

BUSINESS PLAN



Sales of Land Lots



2014

Description of Business Plan «Sales of Land Lots» (with Financial Model)

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.

Project Purpose: attraction of investment for the redemption of the land lot, the area of which is 35 hectares, providing the communications to it with further sale of land lots for individual residential construction by areas 6 and 8 acres.

The total area of the land lot – 35 hectares

The presence of nearby communications

Exceptional specific characteristics

The object has favorably transport location

The proximity to the area of village infrastructure and the Crimea

Amount of Lots for Sale

LOTS WITHOUT A CONTRACT BY THE SEA of line 1		
Average area of Land Lot	acres	6,0
Number of Land Lots for cottages	units	***
Cost of sale of 1 acre	RUB/1 acre	***
Cost of Land Lot without a contract by the sea	RUB	***

LOTS WITHOUT A CONTRACT of line 2(8 acres)		
Average area of Land Lot	acres	8,0
Number of Land Lots for cottages	units	***
Cost of sale of 1 acre	RUB/1 acre	***
Cost of Land Lot without a contract by the sea	RUB	***

LOTS WITHOUT A CONTRACT of line 2 (6 acres)		
Average area of Land Lot	acres	6,0
Number of Land Lots for cottages	units	***
Cost of sale of 1 acre	RUB/1 acre	***
Cost of Land Lot without a contract by the sea	RUB	***

LOTS WITHOUT A CONTRACT of line 3		
Average area of Land Lot	acres	6,0
Number of Land Lots for cottages	units	***
Cost of sale of 1 acre	RUB/1 acre	***
Cost of Land Lot without a contract by the sea	RUB	***

LOTS WITHOUT A CONTRACT of line 4		
Average area of Land Lot	acres	6,0
Number of Land Lots for cottages	units	***
Cost of sale of 1 acre	RUB/1 acre	***
Cost of Land Lot without a contract by the sea	RUB	***

Forecast of Project Financial Result

REVENUE FOR PERIOD		Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	mln. RUB							
Land lots without a contract by the sea (of line 1)	units							
Land lots without a contract of line 2 (8 acres)	units							
Land lots without a contract of line 2 (6 acres)	units							
Land lots without a contract of line 3	units							
Land lots without a contract of line 4	units							
TOTAL:								

Basic Financial Indicators of Project

Revenue	<i>RUB</i>	***
Costs, including land lot	<i>RUB</i>	***
Gross profit	<i>RUB</i>	***
Net profit	<i>RUB</i>	***
Net present value (NPV)	<i>RUB</i>	***
Quarterly internal rate of return (IRR)	%	***
Annual internal rate of return (IRR)	%	21,97%
Necessary investment	RUB	***

Payback period: 9 quarters.

Excerpts from Research

Within the framework of the present research the real estate objects of primary market in *** district and the objects of secondary market in *** district, which potentially could compete, were analyzed.

The cost of land lots in local market varies between ***RUB and *** RUB per 1 acre, accordingly the minimum and maximum values are fixed in the village *** and on the lot in ***.

In the secondary real estate market in *** district both comparably inexpensive and highly-budged variants are represented. The price depends on distance from the sea, lot area or house (flat) and also the condition of construction as well. About *** houses with land lots are offered at a price from *** RUB to *** RUB. The average price of house – *** RUB, the average area – up to 100 sq. m. About 3*** land lots are put up for sale as low as *** RUB per acre. The average price for lot is between *** RUB and *** RUB. The lots by area 6-20 acres are represented most of all. Also about *** flats by area of 21-100 sq. m. and by price of **-*** RUB are put for sale. The average price for flat in *** district reached *** RUB.

The main clients, who buy the real estate objects in the secondary market in *** district, are inhabitants of *** regions.

Land Lots without a contract for construction are the most demanded – *** %. The demand for ready-made house with lots is slightly lower and equals *** %. At the present time the tendency of increasing interest for ready-made or constructing cottages is observed. The demand for townhouses is significantly lower and equals *** %. About *** % interviewees Russians prefer to rent new shelter each summer. About *** % of Russians would like to buy a flat.

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content of the business plan*

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