

# BUSINESS PLAN



## Cottage Village in Moscow Region



2014

*Adaptation of this business plan is possible for similar project around the world.*

## **Business Plan Description**

### **Project Purpose**

Development of cottage village on the land lot with area 25.62 ha, which is situated on the bank of Klyazminskoe reservoir within the administrative boundaries of \*\*\* village of Mytishchi district of Moscow region.

### **Characteristics of the land**

- Kind of rights: ownership, without encumbrances.
- Land category: land of settlements.
- Temporary permitted use: for individual housing.
- Adjacent land lots: in the south – Klyazminskoe reservoir; in the west – Senkovo village; in the north – Novoseltsevo village; in the east – \*\*\* village.
- Access road: to the border of land lots.
- Electricity: dedicated power is 2MBA.
- Sewage: Domestic Lifting Station (DLS) on the territory of «Novosel'skii mechanical plant».
- Water supply: documents for license obtaining for water supply are handed over.
- Gas supply: on the border of land lots.

### **Project Financial Indicators**

Revenue	***	***
Gross profit	***	***
Net profit	***	***
Net present value (NPV)	***	***
Quarterly internal rate of return (IRR quarterly)	***	
Annual internal rate of return (IRR annual)	***	
Project payback period	12 quarters	
Project discounted payback period	13 quarters	

Necessary investment: \*\*\*

Necessary investment excluding costs for land lot: \*\*\*

## Excerpts from Research

Within the framework of research the price characteristics of households of organized suburban market are considered. An average cost of 1 m<sup>2</sup> of cottage in general by the analyzed market is about \$\*\*\*, of townhouse – \$\*\*\*.

In present moment the tendency of increased interest in finished or under construction cottages is observed. On the one hand, the buyers became more confident in their future. On the other hand they are bent on organization of the project including construction and infrastructure seeing that settlements without a contract are developed a few times slower than projects with a contract, etc. So \*\*\*% of clients are ready to buy the cottage which is situated at the Dmitrov highway in the local zone. The purchase of land lot is considered by \*\*\*% of company's potential clients (against \*\*\*% a year ago).

The demand for townhouses and apartments is significantly less and amounts to \*\*\*% and \*\*\*% accordingly. But in such case it is necessary to take into account two factors: the local market does not abound with qualitative available supply in this segment and also that apartments and townhouses are the first step to suburban life, an interest to which are manifested by increasingly wider population with each passing year.

The category of cottages for «final finishing» is leading in the structure of demand – \*\*\*%. Most of households buyers would like to develop a design of own house themselves. Each fifth potential buyer is ready to furnish his house himself and consider the variant of cottage purchase for «rough finishing». The minority of clients (\*\*\*%) would like to buy a completely ready for leaving «turnkey» house.

\*\*\*% of clients are interested in purchasing of a townhouse for «final finishing». Another 3% of potential purchasers are ready to buy the household of similar format with «turnkey» finishing. The less number of clients is interested in purchase of apartments. At that the majority prefers to buy the similar properties without finishing.

## Content

<b>List of Tables, Figures and Diagrams</b>	<b>4</b>
<b>Executive Summary</b>	<b>6</b>
<b>1.0. Detailed Lot Analysis</b>	<b>8</b>
1.1. Lot Description. Main Factors of Location	8
1.2. Description of Physical, Legal, Administrative, Technical and Technological Restrictions of Lot	12
<b>2.0. Analysis of District Adjacent to Lot</b>	<b>13</b>
2.1. Basic Information of Economic State of District	13
2.2. Industry	13
2.3. Construction	16
2.4. Trade and Services Sector	17
2.5. Small Entrepreneurship	18
2.6. Consumer Market	19
2.7. Agriculture	19
2.8. Investment Policy of Moscow Region	20
2.9. Prospects of Development	24
<b>3.0. Analysis of District Market Situation</b>	<b>29</b>
3.1. Supply Structure by Price	29
3.2. Analysis of Demand Structure of Local Market	29
3.3. Market Potential. Divergence in Structure of Demand and Supply	37
<b>4.0. Sales</b>	<b>39</b>
4.1. Plan of Sales	39
4.2. Positioning of Housing under Construction and Target Audience	41
4.3. Methods of Sales Promotion	41
4.4. Advertising Policy and PR-Events Program	42
4.5. Budget of Advertising Campaign	47
<b>5.0. Architectural and Construction Concept</b>	<b>50</b>
5.1. Amount, Footage of Houses/Townhouses and Area of Lots	50
5.2. Infrastructure, Beautification, Providing of Security	62

<b>6.0. Conclusion on the Best Lot Use</b>	<b>80</b>
6.1. SWOT-Analysis of Project, Strong and Weak Lot Sides	80
6.2. Estimation of Previous Cost by Project	82
6.3. Financial Result by Project	85
6.4. Project Risks Analysis	87
6.5. General Conclusions	89
<b>INFORMATION ABOUT THE «VTSConsulting» COMPANY</b>	<b>91</b>

## List of Tables, Figures and Diagrams

### TABLES

Table 1. Inflow of Foreign Investments by Types	21
Table 2. Foreign Investments by Kinds of Economic Activity	22
Table 3. Inflow of Foreign Investments in Moscow Region in 2012 by Municipal Districts/City Districts, (First Ten)	23
Table 4. Plan of Objects Sales for 2015-2017	39
Table 5. Plan of Objects Sales for 2018-2020	40
Table 6. Project Media Plan (year 1)	48
Table 7. Project Media Plan (year 2)	48
Table 8. Cottages by Area of 150 sq. m	51
Table 9. Cottages by Area of 250 sq. m	51
Table 10. Cottages by Area of 350 sq. m	51
Table 11. Cottages by Area of 400 sq. m	52
Table 12. Cottages by Area of 500 sq. m	52
Table 13. Ratio of Households on Lot by Types	54
Table 14. Costs for Construction of Necessary	63
Table 15. Calendar Plan of Project Implementation	65
Table 16. SWOT-Analysis of Lot	80
Table 17. Project Costs for 2015-2017	82
Table 18. Project Costs for 2018-2020	83
Table 19. Financial Result Projection for 2015-2016	85
Table 20. Financial Result Projection for 2017-2018	85
Table 21. Financial Result Projection for 2018-2020	86
Table 22. Project Risks Analysis	87
Table 23. General Financial Results and Indicators	89

## FIGURES

Figure 1. Land of Client (Foreshortening 1)	8
Figure 2. Land of Client (Foreshortening 2)	8
Figure 3. Photos of Lot (Foreshortening 1)	10
Figure 4. Photos of Lot (Foreshortening 2)	10
Figure 5. Photos of Lot (Foreshortening 3)	11
Figure 6. Styles of Low-Rise Buildings, Represented on Market of Moscow Region	53
Figure 7. Constructions of Objects by EuroBau Technology	56
Figure 8. Example of Cottage Layout with Area of 150 sq. m	57
Figure 9. Example of Cottage Layout with Area of 250 sq. m	58
Figure 10. Example of Cottage Layout with Area of 500 sq. m	58
Figure 11. Examples of Appearance of Cottages with Area of 500 sq. m	59
Figure 12. Examples of Cottages Interior	60
Figure 13. Variations of Arbors for Project Territory	67
Figure 14. Variants of Arches for Territory Decorating	68
Figure 15. Variants of Street Furniture for Territory of Cottage Village	68
Figure 16. Variants of Bridge Constrictions for Project Territory Decorating	69
Figure 17. Enclosures on Cottage Village Territory	72
Figure 18. Enclosures on Cottage Village Territory (Variant 2)	72
Figure 19. Brick Enclosures as Variant of Use on Lot of Development	73
Figure 20. Wooden Enclosures Used for Decorating of Lots Territory	74
Figure 21. Variations of Sidewalks and Paths for Landscape of Cottage Village	76
Figure 22. Children Playgrounds on Territory of Lot Development	77

**DIAGRAMS**

Diagram 1. Demand Structure by Distance from Moscow Ring Road (MRR), %	30
Diagram 2. Demand Structure by Depending on Type of Constructions, %	31
Diagram 3. Demand Structure by Presence of Premises Furnish, %	32
Diagram 4. Demand Structure by Depending on Cost of 1 sq. m of House Area, %	33
Diagram 5. Demand Structure by Depending on Cost of House, %	34
Diagram 6. Demand Structure by Depending on Size of Land Lot, %	35
Diagram 7. Demand Structure by Depending on Area of Households, %	36



*We thank you for your confidence  
and would like to remind you that:*

- ✓ with the purchase of the business plan of the  
«VTSConsulting» company you'll have a guarantee of  
getting a consultation from specialists who have  
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!**

LLC «Zemleugodie-Invest», OJSC «Votkinsky plant», SPE «Stealth», State Enterprise UkrSRIPRI «Masma», «Reproto Technologies», «VOK Montage Service» company, LLC «PRIIMAS»	«Petrovizard» company, Port Temryuk, LLC «Spetsbudproekt», group of companies «SEMPROGROUP», LLC «Maximus Construction», «Rosmolodezh», LLC «Sisif Service», LLC «Plant TITAN», LLC «Project K»,	LLC «Portal Logistics», SPK «Nauka», I.N. Frantsevich Institute of Materials of NAS of Ukraine, NTUU «KPI», Science Park «Kyiv Polytechnic», The Russian Government, Verkhovna Rada of Ukraine
---	--	--

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»*