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VorsaGroup
Real Estate



DG West Project Investment Proposal

1. Introduction to Developer.

Reportage Properties LLC is a private developer based in Abu Dhabi in Al Reem Island. We currently have a portfolio of about 50 projects in 14 different countries. Some of the countries we are developing include UAE, Saudi Arabia, Iraq, Albania, Russia, India, Pakistan, Azerbaijan, Turkey, Egypt, Morocco, Uganda, Rwanda and Kenya.

Current projects in Kenya include;

- DG West located along Sports Road in Westlands.
- DG JKIA located along Mombasa Road opp JKIA.

2. Introduction to Project.

Project Name: DG West

Project Type: Mixed Use Development.

Project Nature: Residential/Hotel Apartments

Project Size: 100 residential units, 100 furnished hotel apartments.

Project Land Size: 0.33 acres.

DG West is a premium residential and hotel development located on Sports Road in Westlands, Nairobi. The project will host a mix of residential apartments to cater for the demand of luxury living in Westlands as well as the ever-busy hotel market. We will have a mixture of Studios, 1- and 2-bedroom apartments. (Available as semi-furnished for the residential apartments and fully furnished for the hotel apartments)

The project is centrally located in Westlands thus making it great for investment needs.

With the expressway a few meters from the development, it will also offer the convenience of accessing this major highway in Nairobi.

The project is designed to cater for the ever-growing demand for luxury units in the Westlands Market. With a strong achievable ROI of 20% upwards, this project proves to be a solid investment opportunity to any real estate investor.



We will provide the following units;

Unit Typology	Size in SQM	Residential Unit Price	Hotel Unit Price
Studio	41 sqm	\$66,959	\$84,368
One Bedrooms	70 sqm	\$102,900	\$130,734
Two Bedrooms	90 sqm	\$158,760	\$185,200

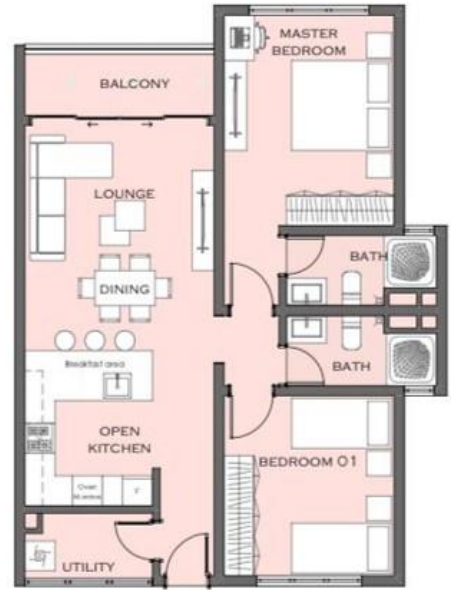
See unit layouts below;



STUDIO UNIT (4 NO.)
Area 41 sqm



ONE BEDROOM UNIT (4 NO.)
Area 70 sqm



TWO BEDROOM UNIT (2 NO.)
Area 90 sqm

Unit Features

- Fully furnished & Serviced Hotel Apartments.
- Private balconies/terraces as per unit plan.
- Anti-skid porcelain tiles.
- Double Glazed Windows
- WIFI internet & cable TV connection.
- Integrated wardrobes.
- Gypsum ceilings with integrated lighting features.
- Solar heated water.
- Premium Imported Sanitary Ware.
- Security & Fire Standards to international requirements

Project Amenities

- Reception and Lobby Area
- Valet parking & concierge services.
- Restaurant
- Prayer Area
- Branded Unisex Salon
- Kids Day Care Centre
- Pet Care Centre
- Fully fitted office spaces
- Fully fitted fitness center (Gym).
- Spa - (Massage rooms, steam & sauna)
- Zumba Studio
- Rooftop Infinity swimming pool.
- Jacuzzi.
- Rooftop yoga garden.
- Roof top bar area.
- Ample parking spaces.
- Full power backup generator & borehole.

Location Features

- 2 mins to Express Way, Sarit Center, Sankara Hotel.
- 5 mins to Westgate shopping mall.
- 6 mins to GTC.
- 9 mins to MP Shah Hospital.
- 15 mins to JKIA airport, CBD, Upper Hill.

Payment Plan

- Reservation – 10% - 30%
- During Construction - 50% - 70% spread in 23 months
- Before or upon Hand Over - 20%

Project Completion Date: End of 2027

3. Return on Investment case.

A. Residential ROI

The residential rental market in Westlands is one of the best performing in the Nairobi area. With a potential ROI of 20% + depending on the unit type and demand.

See below what DG West has to offer;

Unit Type	Size	Monthly Unfurnished	Monthly Furnished	Daily Airbnb Rate
Studio	41 sqm	\$692	\$1,154	\$58
One Bedroom	70 sqm	\$925	\$1,538	\$77
Two Bedroom	90 sqm	\$1,385	\$2,154	\$115

B. Hotel Apartments ROI

Hotel ROI will be dependent on a number of factors which include;

1. **Occupancy of the hotel.** – The Hotel industry around Westlands is lucky enough to achieve high occupancy levels of 70% and above. Demand for hotels in Westlands has driven the growth of the hospitality industry around the area due to increased business travels as well as the area being a huge international business hub.

2. **Management Model** – The hotel brand that will represent DG West will be marketing this property not only in Kenya but internationally as well. This will help in brand competition especially since we have hotels such as JW Marriott, Villa Rosa Kempinski, Sankara Hotel, Radisson Blu around the same hotel zone.
3. **Pooled Income** – The operator will pool all the income generated from all the 100 hotel units into one fund and distribute it among the investors based on the sizes of their units in the property. This will ensure equal fund allocation to everyone.
4. **Revenue Share** – Before the operator distributes income to the owners(investors) there will be a share that has to be allocated to the operator for maintenance and management costs. The tentative share ratio will be 55:45. Meaning the investors will get a NET share of 55% while the operator will remain with 45% for management reasons.

Unit Type	Projected Hotel Rate per night.	NET ROI Based on 50% Occupancy (monthly)	NET ROI Based on 60% Occupancy (monthly)	NET ROI Based on 70% Occupancy (monthly)
Studio	\$120	\$990	\$1,188	\$1,386
One Bed	\$180	\$1,485	\$1,782	\$2,079
Two Bed	\$250	\$2,063	\$2,475	\$2,888

The above figures are all less 45% therefore reflect as monthly NET figures.

For Example,

One Bedroom

$\$180 \times 30 \text{ days} \times 70\% \text{ occupancy} = \$3,780$

Hoteliers share of 45% = \$1,701

Investors share of 55% = \$2,079

Important factor to note is that as per the current market, the **average occupancy** should be between 60% - 70%.

5. Conclusion.

- I. DG West is a viable investment based on the current market conditions. With the management model and top-notch amenities, it will be possible for investors to achieve an **ROI of 19%** upwards.
- II. Investors will be able to recoup their initial investment in **4-5 years** depending on the type of investment they go for (furnished monthly rentals, hotel apartments)
- III. For the Hotel Model, the above projections are to illustrate it will be possible to attain a constant ROI of 18-20% upwards depending on the occupancy attained by the hotelier.
- IV. Average occupancy is expected to be between 60% and 70% with a very high likelihood of hitting upwards of 75% on high peak seasons.
- V. It will be very possible to attain a monthly ROI of above 18-20% if the hotel remains operational. (if not higher)
- VI. The above hotel model is suitable for investors looking to attain a high and consistent ROI with very minimal involvement in management and day to day activities.
- VII. The purchase price indicated above caters for the cost of furnishing the hotel apartments.
- VIII. The residential apartments come semi-furnished (built in cooker and extractor, microwave, conventional oven and washing machine/dryer)