

INVESTMENT OPPORTUNITY

Residential Project Brezzaro

The Developer is developing the residential project "Brezzaro" in the heart of Breza, Bosnia and Herzegovina, just a 30 kilometer away from Sarajevo. The property is situated in the green oasis, city center just along the main pedestrian way and a place of social gathering of the city.

The property is just next the post office, the mosque and in close proximity to the municipality. The future property is stand-alone residential building with 55 apartments for sale and retail space at the ground floor. The residential component of the property consists of entrance A and entrance B, whereas the entrance A is numbering 30 apartment units, and entrance B is counting 25 apartment units. Size of apartments range from 60-80 sqm in average.

Once the property is finished it will be a most prominent property in the city due to its location and appearance. The parking spaces are available in front of the property, retail area is oriented toward main pedestrian area and two entrances to the residential part of the building are oriented toward the parking lots.

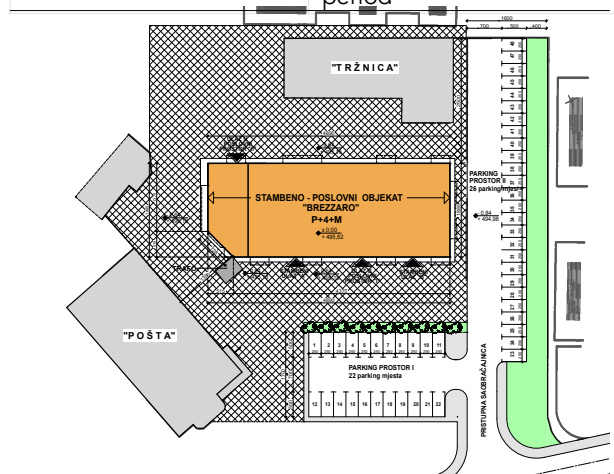
All permits are obtained and the construction works are initiated. Anticipated construction duration is 12 months and two years of sale including pre-sale period.

The real estate demand and supply curve, offer in Breza is low, therefore there is evident demand for the value to price products while supply is weak and currently only existing active supply is at secondary market, where properties are in tired conditions. Since the active strategy of the municipality is to enhance the economy and to strengthen touristic offer, Breza has some historical sites and in recent years they are experiencing expansion in foreign guests.

The city of Breza is famous by its coal mining activities what is the main economy driver. The working population of Breza is 70% out of which 60% is employed with average net wage equal to federal net average wage. All economic indicators of Breza are above average comparing to the Federation of B&H average, therefore the GDP per capita in Breza is 7.468 KM. The city is ranked in the first third on the list of developed municipalities of FB&H.



Project name	Residential building "Brezzaro"
Total net area	5,043 m ² out of which: Net sellable residential area: 3,804 m ² Net sellable retail area: 777 m ²
Total project budget	BAM 5,105,000 (2,6 Mio Euro)
Total Revenue from sales	BAM 6,700,000 (3,43 Mio Euro)
Invested till date	BAM 1,105,000 (including sales costs) 564,980 Euro
Total net profit margin	BAM 1,500,000 (including commission rate) 766,900 Euro
Gross ROI	31% includes sales commission
Net ROI excluding commission	27.2%
1/3 Equity invested ratio (ROE)- IRR annual	73% 63%
Anticipated debt service	BAM 1,850,000
Total equity	BAM 1,770,000
Purchase deposits	BAM 1,488,000
Interest rate	5%
Loan term	15 months with 12 months of grace period



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