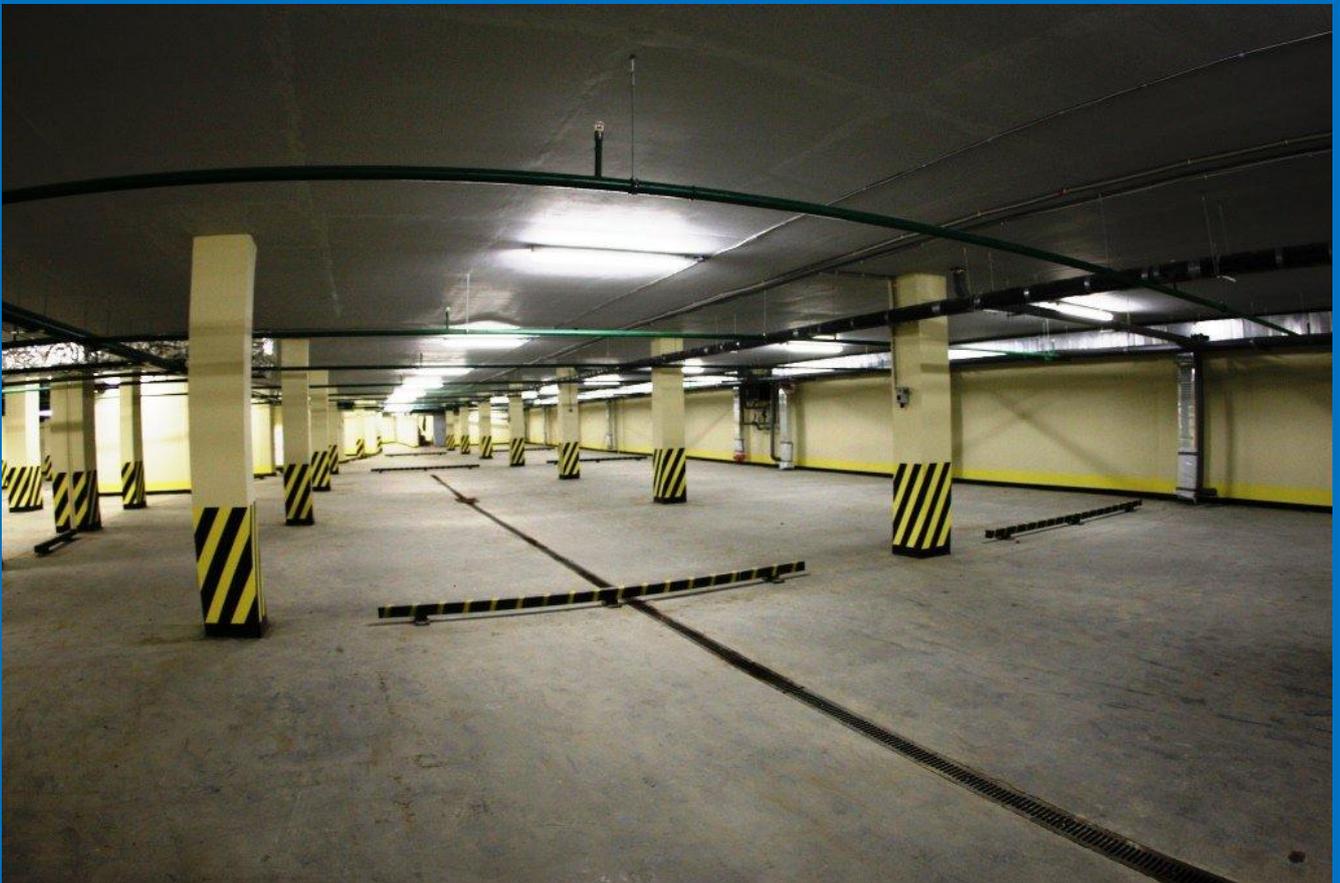


BUSINESS PLAN



Parking Construction



2014

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

The financial model in separate file is attached to this business plan, which makes it easy to build a new financial plan by entering the appropriate data.

Business Plan Description

Project idea: modern parking construction on the free areas over the central heating station (CHS).

Type of parking: above-ground multilevel.

Project location: Moscow, the Russian Federation.

Project audience: car owners aged from ** to ** years.

Equipment: automated system «PUZZLE»

Promotion and marketing: advertising posters placed on the building carcass; application of addresses on the Internet Moscow parking map; local media.

Project implementation period: * years, with the planning step in one month.

Estimation of project economic efficiency:

Sales indicators	Units. edited.	Value
Break-even point	%	**
Break-even point	RUB	**
Profitability indicators	Units. edited.	Project average value
Return on sales	%	**
Return on assets	%	**
Operating indicators	Units. edited.	Project average value
Sales volume, per month	RUB	**
Current expenditure, per month	RUB	**
Net profit, per month	RUB	**
Cash flow, per month	RUB	**
Investment indicators	Units. edited.	Project average value
IRR, % per year	%	**
Necessary investments	RUB	**
NPV	RUB	**
Discounted payback period	years	**
Profitability index (PI)	–	**
Discounted profitability index (DPI)	–	**

Excerpts from the Research

According to the statistics, cars are used directly only * hours a day. That's why owners need the safe car keeping for the rest of the day.

The ratio of the car places number in Moscow parking and the number of city cars is approximately **. In the capital Central District, where the bulk of the workplaces is focused and accordingly the transport is congregated during the daytime, this indicator is decreased to 0.25. That's why the building of new parking areas is particularly relevant for Russian capital.

Market volume of Moscow parking for mid-2014 is about *** car places and the average annual growth over the last 8 years is about *** car places.

In the structure of the Moscow parking types the above-ground single level parking lots (** %) are dominated, multilevel parking lots and garages are as follows (**% each). Underground parking lots occupy a relatively smaller share – * % of the total car places number.

In terms of parking areas deficit the car owners are forced to leave their vehicles far from the place of job frequently and get it from the parking by public transport. In the central city part the largest number of parking lots are situated near such metro station as «**», «**», «**», «**» and others.

The factors, which have a great influence on Moscow parking prices, are: location in the city (the prices in the center are higher than in suburbs) and type of parking, which directly depends on the cost of the car place constructing (** parking lots are more expensive than **). One more car place price factor is privacy. It means that only inhabitants or employees of a particular building could use the garage. The combination of these factors led to average rent car place price *-** RUB/month in the center of Moscow and *-** RUB/month in more suburbs.

The average peak parking workload is accounted for midweek – on Wednesdays (** %) and Tuesdays (** %). The peak parking workload lasts between ** h. and **h. The average parking workload on weekdays is about ** % and at rush hours comes to ** %, what is much higher than the recommended level. Parking lots must observe the elasticity of parking workload to the parking price at the level of 0.4. It is necessary for parking lots to cope their basic functions, which are decreasing of traffic intensity and accelerating of speed on the road network.

The project target audience are car owners aged from ** to ** years, which make ** % of the total population of Moscow, considering also that every third inhabitant (33% of population) has a car. During the analyzing of opportunity of multi-level parking, the following data were identified: ** % of respondents use the services of such parking type constantly; ** % of them are going to buy a car place, **% – use them sometimes, ** % – do not use because of their high cost.

The promotion of services requires the obligatory taking into consideration such facts: **% of population prefer free of charge and unguarded parking, **% of them choose the parking of middle price segment. VIP and economy class parking lots are used by relatively small number of car owners – ** and ** % accordingly. It is expected to implement the marketing plan using the outer and contextual advertising, and also the advertising on radio and in Moscow printed matters. Project will be financed by both of private investment and bank loans in a ratio ** % to ** %. Construction objects will be rented since **th month of project implementation, when according the plan, all construction work will be finished.

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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.

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Vladyslav Tsygoda,
the head of «VTSConsulting»*