

BUSINESS PLAN



COTTAGE VILLAGE



2014

Description of the typical business plan «Cottage village» (including financial model and detailed media plan in Excel)

The given business plan includes:

- **Automatized financial model in Excel**
- **Detailed media plan in Excel**

This business plan can be adapted to any project in Russia.

The financial model is built in such a way that changes in efficiency index can be monitored at once.

To make the re-calculations for a new project, it's enough just to change the basic indexes.

The applications of Excel which are used for this business plan are simple and convenient that gives any person an opportunity to make successful calculations for his own project.

Aim of the project:

- Attracting investments for building the cottage village in Krasnodar Krai in Russian Federation;
- Rationalization of commercial effectiveness of building the immovable property objects of different types on the district;
- Working out of step-by-step development of the district area.

Project's description:

- General area of the district – *** ha
- Presence of the nearby communications
- Exceptional typical characteristics
- Object has a profitable transport position
- Proximity of the building up object to the village infrastructure and Crimea
- Average cost of 1 sq. m. of cottage village with a lot - *** thsd. RUB.
- Average cost of 1 sq. m. of townhouse - *** thsd. RUB.
- Average cost of 1 sq. m. of apartment - *** thsd. RUB.

Investment outlay on project

Article	unit	2 qtr.2014	3 qtr.2014	4 qtr.2014	1 qtr.2015
Land lot					
Outlay for land lot					
SUM					
Preproject and project work					
Building of communications					
Electric supply					
Water supply					
Sewerage					
Gas supply					
SUM					
Building of inside area networks					
Electricity					
Water supply					
Sewerage					
Gas supply					
Storm sewage					
SUM					
Building of roads and parking					
Road to the district					
Building of inside roads and parking					
SUM					
Improvement and planting of the area					
Arrangement and planting of the territory					
Fencing of the territory					
SUM					
Building of nonresidential edifices and					

installations					
Administration buildings					
0					
Field for mini football, 375 sq. m.					
Post control					
Post control 2					
SUM					
Building of inhabited edifices					
Cottages					
Townhouses					
Apartments					
SUM					
Costs on marketing, advertising, realtors					
Marketing, advertising					
Realtor commission					
SUM					
WHOLE EXPENSES					

Objects for building and subsequent realization:

cottages	*** m ²	*** units
cottages	*** m ²	*** units
cottages	*** m ²	*** units
cottages	*** m ²	*** units
townhouses	*** m ²	*** units
townhouses	*** m ²	*** units
apartments	*** m ²	*** units
apartments	*** m ²	*** units

Project's taxes and rates:

Rate VAT - ***%

Rate of profit tax - ***%

Annual rate of discount - ***%

Quarter rate of discount - ***%

Financial rates:

Earnings - ***mln. RUB.

Costs, including land lot - ***mln. RUB.

Gross profit - ***mln. RUB.

Net profit - ***mln. RUB.

Net present value (NPV) - ***mln. RUB.

Quarter internal rate of return (IRR) - ***%

Annual internal rate of return (IRR) - ***%

Necessary capacity of investments - ***mln. RUB.

Necessary capacity of investments not including costs on the lot - **157 166 239 RUB.**

Discount payback period – **13 quarters**

Extracts from the research:

Within the limits of conducting the given research there were analyzed the objects of immovable property of primary market in *** district and in ***, as well as objects of secondary market of *** district, which potentially can become competitors.

Cost of the land lots on local market vary from *** RUB. to *** RUB. for 1 acre, minimum and maximum value is locked in for the village «***» and for the lot in ***.

On the secondary market of immovable property in *** district there are presented both relatively inexpensive and highly budget variants. Price depends on a distance to the sea, the area of lot, house or apartment, as well as the condition of building. Near *** houses with land lots are presented with a price from *** RUB. to *** RUB. Average price of the house is *** RUB., average area – till 100 sq. m. About 3*** land lots are on sale beginning from *** RUB. for acre. Average price of the lot varies from *** to *** RUB. The largest amount of lots offered has an area of 6-20 acres. About *** apartments with an area from 21 sq. m. to 100 sq. m. and price of

*** – *** RUB are also on sale. Average price of apartment in *** district reaches *** RUB.

Main clients who purchase immovable property on a secondary market in *** district are inhabitants of *** districts.

The largest demand receive the land lots without building contract – ***%. Demand on ready houses with land lots is a little smaller and includes ***%. At present, there is a tendency to increase interest to ready cottages or those which are still under construction. The demand for townhouses is noticeably small and includes ***%. About ***% of Russian interviewees prefer to rent a new house each summer. About ***% of Russians want to buy an apartment.

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(including financial model and detailed media plan in Excel)

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- ✓ *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

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«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.

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- ✓ 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.

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«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».

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