

Business Case for the construction of a Bungalow

Executive Summary

This project involves the planning, coordination, and execution of a residential 2-bedrom bungalow. It is designed to provide comfortable, affordable, and efficient living space for a small family considering durability, functionality and cost effectiveness. The project was given a time of completion for 20 weeks and cost of 12 Million Naira

Objective

To deliver a structurally sound and aesthetically pleasing 2-bedroom bungalow to meet the client's needs within the allocated time and budget.

Option

Alternative1: Purchasing an already-built house

Alternative2: Building a multi-unit apartment like a duplex or 2-flat

Alternative3: Opting for a container home or prefabricated houses

This 2-bedroom bungalow is the best choice because it is lower construction and maintenance costs compared to storey buildings, it is easier to project the scope, can serve as personal use, rental purposes, or resale since it offers good return of interest.

Risk Analysis

Risk: Poor workmanship or use of substandard material

Mitigation: Conduct regular site inspections and hire experienced professionals

Risk: On-site injuries or unsafe construction practices

Mitigation: Enforce PPE and follow safety standards

Risk: Flooding, erosion or unsuitable soil

Mitigation: Perform site assessments and geotechnical surveys and apply proper structural analysis

Risk: Poor weather condition

Mitigation: Schedule outdoor-heavy tasks during dry seasons and adjust daily plans based on weather forecasts. Protect materials and tools from water.

Plan and Timeline

Project Kick-off (Week 1)

Architectural Design (Week 1-2)

Site Preparation (Week 3-4)

Foundation (Week 4-7)

Structural Work (Week 8-12)

Roofing (Week 13-15)

Finishing (Week 15-18)

Finalization and Handover (Week 19-20)

Cost and Benefits

Estimated Costs (in Naira)

Description	Estimated costs
Designs and Approvals	₦200,000 - ₦300,000
Buying of blocks and buying of cements, granite, sand and provision of water	₦1,500,000 - ₦2,000,000
Site preparation and foundation	₦500,000 - ₦800,000
Buying of woods and Roofing materials	₦1,000,000 - ₦2,000,000
Windows, Doors and Fixtures	₦1,500,000 - ₦2,000,000
Electrical and Plumbing	₦800,000 - ₦1,000,000
Finishing (tiles, paints, etc)	₦1,000,000 - ₦1,500,000
Labor (Electricians, Plumbers, laborers, etc)	₦800,000 - ₦1,000,000
Contingency	₦300,000 - ₦500,000
Total Estimated Cost	₦7.6M - ₦11.1M

Benefits

1. Rental Income
If rented at 500,000 Naira to 800,000 Naira/year (depending on the location) the return of investment will be in 10 – 15 years
2. The land and structure value increase over time so it has a potential resale profit
3. It will save long term rent and shelter security and family stability
4. It can be used as collateral to access loans or financing