

BUSINESS PLAN

KABA KABA VILLA DEVELOPMENT

FIFTH AVENUE PROPERTIES

Project Overview

The **Kaba Kaba Villa Development** is a *sales-led, risk-controlled residential project* structured to prioritise *capital preservation first, followed by high-probability upside* through off-plan execution.

Unlike traditional speculative developments, this project has been deliberately designed so that *full capital deployment only occurs once real market demand is proven*. A deposit-first land structure, combined with a 90-day pre-sales validation window and a proven off-plan sales engine, significantly reduces downside risk while preserving strong return potential.

TARGET OUTCOMES

Capital Cycle	~20 Months
Annualized IRR	~32.2%
Upside Potential	Price escalation as pre-sales accelerate

KEY PROJECT DATA

**Fifth Avenue
Properties**

Developer

**Kaba Kaba,
Bali**

Location

**20
Villas**

Project Size

**25-
Year**

Leasehold

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Land & Risk Strategy

PRIMARY STRENGTH OF THE DEAL

DEPOSIT-FIRST, CONDITIONAL LAND EXECUTION

A deposit has already been placed on the land, securing exclusivity while allowing **90 days to achieve targeted pre-sales** before the balance of the land payment is due.

This structure fundamentally *reverses the traditional development risk profile*:

- Validates real buyer demand *before* full capital commitment
- Avoids speculative land exposure
- Preserves capital flexibility at the earliest stage

Instead of: Buy land → build → hope to sell

The project follows: Secure land → prove demand → proceed

DOWNSIDE PROTECTION & CAPITAL SAFETY

If pre-sales do *not* meet expectations within the 90-day window, the project *does not proceed*. The land can be resold (flipped) at a profit due to the emerging Buduk / Kaba Kaba corridor, clean zoning, and development-ready status.

Result: A *hard downside floor* where all invested capital can be returned rather than trapped in illiquid land.

Developer & Execution Capability

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DEVELOPER & SALES EXECUTION

Fifth Avenue Properties is the lead developer and brings:

- A **fully in-house marketing department**
- A **systemised off-plan sales infrastructure**
- International buyer reach
- Repeatable execution across comparable developments

This is not a first-time or opportunistic developer — the project is being executed by a team with *proven systems*, not ad-hoc sales efforts.

ROYAL BALI GROUP

CONSTRUCTION & COMPARABLE SALES PROOF

The contractor team behind this project has:

- Delivered comparable villas in the same market
- Recently sold **two villas off-plan at approximately USD \$350,000 each** in the immediate area
- Demonstrated strong buyer acceptance for off-plan product at this price level

These **\$350,000 off-plan sales** provide direct market validation that pricing assumptions are realistic and off-plan execution risk is materially reduced.

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Sales Strategy & Execution

SECOND CORE STRENGTH OF THE DEAL (PART 1)

SALES PHILOSOPHY

The sales strategy is built around: **Velocity first, Margin optimisation second.**

Early pricing is intentionally conservative to drive fast absorption and validate demand. Once momentum is established, pricing is adjusted upward to maximise returns.

LEAD GENERATION & MARKETING

Fifth Avenue's in-house marketing team will deploy systems already live and tested across other projects:

- Meta Ads (Facebook & Instagram)
- High-conversion Video Sales Letters (VSLs)
- Targeted international lifestyle-investor campaigns

SALES PROCESS

1. Inbound lead generated
2. *Contact within 60 seconds* by trained appointment setters
3. Immediate qualification to filter serious buyers
4. Qualified prospects booked directly into calls with experienced closers
5. Closers focus exclusively on conversion

This separation of marketing, qualification, and closing significantly improves conversion rates and reduces lead leakage.

Pre-Sales & Risk Control

SECOND CORE STRENGTH OF THE DEAL (PART 2)

PRE-SALES TARGETS & PHASING

PHASE	TIMELINE	TARGET	PURPOSE
Phase 1	Days 1–30	25–30% sold	Demand validation
Phase 2	Days 31–60	20–25% sold	Equity coverage
Phase 3	Days 61–90	10–15% sold	Margin optimisation

Target pre-sales: ~60–65% before full land payment. This aligns with best-practice off-plan development thresholds.

SALES RISK CONTROLS

Sales risk is *actively managed*, not passively accepted. If velocity underperforms: pricing incentives can be applied, marketing spend reallocated, or the land flip option exercised.

Buyer Profile & Capital Strategy

IDEAL CLIENT PROFILE

The project is designed for Bali's strongest demand segment:

- Families seeking a second home
- Entrepreneurs and remote business owners
- Lifestyle investors combining personal use with rental income

"LIVE + EARN" OWNERSHIP MODEL

Post-COVID buyer behaviour strongly favours flexible ownership, part-time use, and professionally managed rentals during non-occupancy. This buyer group is less speculative, more decisive, and comfortable with off-plan purchases when the developer is credible.

PRE-SALES AS CAPITAL STRATEGY

Pre-sales are used to:

- Fund the majority of required equity
- Reduce external capital exposure
- Improve IRR efficiency
- Lower overall project risk

This ensures investor capital is deployed *only once demand is proven*.

WHY THIS WORKS (INVESTOR PERSPECTIVE)

1. Exceptional Risk Mitigation
2. Proven Off-Plan Sales Capability (\$350k comps)
3. Sales-Led Execution
4. Aligned Buyer Demand
5. Multiple Exit Paths

Financial Performance Summary

BASE CASE

- **Capital cycle:** ~20 months
- **Annualised IRR:** ~32.2%
- Strong margin buffer

UPSIDE CASE

- Price increases as pre-sales accelerate
- Improved net profit and IRR
- Earlier capital recovery

Returns are driven by sales execution and capital efficiency, not leverage or speculation.

PROJECTIONS (BASE CASE)

CAPITAL BREAKDOWN

Pre-Sales Revenue	~\$2.7M (60%)
Equity Required	~\$1.7M (40%)
Total Project Cost	\$4,354,750

PROFITABILITY

Gross Revenue	\$6,420,000
Net Revenue	\$6,099,000
Projected Profit	\$1,744,250

FINAL CONCLUSION

This project is not speculative development. It is a **controlled, demand-validated execution strategy** designed to ensure:

- Capital is protected first
- Sales are proven early
- Upside is unlocked only after risk is removed

This is how disciplined real estate development should be structured.



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