



The Epicentre Project

An Investment Proposal

August 17, 2017

Investment Summary

About CoBuildIT

CoBuildIT is a project management company focused on helping everyday people to realize their dream of owning a high quality home at the lowest possible price. Our belief in the power of shared dreams convinces us that when people come together, and pool their resources, they dramatically increase their ability to succeed at any endeavor. The strategy the company operates on therefore leverages this power of shared dreams. We do this by providing a framework that brings people together to develop high quality housing projects at dramatically reduced cost. This framework and project management process ensures that the home buyer retains control of the project, and eliminates several profiteers along the value chain, thereby guaranteeing the lowest cost possible.

Long term, we are focused on developing and improving construction technology and providing low-single-digit mortgages to further increase affordability.

Project Description

The Epicentre is a mixed use development located at Plot 480 CAD Zone C01 in Karmo District. It has a residential and commercial wing set on a plot measuring 4096.1sqm on Zilly Aggrey Drive. The exact location of the site can be found by searching for "The Epicentre" on Google Maps.

The residential wing has twenty apartments (16 three-bedroom apartments and 4 four-bedroom apartments) on five floors. Each apartment has a 3.5KVA inverter for power supply.

The commercial wing is a lifestyle building with the first and second floor being committed to uses such as restaurants, pharmacy and retail spaces, crèche, salon & spa. The third and fourth floors are specifically for office spaces. As the building is

suspended, the ground floor is used for parking.

The building is serviced by an elevator that is backed up to solar panels and inverters. The common areas in both buildings are backed up to solar panels and inverters such that the building is constantly well lit.

The residential wing of the project is expected to be completed by May 2018, while the commercial wing would be completed in July 2018.

Market Overview

The location of The Epicentre is key, as it has the first commercial complex development in this phase of the Karmo District which is currently designed to be a lifestyle building, with all the amenities to service the neighbourhood. As there are over twenty residential estate developments ongoing and completely developed in the area, it is almost certain that positioning a lifestyle businesses and offices in this area would easily attract residents in the area, as well as people in nearby districts like Mboru, Jabi, Gwarinpa, Kado and Dakibiyu.

The closest comparable commercial development in the area is the ongoing Karmo Market development which has a price point that is a lot higher (averaging ₦400,000/sqm) than that of The Epicentre. Comparable properties in similar districts around Abuja are all priced higher.

Based on the rates at which residential off-plan properties are springing up in the district, it is expected that the population of the district would receive a large boost in 2018 with an expected increase in demand for lifestyle service providers.

Our proposal



The commercial and residential wings of the Epicentre project have been structured to be complementary to one another. There are currently six units (out of twenty) left on the residential building.

- One **Poise** Flat F3. Four Bedroom Flat at ₦25,000,000 (exclusive of VAT)
- Two **Cozy** flats F2 and F11. Three Bedroom Flats at ₦23,000,000 (exclusive of VAT)
- One **Elan** Flat F10. Three Bedroom Flat at ₦23,000,000 (exclusive of VAT)
- One **Amore** Flat F18. Three Bedroom Flat at ₦23,000,000 (exclusive of VAT)

The commercial wing of The Epicentre project is to be sold open-plan so as to enable an investor maximize the space for a variety of uses. Although we have recommended that the building be used for lifestyle purposes, the project is being sold off-plan, so the floor plans can be tweaked to the investor's requirements. Based on the open floor plans for the building, each floor has between 308.75sqm and 353.45sqm of lettable space.

We are offering the purchase any of the wings of the floors of the Epicentre commercial wing building that is suited to your investment portfolio. The prices of the wings (inclusive of VAT) are as follows;

Floor	Wing	Size	Cost
1st Floor	Left Wing	199.075	₦81,312,183.75
	Right Wing	154.375	₦63,054,468.75
2nd Floor	Left Wing	154.375	₦50,735,343.75
	Right Wing	154.375	₦50,735,343.75
3rd Floor	Left Wing	165.25	₦39,734,362.50
	Right Wing	165.25	₦39,734,362.50
4th Floor	Left Wing	165.25	₦39,734,362.50
	Right Wing	165.25	₦39,734,362.50

These amount can be paid in tranches, with 70% of the total amount paid over the first six months of construction, and the balance of 30% spread over the following 18 months.

We estimate that you would have received a net cash-flow of about 24% of the initial investment over the next five years. The value of the property is also expected to have appreciated by 45% by the fifth year.

Please find more size and configuration details of both wings of the building in the attached appendices.

Financial Analysis

Costings

The prices of each of the floors are calculated based on the size of the lettable space on each of those floors. As the floors go upward, the cost per square meter decreases.

On the first floor, the purchase price per meter square meter is ₦389,000.00. The quantity of lettable space on this floor is 353.45sqm. This brings the cost of the first floor to ₦137,492,050.00. Factoring in 5% Value Added Tax (VAT) would bring the total cost of this floor to ₦144,366,652.00 (One hundred and forty-four million, three hundred and sixty-six thousand, six hundred and fifty-two naira only).

On the second floor, the purchase price per square meter is ₦313,000. The quantity of lettable space on this floor is 308.75sqm. This brings the cost of the first floor to ₦96,638,750.00. Factoring in 5% Value Added Tax (VAT) would bring the total cost of this floor to ₦101,470,687.00 (One hundred and one million, four hundred and seventy thousand, six hundred and eighty-seven naira, fifty kobo only).

On the third and fourth floors (office floors), the purchase price per square meter is ₦229,000. The quantity of lettable space on these floors are 330.5sqm. This brings the cost of the first floor to ₦75,684,500.00. Factoring in 5% Value Added Tax (VAT) would bring the total cost of this floor to ₦79,468,725.00 (Seventy-nine million, four hundred and sixty-eight thousand, seven hundred and twenty-five naira only).

These prices and all our forecasted values were arrived at based on analysis of commercial property in comparable districts like Jabi, Wuye, Katampe and Gudu. The forecasted values are based on perceived rates acquired from new developments in various these districts with similar level of infrastructural development.

Kindly find more details of the financials in the attached Appendices.



Forecasts

Our analysis of data from comparable districts considered worst-case scenarios and showed the following:

- The property value is expected to appreciate by 10% on completion of the building.
- The value of the property is expected to increase at a decreasing rate over the holding period due to risk factorization and the inclusion of the costs of unforeseen economic events.
- Maintenance costs and bills on the property can cost around 15% of the rental income per annum. These bills might include but are not limited to tenement rates, ground leases et cetera.
- The expected rental income for the first five years is ₦15,000.00 (fifteen thousand naira) per square metre. This value would be reviewed to reflect the value of the property at the fifth year by increasing the rents by 25%.

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The Epicentre
Commercial Wing

The Epicentre Commercial Wing

APPENDIX A - COST DETAILS

First Floor (Taken)

	Description	Recommended Use	Area (sqm)	Price/Sqm	Total	VAT (5%)	Grand Total Price	Rent/Sqm	Rental Sum*
Left Wing	Open Plan with open dining space, and toilets - 101	Café, Fast Food	199.075	₹ 389,000.00	₹ 77,440,175.00	₹ 3,872,008.75	₹ 81,312,183.75	₹ 15,000.00	₹ 2,986,125.00
Right Wing	Open Plan with toilets - 102	Retail Space	154.375	₹ 389,000.00	₹ 60,051,875.00	₹ 3,002,593.75	₹ 63,054,468.75	₹ 15,000.00	₹ 2,315,625.00
	TOTAL		353.45		₹ 137,492,050.00	₹ 6,874,602.50	₹ 144,366,652.50		₹ 5,301,750.00

Second Floor - Wellness Floor

	Description	Recommended Use	Area (sqm)	Price/Sqm	Total	VAT (5%)	Grand Total Price	Rent/Sqm	Rental Sum*
Left Wing	Open Plan with toilets - 201	Gymnasium Space	154.375	₹ 313,000.00	₹ 48,319,375.00	₹ 2,415,968.75	₹ 50,735,343.75	₹ 15,000.00	₹ 2,315,625.00
Right Wing	Open Plan with toilets - 202	Retail Space	154.375	₹ 313,000.00	₹ 48,319,375.00	₹ 2,415,968.75	₹ 50,735,343.75	₹ 15,000.00	₹ 2,315,625.00
	TOTAL		308.75		₹ 96,638,750.00	₹ 4,831,937.50	₹ 101,470,687.50		₹ 4,631,250.00

Third Floor - Office Floor

	Description	Recommended Use	Area (sqm)	Price/Sqm	Total	VAT (5%)	Grand Total Price	Rent/Sqm	Rental Sum*
Left Wing	Open Plan with toilets - 301	Office Space	165.25	₹ 229,000.00	₹ 37,842,250.00	₹ 1,892,112.50	₹ 39,734,362.50	₹ 15,000.00	₹ 2,478,750.00
Right Wing	Open Plan with toilets - 302	Office Space	165.25	₹ 229,000.00	₹ 37,842,250.00	₹ 1,892,112.50	₹ 39,734,362.50	₹ 15,000.00	₹ 2,478,750.00
	TOTAL		330.5		₹ 75,684,500.00	₹ 3,784,225.00	₹ 79,468,725.00		₹ 4,957,500.00

Fourth Floor

	Description	Recommended Use	Area (sqm)	Price/Sqm	Total	VAT (5%)	Grand Total Price	Rent/Sqm	Rental Sum*
Left Wing	Open Plan with toilets - 401		165.25	₹ 229,000.00	₹ 37,842,250.00	₹ 1,892,112.50	₹ 39,734,362.50	₹ 15,000.00	₹ 2,478,750.00
Right Wing	Open Plan with toilets - 402	Office Space	165.25	₹ 229,000.00	₹ 37,842,250.00	₹ 1,892,112.50	₹ 39,734,362.50	₹ 15,000.00	₹ 2,478,750.00
	TOTAL		330.5		₹ 75,684,500.00	₹ 3,784,225.00	₹ 79,468,725.00		₹ 4,957,500.00

TOTAL ALL FLOORS	1323.2		₹ 385,499,800.00	₹ 19,274,990.00	₹ 404,774,790.00
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*Rental sums are estimated forecasts and are not implied to accurately depict the future rental value of the property, and these sums assumes that one tenant leases the whole building

FLOOR SUMMARIES

Floor	Size	Cost per Sqm
First Floor	353.45	₹ 389,000.00
Second Floor	308.75	₹ 313,000.00
Third Floor	330.5	₹ 229,000.00
Fourth Floor	330.5	₹ 229,000.00

APPENDIX B - INVESTMENT YIELD & APPRECIATION BREAKDOWN (excluding VAT)

		First Floor			
Year	Expected Appreciation in Property Value	Property Value	Inflows (rental income)	Outflows (maintenance & bills)	Net Cashflow
0	On Off-Plan Purchase	N 137,492,050.00	N 0.00	N 0.00	N 0.00
1	10.0%	N 151,241,255.00	N 5,301,750.00	N 795,262.50	N 4,506,487.50
2	9.5%	N 165,609,174.23	N 5,301,750.00	N 795,262.50	N 4,506,487.50
3	9.0%	N 180,513,999.91	N 5,301,750.00	N 795,262.50	N 4,506,487.50
4	8.5%	N 195,857,689.90	N 5,301,750.00	N 795,262.50	N 4,506,487.50
5	8.0%	N 211,526,305.09	N 5,301,750.00	N 795,262.50	N 4,506,487.50
TOTAL	45.0%		N 26,508,750.00	N 3,976,312.50	N 22,532,437.50
6	8.0%	N 228,448,409.50	N 6,627,187.50	N 994,078.13	N 5,633,109.38
7	8.0%	N 246,724,282.26	N 6,627,187.50	N 994,078.13	N 5,633,109.38
8	8.0%	N 266,462,224.84	N 6,627,187.50	N 994,078.13	N 5,633,109.38
9	8.0%	N 287,779,202.82	N 6,627,187.50	N 994,078.13	N 5,633,109.38
10	8.0%	N 310,801,539.05	N 6,627,187.50	N 994,078.13	N 5,633,109.38
TOTAL	85.0%		N 59,644,687.50	N 8,946,703.13	N 50,697,984.38

		Second Floor			
Year	Expected Appreciation in Property Value	Property Value	Inflows (rental income)	Outflows (maintenance & bills)	Net Cashflow
0	On Off-Plan Purchase	N 96,638,750.00	N 0.00	N 0.00	N 0.00
1	10.0%	N 106,302,625.00	N 4,631,250.00	N 694,687.50	N 3,936,562.50
2	9.5%	N 116,401,374.38	N 4,631,250.00	N 694,687.50	N 3,936,562.50
3	9.0%	N 126,877,498.07	N 4,631,250.00	N 694,687.50	N 3,936,562.50
4	8.5%	N 137,662,085.40	N 4,631,250.00	N 694,687.50	N 3,936,562.50
5	8.0%	N 148,675,052.24	N 4,631,250.00	N 694,687.50	N 3,936,562.50
TOTAL	45.0%		N 23,156,250.00	N 3,473,437.50	N 19,682,812.50
6	8.0%	N 160,569,056.42	N 5,789,062.50	N 868,359.38	N 4,920,703.13
7	8.0%	N 173,414,580.93	N 5,789,062.50	N 868,359.38	N 4,920,703.13
8	8.0%	N 187,287,747.40	N 5,789,062.50	N 868,359.38	N 4,920,703.13
9	8.0%	N 202,270,767.20	N 5,789,062.50	N 868,359.38	N 4,920,703.13
10	8.0%	N 218,452,428.57	N 5,789,062.50	N 868,359.38	N 4,920,703.13
TOTAL	85.0%		N 52,101,562.50	N 7,815,234.38	N 44,286,328.13

		Third Floor			
Year	Expected Appreciation in Property Value	Property Value	Inflows (rental income)	Outflows (maintenance & bills)	Net Cashflow
0	On Off-Plan Purchase	N 75,684,500.00	N 0.00	N 0.00	N 0.00
1	10.0%	N 83,252,950.00	N 4,957,500.00	N 743,625.00	N 4,213,875.00
2	9.5%	N 91,161,980.25	N 4,957,500.00	N 743,625.00	N 4,213,875.00
3	9.0%	N 99,366,558.47	N 4,957,500.00	N 743,625.00	N 4,213,875.00
4	8.5%	N 107,812,715.94	N 4,957,500.00	N 743,625.00	N 4,213,875.00
5	8.0%	N 116,437,733.22	N 4,957,500.00	N 743,625.00	N 4,213,875.00
TOTAL	45.0%		N 24,787,500.00	N 3,718,125.00	N 21,069,375.00
6	8.0%	N 125,752,751.88	N 6,196,875.00	N 929,531.25	N 5,267,343.75
7	8.0%	N 135,812,972.03	N 6,196,875.00	N 929,531.25	N 5,267,343.75
8	8.0%	N 146,678,009.79	N 6,196,875.00	N 929,531.25	N 5,267,343.75
9	8.0%	N 158,412,250.57	N 6,196,875.00	N 929,531.25	N 5,267,343.75
10	8.0%	N 171,085,230.62	N 6,196,875.00	N 929,531.25	N 5,267,343.75
TOTAL	85.0%		N 55,771,875.00	N 8,365,781.25	N 47,406,093.75

		Fourth Floor			
Year	Expected Appreciation in Property Value	Property Value	Inflows (rental income)	Outflows (maintenance & bills)	Net Cashflow
0	On Off-Plan Purchase	N 75,684,500.00	N 0.00	N 0.00	N 0.00
1	10.0%	N 83,252,950.00	N 4,957,500.00	N 495,750.00	N 4,461,750.00
2	9.5%	N 91,161,980.25	N 4,957,500.00	N 495,750.00	N 4,461,750.00
3	9.0%	N 99,366,558.47	N 4,957,500.00	N 495,750.00	N 4,461,750.00
4	8.5%	N 107,812,715.94	N 4,957,500.00	N 495,750.00	N 4,461,750.00
5	8.0%	N 116,437,733.22	N 4,957,500.00	N 495,750.00	N 4,461,750.00
TOTAL	45.0%		N 24,787,500.00	N 2,478,750.00	N 22,308,750.00
6	8.0%	N 125,752,751.88	N 6,196,875.00	N 619,687.50	N 5,577,187.50
7	8.0%	N 135,812,972.03	N 6,196,875.00	N 619,687.50	N 5,577,187.50
8	8.0%	N 146,678,009.79	N 6,196,875.00	N 619,687.50	N 5,577,187.50
9	8.0%	N 158,412,250.57	N 6,196,875.00	N 619,687.50	N 5,577,187.50
10	8.0%	N 171,085,230.62	N 6,196,875.00	N 619,687.50	N 5,577,187.50
TOTAL	85.0%		N 55,771,875.00	N 5,577,187.50	N 50,194,687.50

APPENDIX C - FINANCIALS SUMMARY

Amount Invested	₦ 404,774,790.00
Total Property Value on Purchase	₦ 385,499,800.00
Property appreciation at fifth year	147%
Total Net Cashflow at fifth year	₦ 85,593,375.00
Property appreciation at tenth year	215%
Total Cash inflow at tenth year	₦ 192,585,093.75

Residential Flats Floor Plans



Poise



Elan

Cosy



Amore

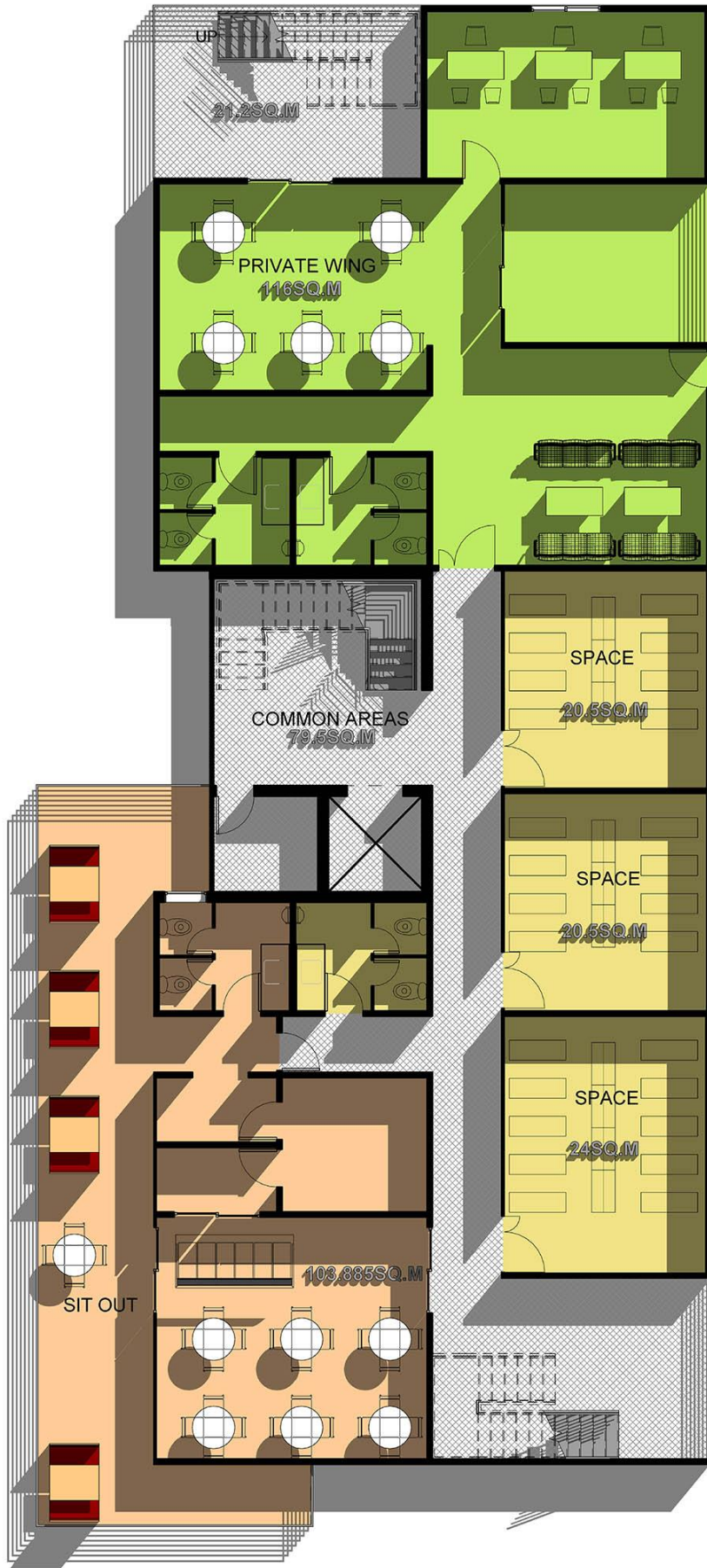


Vista

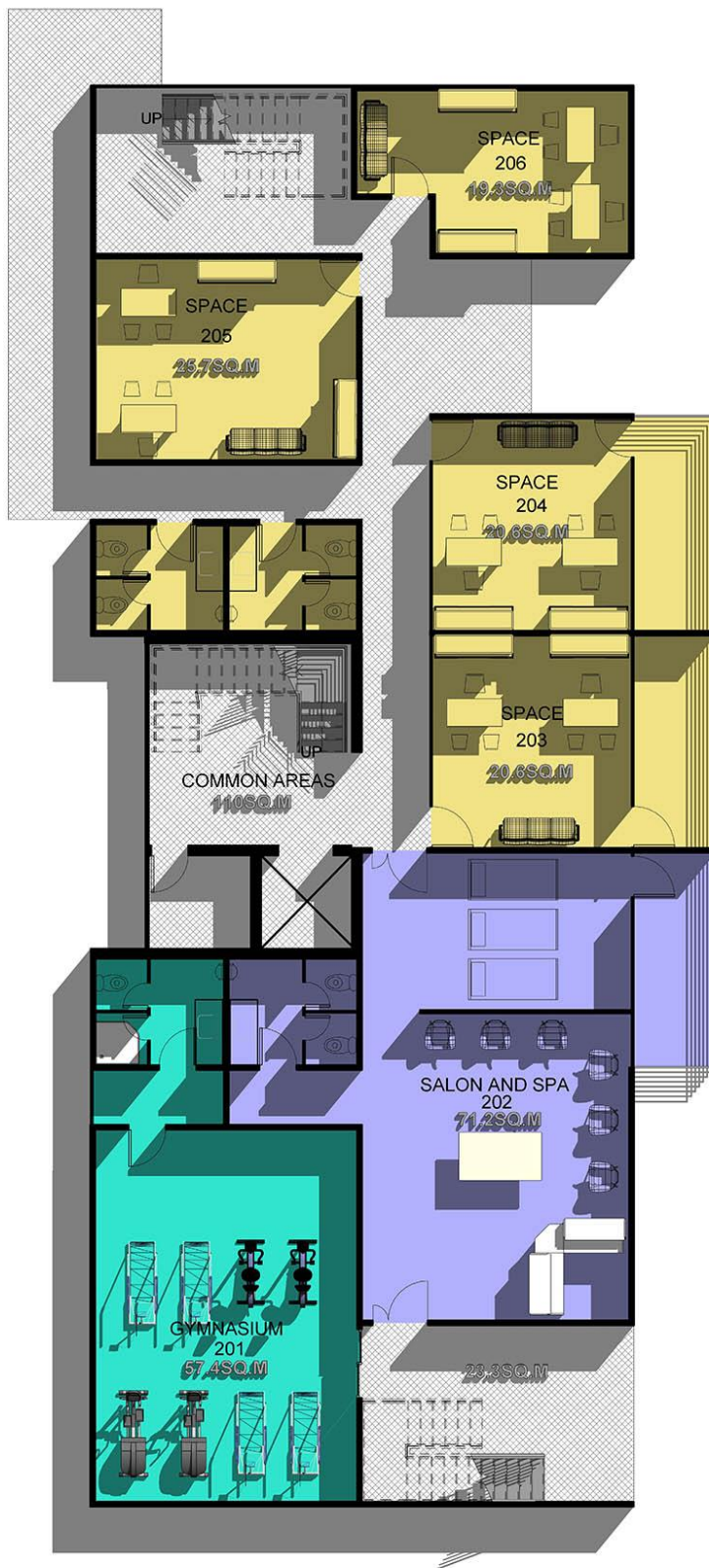


Commercial Wing Floor Plans

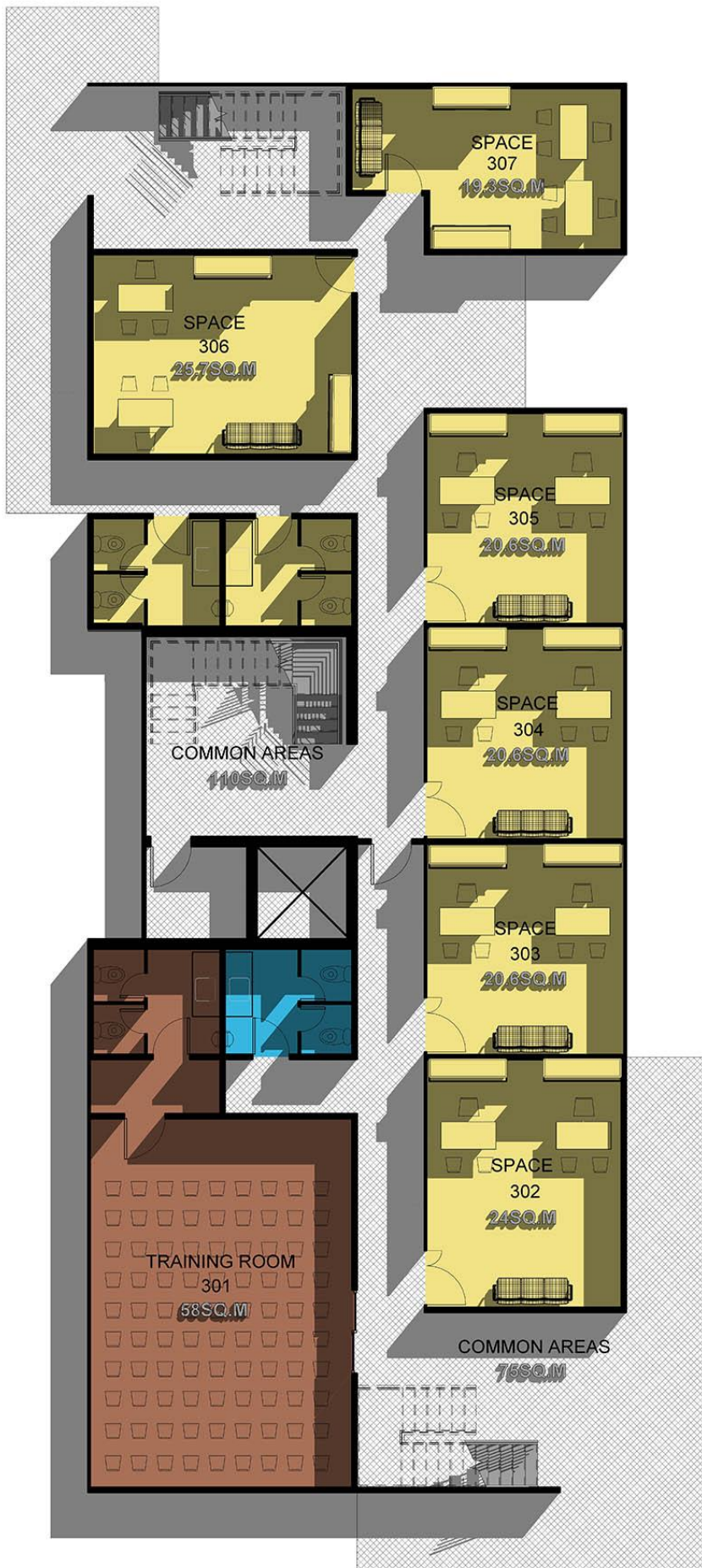
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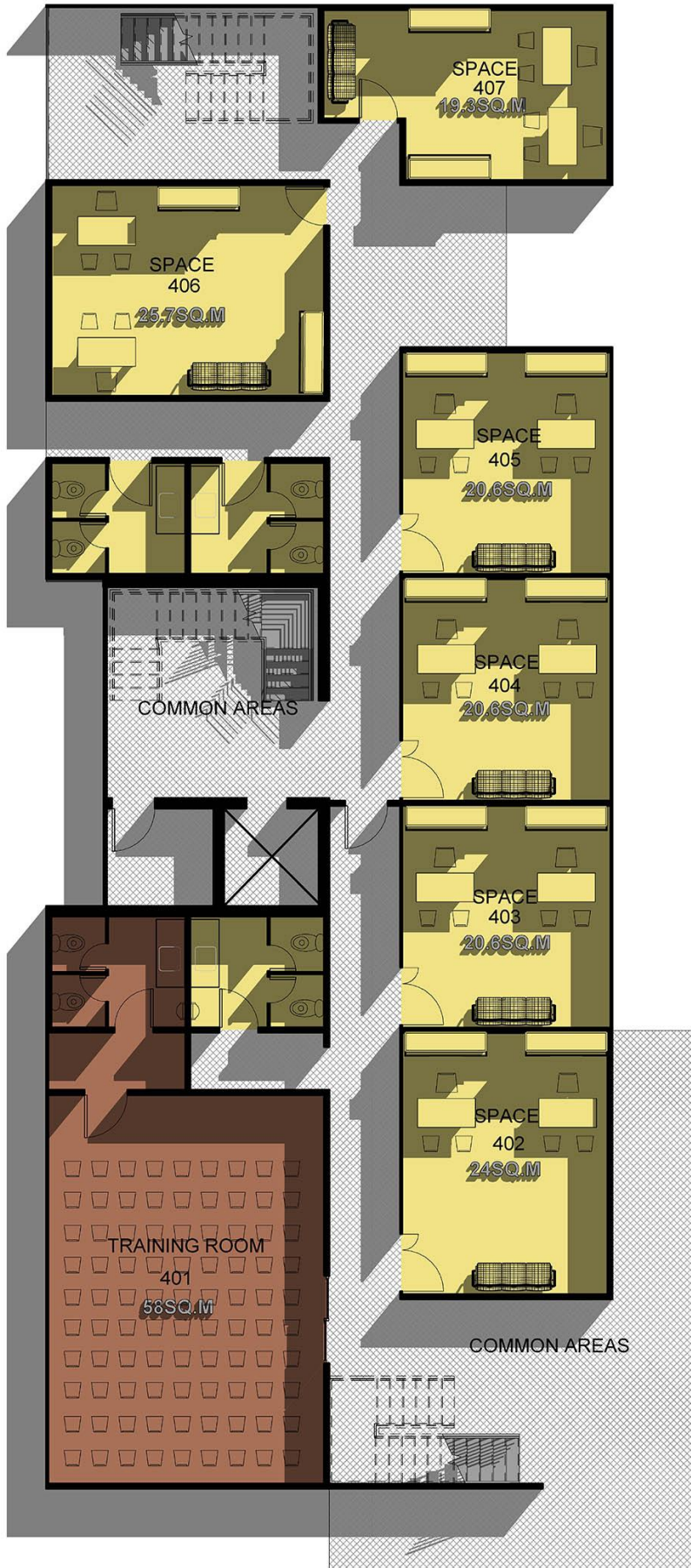
FIRST FLOOR



SECOND FLOOR



THIRD FLOOR

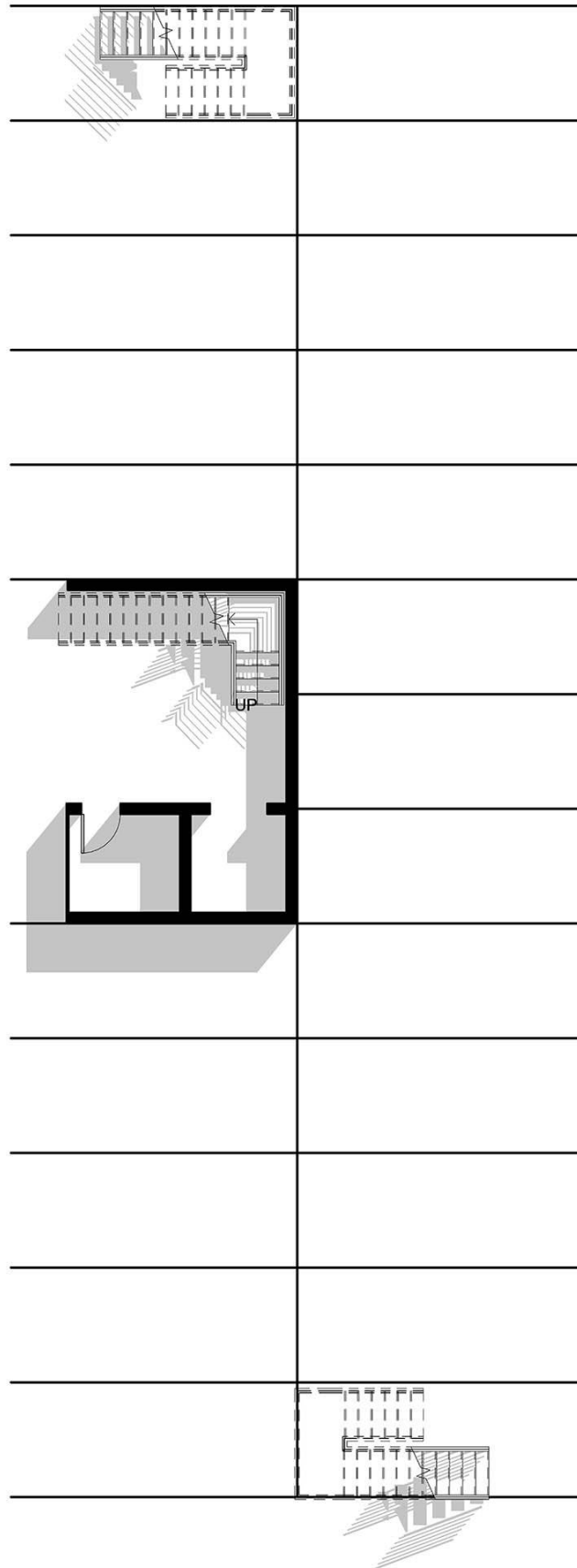


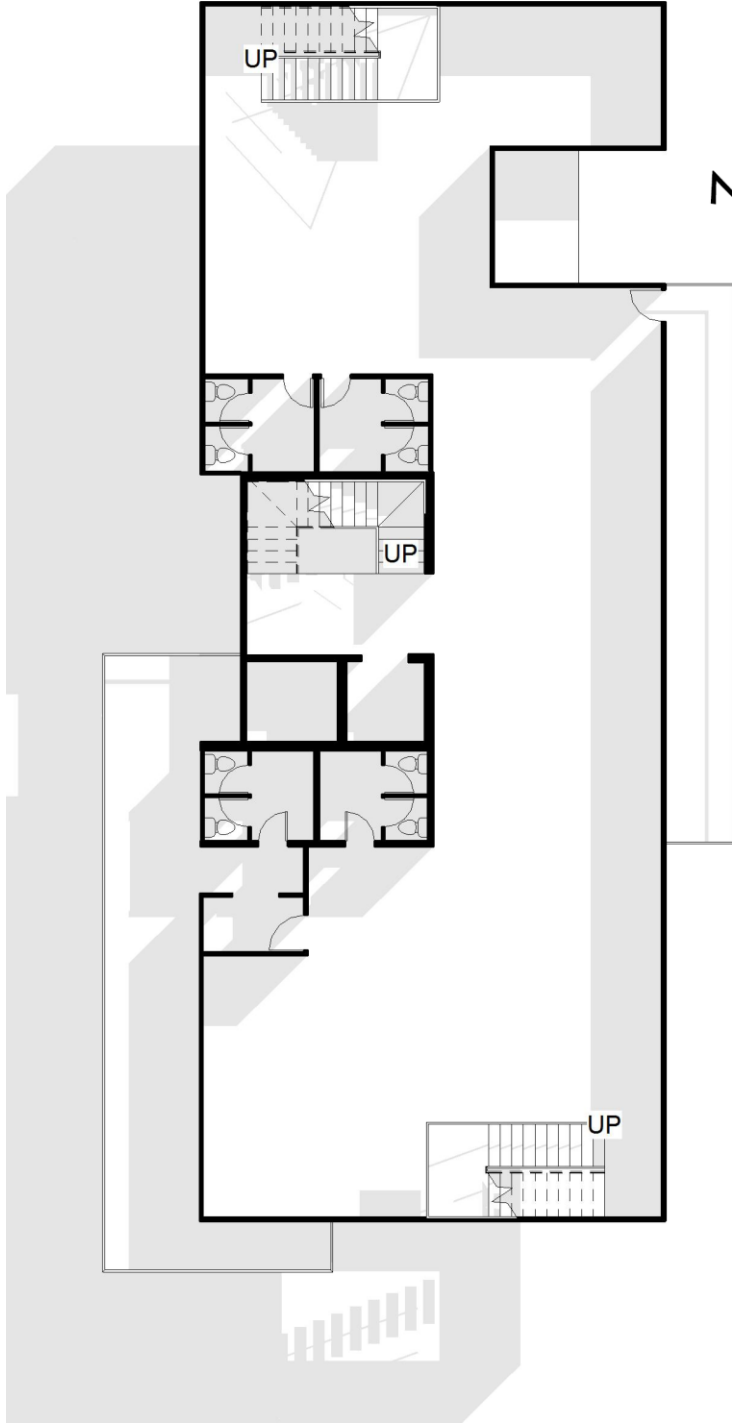
FOURTH FLOOR

Commercial Wing Floor Plans

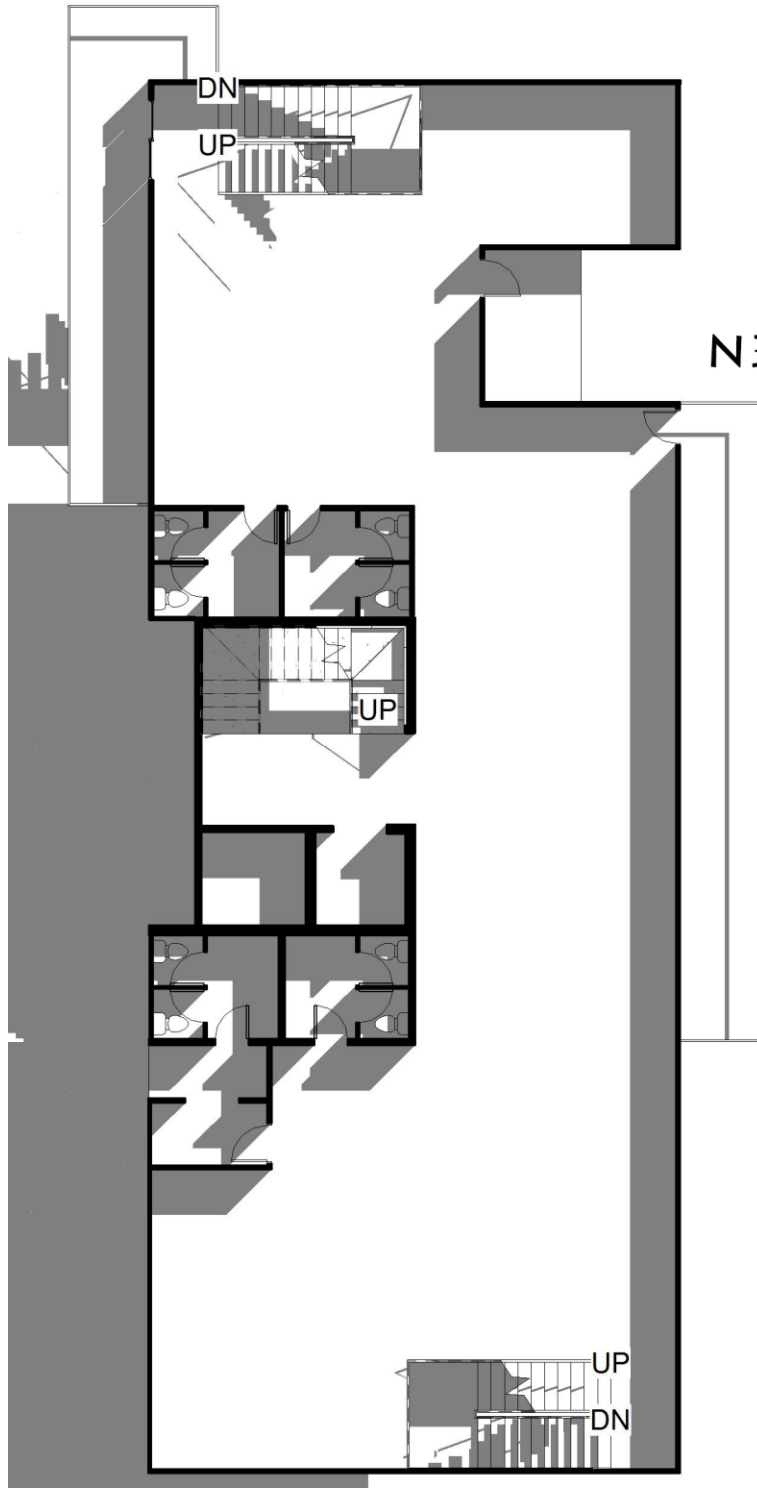
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GROUND FLOOR CAR PARKING

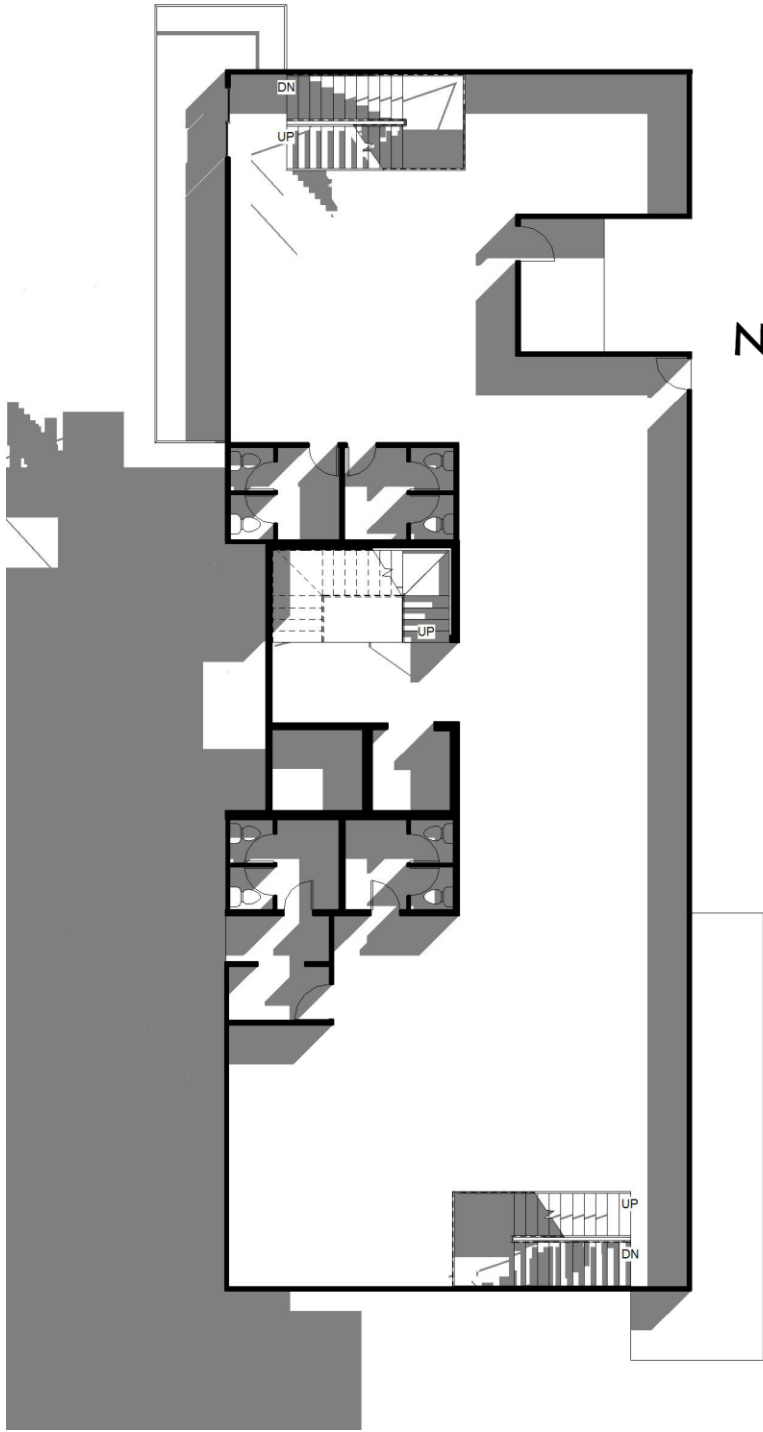




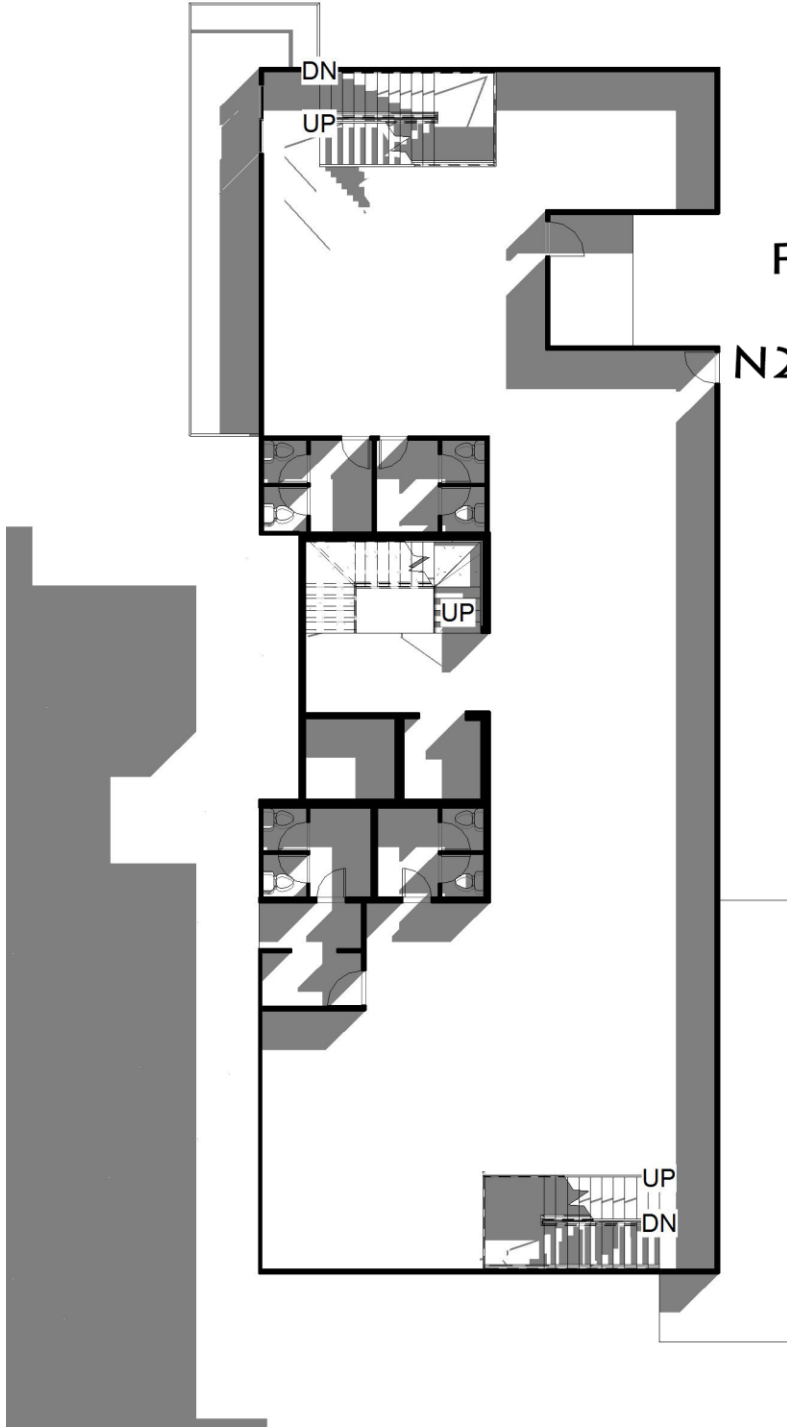
FIRST FLOOR
353.45 SQM
N389,000 PER SQM



SECOND FLOOR
308.75 SQM
N3 13,000 PER SQM



THIRD FLOOR
330.5 SQM
N229,000 PER SQM



FOURTH FLOOR
330.5 SQM
N229,000 PER SQM