

“Ghost Estate” within commuter distance of city

100, 3 bedroom semi – detached houses permitted, 60 completed, 30 sold, 20 foundations laid but part of structure needs demolition.

Costs - Build 40 houses - cost per house - 1200 sq. ft. x €75=€90,000 x 40 =	€3,600,000
Infrastructure - 12,000 per house x 40	= €480,000
Complete infrastructure for unfinished houses – 60 x say €5,000	= €300,000
Repairs to 30 unsold houses - 30 x say €5,000	= €150,000
Value to 30 unsold houses- 30 x say €85,000	= €2,550,000
Cost of fees + expenses - say €10,000 x 70	= €700,000
Total cost	= <u>€7,780,000</u>
Cost per house for 70 houses	= €111,143
Land value recovery per house - Say	= €14,000
Total cost to be recovered -	= €125,000
Capital rent at 4% interest	= €5,000 p.a.
Management fee - Say	= €1,000 p.a.
Minimum rent per house p.m.	= €6,000 p.a. or €500
Rent required to purchase full equity share in 25 years p.m.	= €8,500 p.a. or €708
If total cost per house to be recovered is say	= €150,000
Minimum rent per house p.m.	= €7,000 p.a. or 583
Rent required to purchase full equity share in 25 years or 833 p.m.	= €10,000 p.a.