



THE FARMHOUSE HOTEL

INVESTMENT BRIEF

In August 2007, group investors purchased The Farmhouse Hotel in Langebaan for R15,5 million in a closed fund. Bank finance of R10 million was utilized for the purchase.

The property consists of 16 rooms and is situated above the yacht club overlooking the Langebaan lagoon. The total area of the land is 5,000 m² and there is an opportunity to develop another 26 rooms on 1,800 m².

INITIAL INVESTMENT PERIOD

During the initial period of 24 months, a boatyard was created on the undeveloped land, creating an additional income stream. The rooms and kitchen have also been upgraded. We have submitted a rezoning application to allow for the development of 26 additional rooms on the undeveloped land.

RETURNS: AUGUST 2007 – JULY 2009

Income return: 8% per annum
Return on investment: 16% per annum
Return on equity: 21% per annum

WEALTH FUND INVESTMENT

After the initial investment period, investors were given the option to sell their investment or transfer it to their respective wealth funds. During the period of August 2007 to March 2015, investors achieved a market related growth on their investment and the process of rezoning was started.

RETURNS: OCTOBER 2011 - MARCH 2015

Income return: 7% per annum
Investment return: 7% per annum
Return on equity: 13% per annum

SEPTEMBER 2015

