



INTERNAL 25 M<sup>2</sup>
BALCONY 1 M<sup>2</sup>
TOTAL AREA 26 M<sup>2</sup>



## TYPE A1

Purchase Price **R2 350,000** 1 BED, 1 BATH

Levies (pm): **R1 620** 

Rates (pm): **R1 242** 

Estimate Monthly Bond Cost (PMT): R21 116

Total Monthly Costs: R23 978



Estimated Nett Rental: R20 800

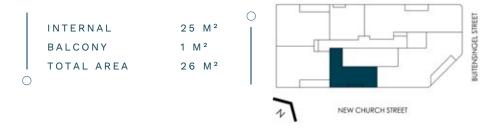
Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R3 178**Total Annual ROI %: **18.62%** 

#### Please note:







## TYPE A2

Purchase Price **R1 990,000** 1 BED, 1 BATH

Levies (pm): **R1 620** 

Rates (pm): R1 052

Estimate Monthly Bond Cost (PMT): R17 881

Total Monthly Costs: **R20 553** 



Estimated Nett Rental: R20 506

Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R47** 

Total Annual ROI %: 20.37%

#### Please note:





INTERNAL 26 M<sup>2</sup>
BALCONY 0 M<sup>2</sup>
TOTAL AREA 26 M<sup>2</sup>



# TYPE A3

Purchase Price **R2 450,000** 1 BED, 1 BATH

Levies (pm): **R1 685** Rates (pm): **R1 052** 

Estimate Monthly Bond Cost (PMT): R22 041

Total Monthly Costs: R24 751



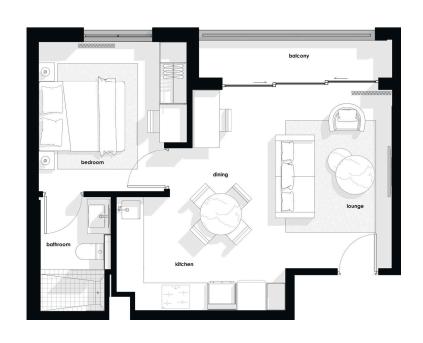
Estimated Nett Rental: R23 040

Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R1 711**Total Annual ROI %: **19,28%** 

#### Please note:





INTERNAL 40 M<sup>2</sup>
BALCONY 5 M<sup>2</sup>
TOTAL AREA 45 M<sup>2</sup>



## TYPE B1

Purchase Price R3 050,000

1 BED, 1 BATH DELUX

Levies (pm): **R2 603** 

Rates (pm): R1 612

Estimate Monthly Bond Cost (PMT): R27 406

Total Monthly Costs: R31 621



Estimated Nett Rental: R28 800

Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R2 821**Total Annual ROI %: **19,33%** 

#### Please note:





INTERNAL
BALCONY
TOTAL AREA

33 M<sup>2</sup>
2 M<sup>2</sup>
TOTAL AREA

NEW CHURCH STREET

## TYPE B3

Purchase Price **R 2 625,000**1 BED, 1 BATH DELUXE

Levies (pm): **R2 142** Rates (pm): **R1 388** 

Estimate Monthly Bond Cost (PMT): R23 587

Total Monthly Costs: **R27 116** 



Estimated Nett Rental: R27 840

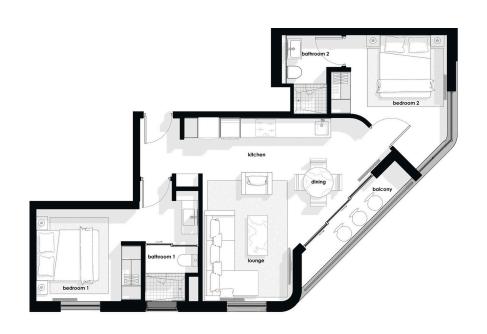
Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R-724** 

Total Annual ROI %: 20,73%

#### Please note:





INTERNAL 60 M<sup>2</sup>
BALCONY 4 M<sup>2</sup>
TOTAL AREA 64 M<sup>2</sup>



# TYPE C1

Purchase Price **R4 750,000** 2 BED, 2 BATH

Levies (pm): **R3 885**Rates (pm): **R2 551** 

Estimate Monthly Bond Cost (PMT): R42 681

Total Monthly Costs: R49 077



Estimated Nett Rental: R48 000

Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R1 077**Total Annual ROI %: **20,13%** 

#### Please note:

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INTERNAL 79 M²
BALCONY 10 M²
TOTAL AREA 89 M²

New CHURCH STREET

### PENTHOUSE A

Purchase Price **R7 490 000** 2 BED, 2 BATH

Levies (pm): **R5 167** Rates (pm): **R3 960** 

Estimate Monthly Bond Cost (PMT): R67 301

Total Monthly Costs: R76 427



Estimated Nett Rental: R62 400

Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R14 027**Total Annual ROI %: **18%** 

#### Please note:



### LOWER FLOOR



### UPPER FLOOR



INTERNAL 170 M<sup>2</sup>
BALCONY 28 M<sup>2</sup>
TOTAL 198 M<sup>2</sup>
AREA



## **DUPLEX PENTHOUSE**

Purchase Price **R15 990,000** 3 BED, 3 BATH

Levies (pm): **R11 063**Rates (pm): **R8 458** 

Estimate Monthly Bond Cost (PMT): R143 677

Total Monthly Costs: R163 198



Estimated Nett Rental: R144 000

Capital Growth % (assumption): 8.00%

Monthly Shortfall: **R19 198**Total Annual ROI %: **18,81%** 

#### Please note

### TAX INCENTIVES

Section 13Sex Tax Incentive:

Investors have access to powerful tax incentives, including the popular Section 13sex of the Income Tax Act No 58 of 1962. This scheme enables any taxpayer who owns five or more new, residential rental units (do not all have to be from the same development), to claim up to 55% of the purchase price as a tax deduction. Example:

- Purchase five units at a total purchase price of R12 379 000
- Deemed purchase price = R6 808 450 (55% of final purchase price) 5% of the deemed price may be used as a tax deduction per year

This works out to a tax deduction (tax write-off) of R340 423 per year for 20 years. Total tax write-off = R6 808 460 (over 20 years).

• The tax allowances claimed may be recouped on the sale of the apartment for an amount greater than the tax value (cost price less accumulated tax allowances), which can be deferred for as long as the owner holds the property.

Taxpayer criteria for Section 13Sex:

The taxpayer must own at least 5 residential units which are all used by the taxpayer solely for the purposes of the taxpayer's trade (i.e., the taxpayer has to lease all of them). The deal kicks in once the buyer takes ownership of their 5th new unit. A residential apartment refers to a building or self-contained apartment, mainly used for residential accommodation with the exclusion of structures used for business purposes,

All units must be situated in South Africa.

Residential units must have been purchased new and unused. (For example, buyers of flats that had previously been occupied would not qualify for this incentive.)

The units must be used solely for the purpose of trade (i.e. residential letting). This prevents housing claims for personal use.

Please consult your tax advisor for further clarification and information.

## **Urban Development Zone (UDZ)**

Urban Development Zone (UDZ) incentives in Cape Town are part of a South African government initiative aimed at encouraging private sector investment in certain urban areas through tax incentives.

### What is it?

The Cape Town UDZ tax incentive is a SARS administered tax incentive encouraging residential and commercial development in certain specified areas in Cape Town, in which Cantabella will be located. The tax incentive offers property owners who use the property solely for the purposes of their trade a tax deduction against taxable income over eleven years and could act as a deferment of tax payable until the apartment is sold.

### How does it work?

The purchaser of a redeveloped residential apartment located in the UDZ will be able to claim an income tax allowance of 55% of the purchase price as deductible. The tax allowance is claimed over eleven years at a rate of 20% in the first year of ownership even if part of the first tax year and 8% in the succeeding ten years. The tax allowance is recouped on the sale of the apartment for an amount greater than or equal to cost, which can be deferred for as long as the owner holds the property.

# **Example:**

On a residential apartment with a cost of R2 million, the purchaser is entitled to claim a tax allowance of 55% of the cost of the unit, which equals R1 100 000 over eleven years. The R1 100 000 tax allowance is claimed over eleven years at a rate of 20% in the first year and 8% in the succeeding ten years which results in an annual income tax deduction of R220 000 in the first year and R88 000 in the subsequent ten years.

### Disclaimer

Please note that the UDZ tax incentive contains a number of requirements which must be met in order to claim the tax allowance. The examples detailed above are of a generic nature and may not apply in certain instances. The developer and its affiliates do not provide tax advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax advice. These Draft Taxation Laws Amendment Bill are proposed to extend up to 31 March 2030 – We ask that you consult your own tax advisors before engaging in any transaction.