

BUSINESS PLAN



Sales of Land Lots



2014

Description of Business Plan «Sales of Land Lots»

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

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.

Content

List of Figures, Tables and Diagrams

1.0. Detailed Analysis of Lot

- 1.1. Lot Description. Main Factors of Location. Justification of Lot Choice
- 1.2. District and Region Image
- 1.3. Plans of Development of Municipal Formation, *** District
- 1.4. Description of Physical, Juridical, Administrative and Technical and Technological Limitations of Lot

2.0. Analysis of District, which is Adjacent to Lot

- 2.1. Short Characteristic of Village ***. General Information
- 2.2. Analysis of Zaporozhye Rural Settlement
- 2.3. *** District and Town ***. General Information
- 2.4. Short Characteristic of ***

3.0. Analysis of Market Situation in District

- 3.1. Definition of Main Competitors
- 3.2. Analysis of Supply in *** District
- 3.3. Analysis of Supply in ***
- 3.3. Projects Descriptions, Strong and Weak Sides
- 3.4. Analysis of Supply Structure of Local Market

4.0. Sales

- 4.1. Plan of Sales
- 4.2. Positioning
- 4.3. Methods of Sales Promotion
- 4.4. Advertising Policy and Program of PR-events
- 4.5. Budget of Advertising Campaign

5.0. Pricing

- 5.1. Analysis of Market Information
- 5.2. Definition of Initial Value of Land Lot in Family Village near ***

6.0. Architectural and Building Concept

- 6.1. Number of Lots without a Contract
- 6.2. Infrastructure, Beautification, Security
- 6.4. Preliminary Master Plan of Land Lots Breakdown

7.0. Conclusion on the Best Use of Lot

- 7.1. SWOT-Analysis of Project, Strong and Weak Sides
- 7.2. Assessment of Lots for Compliance to Hypotheses and Market Conditions

7.3. Assessment of Project Preliminary Costs

7.4. Project financial Result

7.5. Analysis of Project Risks

7.6. General Conclusions

List of Figures, Tables and Diagrams

- Figure 1. Land of Customer
- Figure 2. Map of Potential Lots for Development
- Figure 3. Village *** on Map
- Figure 4. Lot 2, which is chosen for Development
- Figure 5. Connection Point
- Figure 6. Electric Substation
- Figure 7. Left View of Dinskoy Bay
- Figure 8. View of the Azov Sea from Lot 2
- Figure 9. View of the Kerch Strait
- Figure 10. Roads on Map
- Figure 11. Lot near Village *** for Social Infrastructure
- Figure 12. Geodesic Map of Lot
- Figure 13. Zaporozhye Rural Settlement (View from Satellite)
- Figure 14. *** District
- Figure 15. Resort City on Map
- Figure 16. Real Estate Objects in *** District
- Figure 17. Real Estate Objects in town ***
- Figure 18. Master Plan of Lot Development
-
- Diagram 1. Dynamics of Population Number in *** District
- Diagram 2. Ratio of Urban and Rural Population in *** District
- Diagram 3. Dynamics of Population Number in Urban District –***
- Diagram 4. Structure of Real Estate Buyers in ***
- Diagram 5. Distribution of Nonresidential Buyers of Real Estate Objects
- Diagram 6. Growth Rates of Large and Middle Enterprises by Basic Branches of Economy for 9 Months of 2013 to Corresponding Period of Previous Year, %
- Diagram 7. Turnover Structure of Large and Middle Enterprises by Basic Branches of Economy for 9 Months of 2013, %
- Diagram 8. Changing of Number of Small and Middle Entrepreneurship Subjects in the First Half of 2013 Compared to the First Half of 2012, units
- Diagram 9. Supply Structure by Value of 1 Acre of Lot 46
- Diagram 10. Distribution of Real Estate Classes in *** by Flat Number
- Diagram 11. Readiness of Russians to Buy Houses by the Azov and Black Seas
- Diagram 12. Acceptable price of «house by the sea» in Krasnodar region
- Diagram 13. Demand Structure in Depending on Type of Buildings

- Table 1. Parameters of Forecast of Prospective Population of Zaporozhye Rural Settlement
- Table 2. Target Indicators of Development of Health Resort and Tourism Complex of Municipal Formation, *** District
- Table 3. Number of Tourists Visited the Municipal Formation in *** District
- Table 4. Real Estate Objects in *** District
- Table 5. Real Estate Objects in ***
- Table 6. Areas of Land Lots of Cottage Village
- Table 7. Strong and Weak Sides of Competitors
- Table 8. Peculiarities of Marketing Policy and Rates of Sales
- Table 9. Preferences of Russians Buying House with Lot, by Regions
- Table 10. Plan of Objects Sales during 2014-2016
- Table 11. Plan of Objects Sales in 2017
- Table 12. Value of Potential Consumers Criteria
- Table 13. Media Plan (1st year)
- Table 14. Pricing of Land Lots near village ***
- Table 15. Costs of Necessary Communications
- Table 16. Project Costs
- Table 17. Forecast of Financial Result

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«VTSConsulting» team*

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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»*