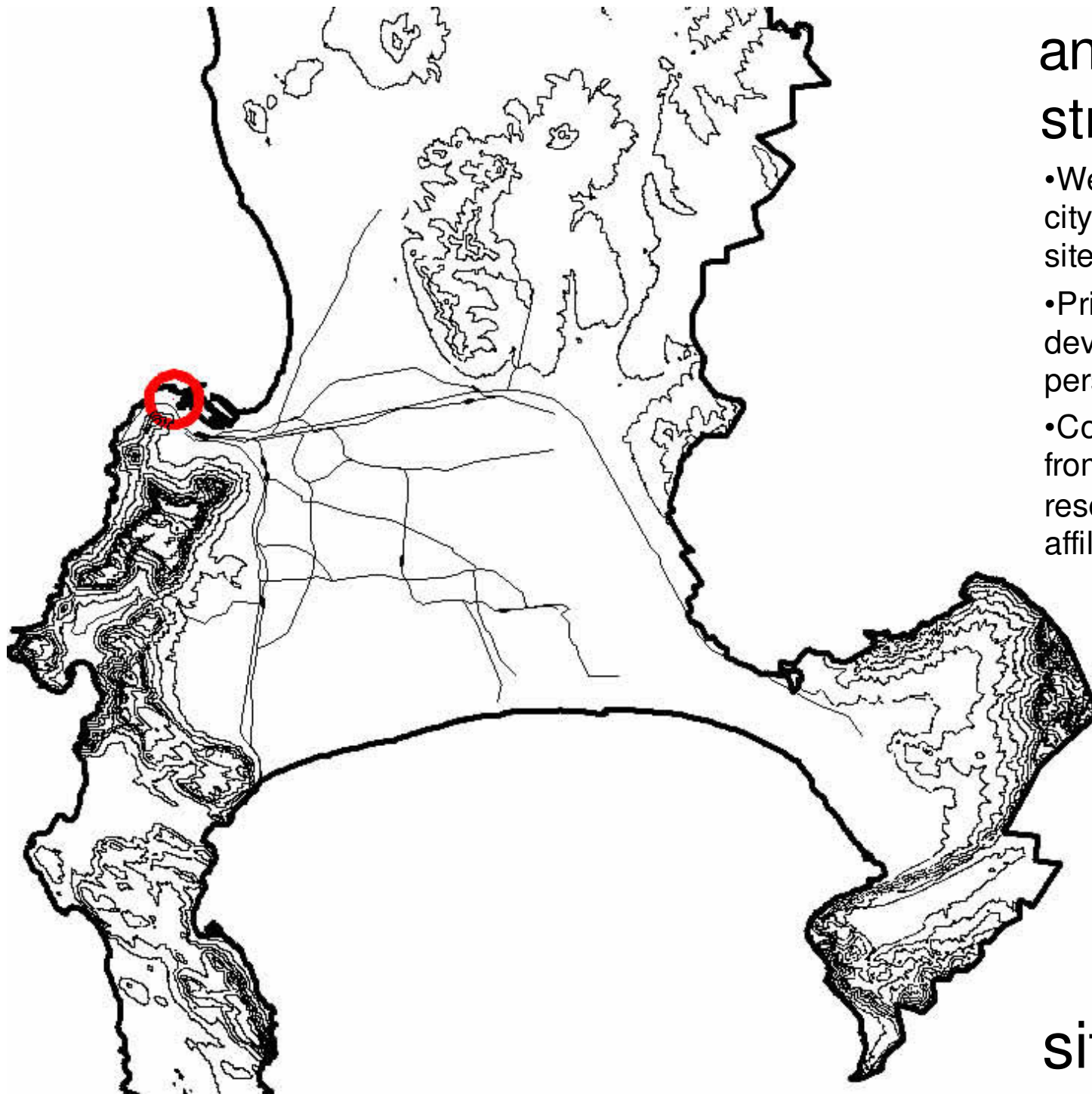


**DEVELOPMENT PROPOSAL FOR THE
SOMERSET / CITY HOSPITAL
PRECINCT**

CONSULTATIVE SEMINAR – A DIALOGUE
TOWARDS PARTNERSHIPS FOR HSD

28 March 2006



an incredibly strategic site

- Well located, inner city, publicly owned site
- Prime land from a development perspective
- Contentious land from a public resources and public affiliation perspective

site locality

STUDY AREA



Cabinet Decision

- Cabinet resolved to support the DF in November 2005:
 - Finalize land transaction with regard to City Hospital, including condition for medical use
 - Appoint Project / Programme Manager
 - Clarify NHLS status and location
 - Prepare detailed design proposals and feasibility
 - Go ahead with rezoning application & public participation process

PRIMARY PRECINCTS



Precinct A

1. The Helen Bowden Precinct
Site Area: 1,5 hectares

Precinct B

2. The Somerset Hospital Precinct
Site Area: 5,2 hectares

Precinct C

3. The Old City Hospital Precinct
Site Area: 3,4 hectares

Total Site Area: 10,5739 hectares

PROPOSED PRECINCTS

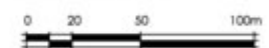


PROPOSED DEVELOPMENT PLAN PRECINCTS & BASEMENTS - REV 1

KEY

— Proposed precincts

Scale 1: 2000 @ A3



ERVEN 1559 AND (PORTION ERF) 1056, GREEN POINT

NM & ASSOCIATES PLANNERS AND DESIGNERS

PROPOSED DEVELOPMENT PLAN - GROUND



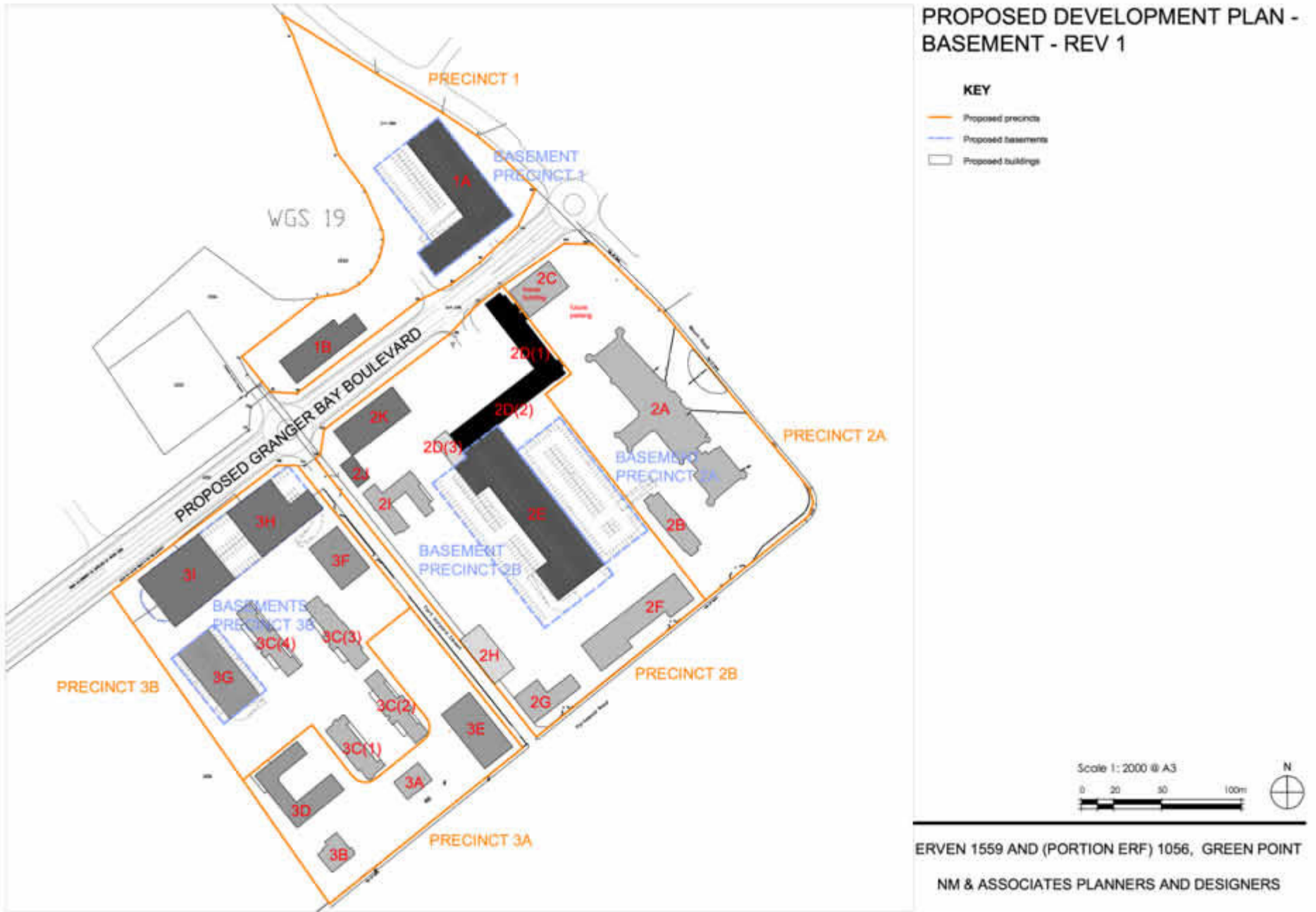
PROPOSED DEVELOPMENT PLAN - GROUND FLOOR - REV 1

- KEY**
- Proposed precincts
 - Existing buildings
 - Proposed buildings - 1 storey
 - Proposed buildings - 2 storeys
 - Proposed buildings - 3 storeys
 - Proposed buildings - 4 storeys
 - Proposed buildings - 5 storeys
 - Proposed buildings - 6+ storeys



ERVEN 1559 AND (PORTION ERF) 1056, GREEN POINT
 NM & ASSOCIATES PLANNERS AND DESIGNERS

PROPOSED DEVELOPMENT PLAN - BASEMENT



PROJECT FEASIBILITY

Development Scenario	Estimated Capital Expenditure – Excluding Land Costs (Independent Developer)	Projected Income From Sale of Land And Buildings
Precinct A		
- Residential & Commercial	R 85 700 000.00	R 19 800 000.00
- Commercial	R 7 450 000.00	R 1 200 000.00
Precinct B		
- Commercial	R 51 000 000.00	R 28 080 000.00
Precinct C		
- Retail	R 28 700 000.00	R 9 900 000.00
- Affordable Housing (option 1)	R 30 600 000.00	R 4 950 000.00
- Residential Units	R 155 200 000.00	R 27 675 000.00
TOTALS (excl. VAT)	R 358 650 000.00	R 91 605 000.00
LESS: INFRASTRUCTURE/ LAND DEVELOPMENT COST:		
a) Granger Bay Boulevard (1/3 of R13million)		(R 4 290 000.00)
b) Internal Road Network		(R 3 000 000.00)
c) Electrical Infrastructure		(R 8 335 000.00)
d) Civil Engineering Services		(R 6 700 000.00)
LESS: ALLOWANCE FOR UPGRADING OF:		
e) Existing Somerset Hospital		(R 19 500 000.00)
f) Extensions to existing hospital (excl. Equipment, etc.)		(R 86 800 000.00)
ESTIMATED SHORTFALL (excl. VAT)		(R 37 020 000.00)

ESTIMATED YIELD

Development Scenario	Estimated Capital Expenditure – Excluding Land Costs	Projected Income From Sale of Development including Land
Precinct A		
- Residential & Commercial	R 81 800 000.00	R 133 650 000.00
- Commercial	R 7 300 000.00	R 9 080 000.00
Precinct B		
- Commercial	R 46 200 000.00	R 84 800 000.00
Precinct C		
- Retail	R 28 700 000.00	R 42 100 000.00
- Affordable Housing (Option 1)	R 23 050 000.00	R 28 000 000.00
- Residential Units	R 155 200 000.00	R 235 000 000.00
TOTALS (excl. VAT)	R 342 050 000.00	R 532 630 000.00
NET INCOME (i.e. Income less Capital Cost)		R 190 380 000.00
LESS: INFRASTRUCTURE/ LAND DEVELOPMENT COST:		
a) Granger Bay Boulevard (1/3 of R13million)		(R 4 290 000.00)
b) Internal Road Network		(R 3 000 000.00)
c) Electrical Infrastructure		(R 8 335 000.00)
d) Civil Engineering Services		(R 6 700 000.00)
LESS: ALLOWANCE FOR UPGRADING OF:		
e) Existing Somerset Hospital		(R 19 500 000.00)
f) Extensions to existing hospital (excl. Equipment, etc.)		(R 86 800 000.00)
PROJECTED NET SURPLUS/ RESIDUAL INCOME (EXCL. VAT)		R 61 845 000.00

ESTIMATED CAPITAL EXPENDITURE /
INCOME STREAM - SPV

AFFORDABLE HOUSING FEASIBILITY

Scenario 'A' (Land Value Included)

Unit Area (m ²)	No. of Units	Cost per Unit (incl. VAT)	Affordable
36	8	R 193 500.00	Yes
44	4	R 236 500.00	No
56	8	R 301 000.00	No
65	4	R 349 500.00	No
48	8	R 258 000.00	No
52	4	R 279 500.00	No
56	4	R 301 000.00	No
65	4	R 349 500.00	No
71	4	R 381 500.00	No
96 Units			

Scenario 'B' (Land Value Excluded)

Unit Area (m ²)	No. of Units	Cost per Unit (incl. VAT)	Affordable
36	8	R 152 750.00	Yes
44	4	R 187 000.00	Yes
56	8	R 238 000.00	No
65	4	R 278 000.00	No
48	8	R 204 000.00	Yes
52	4	R 221 000.00	No
56	4	R 238 000.00	No
65	4	R 278 000.00	No
71	4	R 301 500.00	No
96 Units			

PROPOSED PROCESS AND PROGRAMME

- Formal public participation process as part of the EIA end April / beginning May 2006
- Completion of rezoning and subdivision application including all studies – end of May 2006
- Submission of application – June 2006
- Proposed GBB to be completed by July 2007