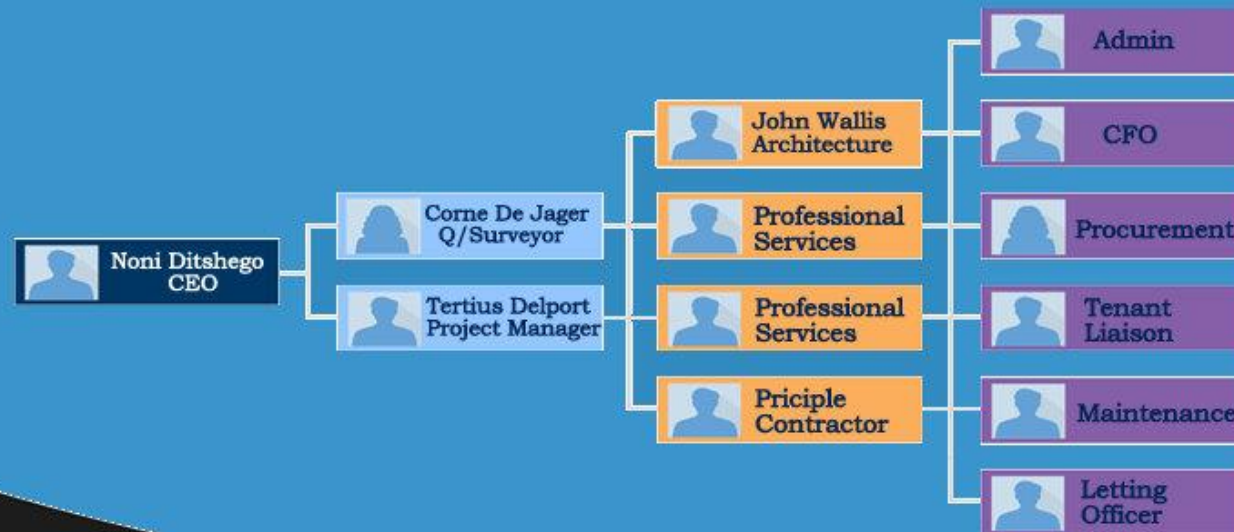


SOCIAL HOUSING WITH A DIFFERENCE



Feasibility completed on Precincts 1,2 & 4 – P1,P2,P4

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**ORGANISATIONAL
STRUCTURE**



UMHLANGA DEVELOPMENT PRECINCT 1

SUMMARY OF COSTS

A

	Cost/sq.m.	Sq.m.	
Land Area Allowable FAR		55100	
Development Units (FAR)		31336	
Build Cost/m2	R 7 500,00		
Description	House	Qty	Cost
	m2		
Entrance Gate	80	1	R 800 000,00
1 Bedroom Apartments	38	176	R 50 160 000,00
2 Bedroom Apartments	48	476	R 171 360 000,00
Container Park,Shops,Daycare	360	20	R 3 000 000,00
		652	
Sub Total			R 225 320 000,00
Land Cost			R 50 000 000,00
Total			R 275 320 000,00

PROJECT ANALYSIS

Description	Unit	Qty	Rate	Total
LAND COSTS				
Land Purchase	Sum	1	50 000 000,00	50 000 000,00
Transfer Costs	Sum	1	6 611 329,00	6 611 329,00
Conveyancy Fees & Other	Sum	1	725 000,00	725 000,00
Deposits	Sum	1		-
				R 57 336 329,00
INFRASTRUCTURE COSTS				
Electricity Supply	Item	652	10 000,00	6 520 000,00
Sewer, Water & Stormwater	Item	20	100 000,00	2 000 000,00
				R 8 520 000,00
PROFESSIONAL FEES				
Project Management	Sum	2	1 200 000,00	2 400 000,00
Architect	Sum	1	2 000 000,00	2 000 000,00
Structural Engineer	Sum	1	2 000 000,00	2 000 000,00
Civil Engineer	Sum	1	1 000 000,00	1 000 000,00
Electrical Engineer	Sum	1	1 000 000,00	1 000 000,00
Quantity Surveyor	Sum	1	1 500 000,00	1 500 000,00
Geotech Survey	Nr	1	180 000,00	180 000,00
Environmental Officer	Nr	1	400 000,00	400 000,00
Land surveyor per unit	Nr	652	3 000,00	1 956 000,00
Town Planner	Nr	1	650 000,00	650 000,00
				R 13 086 000,00
OTHER COSTS				
Municipal Plan approvals	Nr	652	2 000,00	1 304 000,00
NHBRC	Nr	652	2 000,00	1 304 000,00
Demand Base Tariff (Elec, Dev, Fee)	Nr	652	5 500,00	3 586 000,00
Boundary Walls	Item	1	3 250 000,00	3 250 000,00
Contingency/Roads,Pools,Shade CarportsExcavations,Pilling	Item	100,00%	26 300 000,00	26 300 000,00
				R 35 744 000,00

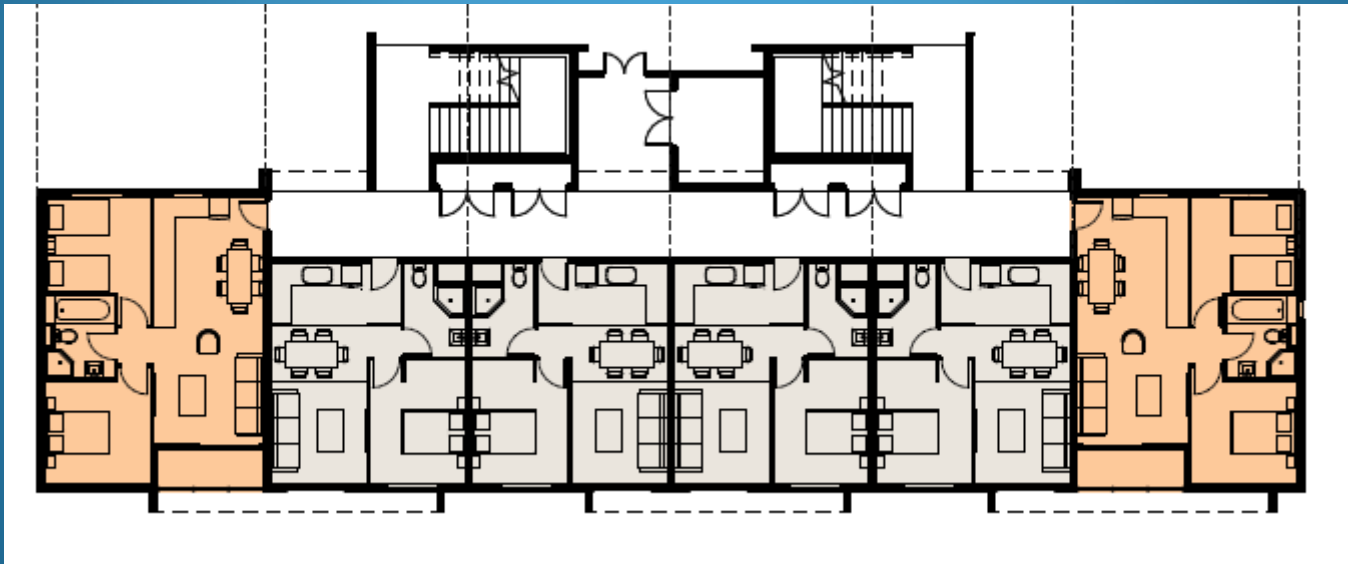
CONSOLIDATION OF COSTS

Building Costs				R 225 320 000,00
Total Interim Interest				1 500 000,00
Total Land Cost				57 336 329,00
Infrastructure Cost				8 520 000,00
Professional Fees				13 086 000,00
Other Costs				35 744 000,00
TOTAL DEVELOPMENT COSTS				341 506 329,00
TOTAL LOAN AMOUNT @ 20 % OF COST				64 756 945,00
TOTAL COST PLUS INTEREST				341 506 329,00
TOTAL 1 BEDROOM COST 38 SQM				439 000,00
TOTAL 2 BEDROOM COST 48 SQM				554 976,00



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Floor Plan - Typical 1 & 2 Bed room



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Elevation of Typical Residential Block

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Elevation of Typical Residential Node

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Typical Interior 1 & 2 Bedroom

Container Park

Shops

Restaurant

Daycare Centre



CONCLUSION

Vuttomi Group believe that this project will make the much-needed difference in the eThekweni Municipality area with regards to quality rental housing stock.

Social upliftment, Radical economic transformation and skills development training is much needed in this elite area.

From the preliminary numbers above, one can conclude that the social housing component is within the acceptable norms, and therefore financially feasible.

The commercial wing will also be financially viable based on the top rental rates achieved in Umhlanga area.

We are therefore requesting that you issue us with a support letter which will enable us to proceed to a Province Level.

ATTENTION:

SHRA

August 12, 2020

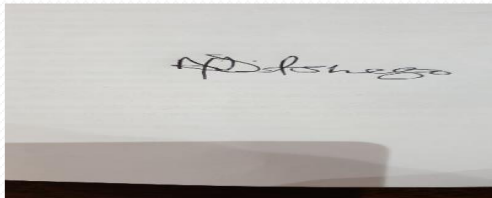
DECLARATION: Cornubia

I Nonhlanhla Ditshego the undersigned in my capacity as the CEO of Vuttomi Group (pty) Ltd hereby certify that to the best of my / our knowledge that all the information required for this submission has been submitted and the information provided with submission of Cornubia Project Technical Feasibility Tool including supporting documentation accurately reflects the true state of affairs regarding the Cornubia Project.

Property Development is Umhlanga Hills Cornubia Precinct 1 , Precinct 2 , Precinct 4

Nonhlanhla Ditshego

Designation: Director and CEO



Signature

12 August 2020