

BUSINESS PLAN



Construction of Cottage Village in Crimea



2014

Adaptation of this business plan is possible for similar project worldwide.

As a result of occurrence of the Crimea Republic to Russian Federation in 2014, Ministry of Regional Development has formed a special working group, which deals with project development of federal target program («Social and Economic Development of Crimea Republic and City of Federal Importance Sevastopol till 2020») of Republic territory development. So, according to the information of Ministry, the development of federal target program follows the path of formation activities and facilities: during the next four years a sum of 814 billion RUB will be directed for the Crimea Development. According to the calculations, financing of the Crimea will increase by more than 50% in 2014. In the current year Ministry of Regional Development is planning to allocate for program 130, 2 billion RUB over more. In 2015 the volume of funding will consist of 167, 6 billion RUB, in 2016 it will be increased to 176, 4 billion RUB, in 2017 – to 184, 8 billion RUB.

In general the program of the peninsula development will cost 659 billion RUB for four years; 155 billion RUB will be spent additionally for construction of the bridge through Kerch Strait.

Despite all economic and political nuances, after occurrence of peninsula to Russia the cost of land plots in Crimea increased by 50%, in some cases – by 80%.

Experts of real estate market consider that during 2014 the price rise should be about 15-20%, and after the construction of bridge through Kerch Strait the prices should increase by 30% over more.

Today it is relevant to invest in real estate construction more than whenever. That's why specialists of the «VTSConsulting» company prepared for you a typical Business Plan of cottage village construction in Crimea.

Business Plan Description

Project Idea

Within the project the construction of cottage village is supposed on a plots of total area *** ha, which is located in the territory of the Crimea Republic, ***. The lot is situated within the protected zone 1 of the Black Sea, outside the secured and sanitary protected zones of enterprises.

According to the project *** of residential blocks will be constructed, existing block will be reconstructed, a café will be built. A medicine center, infrastructure facilities of the appropriate level, beach and walking areas, water park and hydro constructions will also be located on its territory.

Market Situation

The main factors and tendencies of real estate market of the Crimea and Southern coast of the Crimea (SCC):

- *** % of Russians are ready to consider buying of the house for non-permanent residence in modern secured settlements on the Black Sea coast.
- The demand for finished houses is ***%.
- ***% of potential buyers prefer the purchase of house in cottage village.
- The demand is shifting from the individual cottages and massifs of chaotic building to villages, which are implemented in a single architectural building concept. Such concept envisages the obligatory presence of the whole complex of communications, service sphere, security, rest zone, green areas.
- Luxury cottages, which are situated in the unique recreation zones of Southern coast of the Crimea, are demanded. They are characterized by an individual project, a large area and high quality finishing.
- 63% of Russians buy the real estate in Crimea for a rest and dividends. The clients are interested in real estate, situated in zones of elevated profitability. Such zones are situated in places with developed infrastructure near the sea.
- The average payback period of liquid real estate is about *** years.

Competitive Environmental of Project

In the district, which are chosen for location and construction of cottage village «***», the level of competition corresponds to general level on the south coast:

- on the required territory the facilities are represented by the following categories:
* park-hotel, * recreational complex (town), boathouse– * units, hotel – * units, the total amount is * facilities;
- all complexes are characterized by development infrastructure, have a wide rooms fund, include such additional medicine services as SPA-centers, gyms, the presence of children's playground and centers, swimming pools and restaurants are obligatory;
- the rooms fund of researching projects is different: from «standard» (economical variants) to «apartment» and «super lux» with higher comfort;
- all facilities are located at a distance of about 10 km from cottage village «***», what means that they make a direct competition in terms of geography;
- the main advantage of all projects is stepping accessibility of the sea (1st coastal line), maximum distance – 400-500 m and also characteristics of kinds of plots due to close location to the Black Sea.

Finance

Project Payback Period – 14 quarters.

Net Present Value (NPV): \$ ***.

Quarterly Internal Rate of Revenue (IRR): 3,331%.

Offer for investors

Necessary investment: \$ ***.

Net profit of the investor: \$ ***.

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worked on a specific business plan*
- ✓ during one to two hours our team will be ready to
answer all questions related to the structure and
content of the business plan*

*Respectfully,
«VTSConsulting» team*

INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

«VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

We appreciate greatly the cooperation with each customer.

And we are proud of our customers!

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This is not a complete list of those

who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

You invest.

*Respectfully,
Vladyslav Tsygoda,
the head of «VTSConsulting»*