

Formatted: Font: 14 pt, Complex  
Script Font: 14 pt

Deleted: Consultancy  
Corporation

Formatted: Font: 14 pt, Complex  
Script Font: 14 pt

University of Khartoum,

Investment Administration

Pre-Feasibility Study

For

# Residential Complex

Deleted: In

at Burri

May 2010

Formatted: Bullets and Numbering

## 1. Introduction: The University of Khartoum

The University of Khartoum (UofK) is significant as to its rise since early century and its development history. The precursor of the present UofK has been Gordon Memorial College that was established in November 1908 representing the early years of the UofK.

The UofK embraces 19 faculties, 12 institutes, research and training centers, printing and publishing house in addition to Soba University Hospital, hospitals, a National History Museum, a farm for research and training center for medical and health services.

The UofK has graduated generations of different specializations in medicine, health, engineering, agriculture, veterinary science, humanities, education, and others. UofK graduates have been distinct as to their academic performance which qualifies them to occupy leading and pioneering positions in Sudanese society. The university also has its contribution in advancing scientific research and in provision of distinct post-graduate programs (i.e., diplomas, master and Ph.D. degrees) to serve the Sudanese society and neighboring communities as well.

The UofK is one of the richest institutions in Sudan in terms of land and holds prime locations both in Khartoum State as well as in other states within Sudan. The UofK has recently embarked on an ambitious scheme to capitalize on those valuable resources in order to generate revenues that are badly needed to develop and upgrade the university. The present pre-feasibility study is several projects that the UofK intends to launch.

Deleted: <sp>

Formatted: Bullets and Numbering

## 2. Project Description

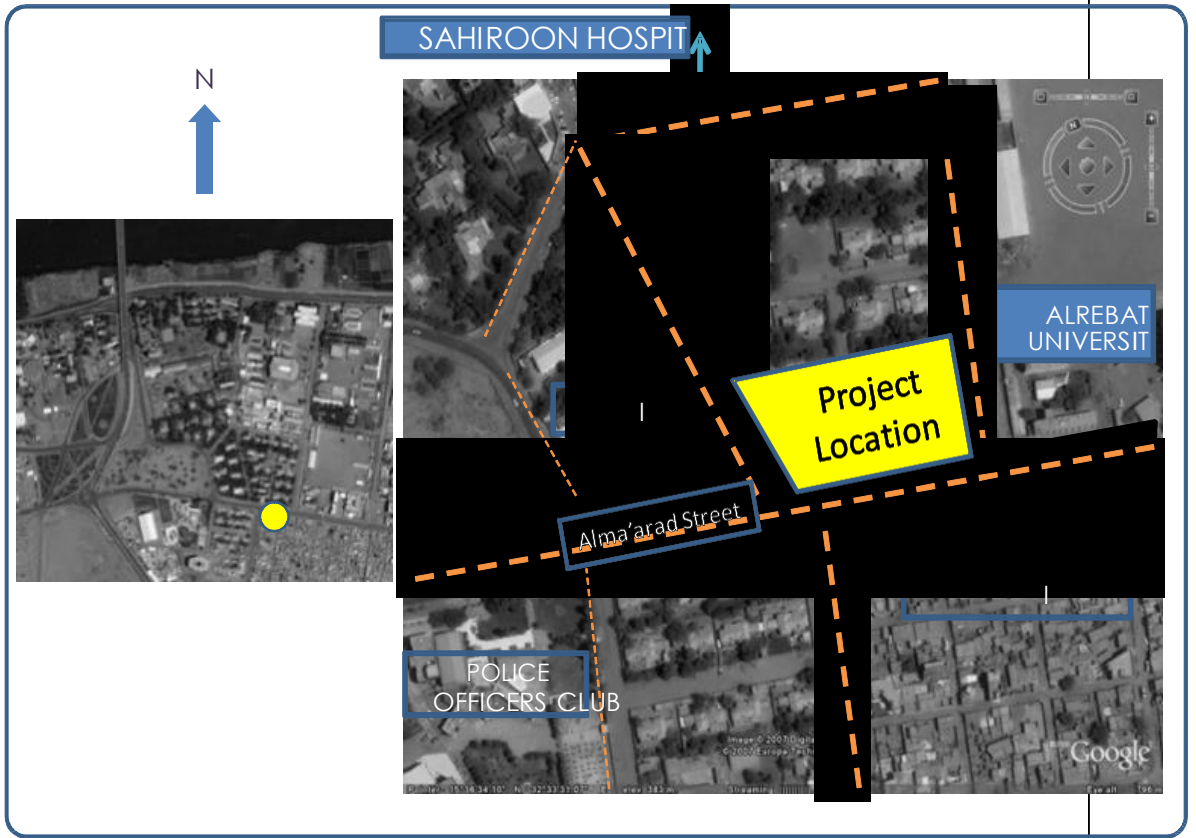
### 2.1. Location and Site Characteristics

The Project is located in Burri at about three kilometers east of Khar commercial and administrative center. As shown in Figure 1, the plot faces Maarad Street adjacent to Alribat University, the Police Club and Sa Hospital. The total area of the project is 1,291 m<sup>2</sup> owned by the University of Khartoum, which is part of 20 plots owned by the University in Burri north of Maarad Street with areas ranging from 1000m<sup>2</sup> to 1640m<sup>2</sup> accommodates housing for its faculty members.

The Average price of land in the neighborhood is estimated to be 90 \$ per square meter. The area in general is targeted by most international organizations and foreign companies to accommodate their own employees. The ease of accessibility and the favorable characteristics of the neighborhood add to the attractiveness of the location in general and the plot in particular.

Deleted: ¶

Deleted: ¶



Deleted: 1

Deleted: 1

Formatted: Font: Calibri

Figure 1: Project Location

Deleted: ¶

Formatted: Justify Low

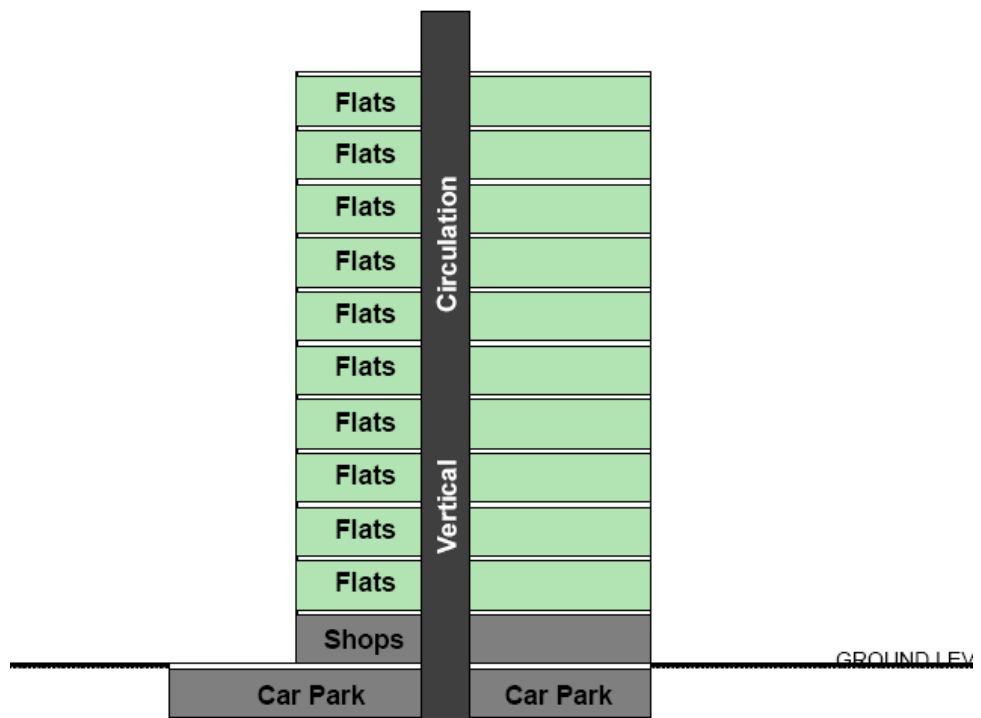


Figure2:CrossSectionofResidentialBuildingatBurri

Deleted: <#>Functions and Spaces¶  
 The proposed project is designed to serve as a residential complex. It is composed of a basement, a ground floor, and ten typical floors. The gross built area is 5,440 m<sup>2</sup>. The basement floor will host car parking and services. The ground floors space might be used for retail and supermarkets. The apartments will be accommodated in the floors from 1<sup>st</sup> to 10<sup>th</sup> floor.¶

Formatted: Bullets and Numbering

Deleted: ;

Formatted: Font: 4 pt, Complex Script Font: 4 pt

### 3. Study Assumptions

The following tables show all the assumptions on which the study is based:.

Table (1): Project Components

Flat Type	Liv. Rm.	Saloo n	Spaces			
			Bedroom	Kitche n	Bath	Balco ny
1	1	-	2	1	2	1
2	1	1	2	1	2	2
3	1	1	3	1	3	2

Table (2): Project Components

Formatted: Font: 4 pt, Complex Script Font: 4 pt

Item	Description	Area (m <sup>2</sup> )	% of total
Flats	Flat type (1)	120	27.3%
	Flat type (2)	135	30.7%
	Flat type (3)	150	34.1%
Flats Total Area/ Floor		405	92.0%
Circulation	Staircase	8	1.82%
	Lifts	12	2.73%
	Lobby	15	3.41%
Total Floor Area		440	100.0%

Table (3): Total Cost Estimate

Formatted: Font: 4 pt, Complex Script Font: 4 pt

Item	Description	Area m <sup>2</sup>	Rate (US\$)	Total (US\$)
1	Land	1,291	1,000	1,291,000
2	Basement & Foundation	600.0	400	240,000
3	Ground Floor	440.0	400	176,000
4	Typical Floors 1 <sup>st</sup> -10 <sup>th</sup>	4,400	650	2,860,000
5	Services			100,000
6	Total Construction Cost Including Land (US\$)			4,667,000
7	Total Construction Cost Excluding Land (US\$)			3,376,000

Deleted:

Formatted: Superscript

Formatted Table

Deleted: ¶

Formatted: Font: 6 pt, Complex Script Font: 6 pt

Table (4): Finance Components

Total Cost Estimate	4,667,000
Cost of Land	1,291,000
Land Cost To Construction Cost Ratio	0.28
Equity to Loan Ratio	0.28
Required Finance	3,376,000
Yearly Interest Rate ( $r_y$ )	10.0%
Monthly Interest Rate ( $r_m$ )	0.8%

Comment [GMH1]: Can you make it 5.5%?

Table (5): Expected Net Income and Annual Growth for different income generating spaces

Formatted: Font: 6 pt, Complex Script Font: 6 pt

Item	Apartments	Shops	Total
Total Area (m2)	4400	440	
Price (USD\$/m <sup>2</sup> )	1,250	700	
Income (USD\$)	5,500,000	308,000	5,808,000
Tax Rate	10.0%		
Taxes	580,800		
NOI (after tax)	5,227,200		

Deleted: ¶

Table (6): Positive and Negative Cash Flow Parameters

Formatted: Font: 6 pt, Complex Script Font: 6 pt

Formatted Table

Negative Cash Flow Parameters	
Total Loan	-1,600,000
Loan Payment Intervals	Monthly
Loan Advance Payment	-800,000
Loan Payment/Period (MON2-9)	-100,000
Positive Cash Flow Parameters	
Construction Period	18
Advance Payment received @ Month	6
Installments Interval	Monthly
Advance Payment % of total revenue	30.0%

Formatted Table

Advance Payment (Amount)	1,742,400
Monthly Installments (months 6 -18) % of total revenue	5.8%
Monthly Installments (months 6 -18) Amount	338,800

Deleted: Negative Cash Flow Parameters

Deleted: ¶  
¶

Formatted: Bullets and Numbering

#### 4. Extraction and Analysis of Economic Indicators

Deleted: pre  
Deleted: next  
Deleted: (table6)  
Deleted: al  
Deleted: decision making  
Deleted: 7  
Deleted: al

Based on all the above-mentioned assumptions, the following part of the shows the general calculations of the investment analysis. It gives the de expected income, costs, and loan repayment. The analysis assumptions f basis for the extraction of the economic indicators of the investment criterion for decision-making. Table (6) shows details of these indicator indicators are shown for both the total capital and equity. Taxes ar considered in the economic indicators.

Deleted: t  
Deleted: 6  
Deleted: t  
Deleted: 7  
Deleted: al

Based on the information in Table (6), which shows the details of positiv negative cash flows made to and from the investment, Table (7) sho economic indicators that are extracted.

Deleted: Table (7): Return Calculations and Economic Indicators for the Project¶  
¶  
Deleted: 8

Table (7): Return Calculations and Economic Indicators for the Project cost of finance)

Indicator	Total Capital		Equity	
	Before Taxes	After Taxes	Before Taxes	After Taxes
Total Income (+VE)	5,808,000	5,227,200	5,808,000	-
Interest Payments (-VE)	-	-	-49,500	-
Invested Amount (-VE)	-	-	-	-
Net Profit	4,667,000	-4,667,000	-4,667,000	-
Rate of Return (18 month)	1,141,000	560,200	1,091,500	982,350
	19.6%	10.7%	18.8%	16.9%
Profitability	124.4%	112.0%	123.4%	121.0%

Deleted: t  
Deleted: 7

Based on the economical indicators shown in Table (7), the project is consi feasible given all the project assumptions. The profitability of the pro

Deleted: 122

project is expected to be 124% and 112% for total capital and respectively. The rate of return for total capital and equity, given the pa period of the capital (18 months), falls within the acceptable range.

Deleted: Page Break

Deleted: ¶

Formatted: Bullets and Numbering

## 5. Summary

Deleted: by the investor

Based on all the information, assumptions, calculations, and project altern stated above, the project is considered highly feasible with high rates of All the assumptions are based on the economical performance and the in the real estate market in Khartoum State. Decision-mgkrs are suppo consider these assumptions when they plan for the investment.

Deleted: Province

Deleted:

Deleted: ¶

<#>The project is located in central and highly accessible location in Khartoum with an area of 1,291 m². The average price of land in the area of the project is about 900-1100\$ per square meter. <#>The value of land is 1,291,000 \$ at a rate of 1000\$ per square meter.¶

<#>The study assumed that the project is equity-loan financed. The land value represents the equity meanwhile the construction cost represent the required loan.¶ <#>The total project cost is estimated to be 4,667,000 \$ (including land value).¶

<#>The project is finance through a bank loan and the down-payments received from the prospect buyers.¶

<#>The cost of finance required for construction is assumed to be at an annual rate of 5.5%.¶

<#>The construction is expected to have a duration of 18 months.¶

<#>The equity share is represented in the value of land.¶

<#>The study considered the feasibility of the investment with regard to Governmental taxes.¶ The project is considered feasible given all the assumptions and functional components for both the total capital and equity

Formatted: Font: Not Bold, Complex Script Font: Not Bold

Formatted: Bullets and Numbering

The study is summarized as follow;:

The project is located in central and highly accessible locat Khartoum with an area of 1,291 m². The average price of land in th of the project is about 900-1100\$ per square meter.

The value of land is \$1,291,000 at a rate of \$1000 per square meter.

The study assumed that the project is equity-loan financed. The land represents the equity meanwhile the construction cost represe required loan.

The total project cost is estimated to be 4,667,000\$ (including land v

The project is financed through a bank loan and the down-pay received from the prospective buyers.

The cost of finance required for construction is assumed to be annual rate of 5.5%.

The construction is expected to have a duration of 18 months.

The equity share is represented in the value of land.

The study considered the feasibility of the investment with reg Governmental taxes.

The project is considered feasible given all the assumptions and func components for both the total capital and equity.



Negative Cash Flow  
Parameters

Total Loan	1,600,000
Loan Payment Intervals	Monthly
Loan Advance Payment	-800,000
Loan Payment/Period (MON2-9)	-100,000

---

Page 5: [1] Deleted Gamal M. Hamid 2010/05/02  
.P 11:23:00

---

Page 7: [2] Deleted

Gamal M. Hamid

.P 11:04:00 2010/05/02