

EVALUATION AND MANAGEMENT OF REAL ESTATE

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CASA ROSSI CASE - 2022/2023

HIGHEST AND BEST USE VALUE

DISCOUNTED CASH FLOW ANALYSIS

The aim of the assessment is to understand the estimation processes of real estate in relation to the different properties belonging to each subject and the following identification of the best investment scenario considering the best fulfillment function according to the services required by the site and market demand.

The Discounted cash flow (DCF) refers to a valuation method that estimates the value of an investment using expected future cash flows. DCF analysis attempts to determine the value of an investment today, based on projections of how much money the investment will generate in the future. It can help those considering whether to acquire a company or buy securities to make their decisions. Discounted cash flow analysis can also help entrepreneurs and managers to make decisions about budget or operating expenses.

The estimation process sees act through (01) the identification of the annual rent generated by the asset, (02) the estimate of the profits generated by the function received within it, (03) the deduction of the operating expenses and possibly construction costs, and (04) the Discount of the cash flows back to the present at the required rate of return.

MARKET APPROACH

MILAN, MAGENTA

The evaluation will be carried out through different methods to highlight the distinctions that could arise from one methodological choice to another and consequently establish an awareness of the accuracy of the values in relation to the methods implemented. The market approach lays the foundation with the identification of real estate with characteristics as similar as possible, to understand how much they are valued and define a general idea of value. Below are the values obtained by comparing residential buildings for the “As it is” phase, and office buildings for the subsequent evaluation phase.

RESIDENTIAL COMPARABLES

PRICES	FACTOR [K]	PRICES ADJUSTED
17,19 €	1,52	26,10 €
29,17 €	0,97	28,27 €
20,00 €	0,87	17,48 €
29,44 €	0,97	28,55 €
AVERAGE		25,10 €

OFFICES COMPARABLES

PRICES	FACTOR [K]	PRICES ADJUSTED
33,93 €	1,23	41,90 €
28,48 €	1,04	29,52 €
45,83 €	0,76	34,84 €
33,72 €	1,00	33,72 €
AVERAGE		34,99 €

DATA
MILAN, MAGENTA

The building is characterized by its extroverted and intriguing properties of great value, of which the location and the architectural quality defines its greater impact.

Located in the district of “MAGENTA” at the historic center of Milan, the building has a development of 6 floors on the front section to the street, and 3 floors on the inside section to the patio. Being able to access the photo gallery of the site, it has been possible to see a state of maintenance valued as “Good”, today is used as a residential function with an intention of redevelopment aimed at determining tertiary functions that will be possible to see in subsequent chapters.

In order to conduct the correct evaluation, the correct surface calculations were carried out, therefore defining the “Usable area” and the “Rentable area” that will define an essential role in the evaluation.

DATA
MILAN, MAGENTA

BUILDING 01

FLOOR	GROSS SURFACE	COEF.	USABLE AREA	COEF.	RENTABLE AREA
BASEMENT	330,00	0,00%	0,00	25%	82,50
GARAGE	367,00	0,00%	0,00	25%	91,75
GROUND FLOOR	420,00	82,00%	344,40	100%	420,00
FIRST FLOOR	367,00	75,00%	275,25	100%	367,00
SECOND FLOOR	367,00	75,00%	275,25	100%	367,00
THIRD FLOOR	368,00	75,00%	276,00	100%	368,00
FOURTH FLOOR	368,00	75,00%	276,00	100%	368,00
FIFTH FLOOR	228,00	75,00%	171,00	100%	228,00
COURTYARDS	230,00	0,00%	0,00	50%	115,00
TERRACES	112,00	0,00%	0,00	50%	56,00
SUM	3157,00		1617,90		2463,25

BUILDING 01

FLOOR	GROSS SURFACE	COEF.	USABLE AREA	COEF.	RENTABLE AREA
GROUND FLOOR	78,00	75,00%	58,50	100%	100,00
FIRST FLOOR	95,00	75,00%	71,25	100%	100,00
SECOND FLOOR	95,00	75,00%	71,25	100%	100,00
SUM	268,00		201,00		300,00
TOTAL	3425,00		1818,90		2763,25

NIL - NUCLEI DI IDENTITÀ LOCALE

MILAN, MAGENTA

The “NIL - Nuclei d'Identità Locale” represent areas that can be defined as districts of Milan, in which it is possible to recognize historic and design districts, with different characteristics from each other. They are introduced by the PGT (Land Government Plan) as a set of areas, connected by infrastructure and services for mobility, the green. They are systems of urban vitality: concentrations of local commercial activities, gardens, places of aggregation, services; but they are also 88 nuclei of local identity to be enhanced and designed and through which to organize small and large services.

The NIL represent a real territorial atlas, an instrument of verification and consultation for the planning of services, but above all of knowledge of the districts that make up the different local realities, highlighting unique and different characteristics for each nucleus and synthesizing the socio-demographic and territorial components. In addition, they express the territorial phenomena representative of local dynamics, and collect data from heterogeneous sources of data and census, related by processing with data of geographical type.

NIL ANALYSIS

MILAN, MAGENTA

NIL SERVICES - TYPES

DISTRICT	TYPE OF SERVICE	N° OF SERVICES	%
DUOMO	SOCIAL SERVICES	35,00	9%
DUOMO	RELIGIOUS	38,00	10%
DUOMO	UNIVERSITIES	21,00	6%
DUOMO	SCHOOLS	43,00	12%
DUOMO	SECURITY	15,00	4%
DUOMO	HEALTH	45,00	12%
DUOMO	SOCIAL RESIDENCE	2,00	1%
DUOMO	AMMINISTRATION	79,00	21%
DUOMO	SPORT	2,00	1%
DUOMO	CULTURE	92,00	25%
DUOMO	INFRASTRUCTURES	1,00	0%
SUM		373,00	100%

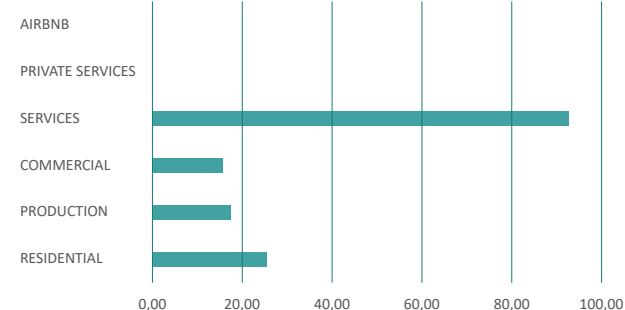
NIL SERVICES - VACANCY

DISTRICT	TYPE OF SERVICE	%
DUOMO	HOTEL	29,00%
DUOMO	AIRBNB	67,00%
DUOMO	OFFICES	9,35%

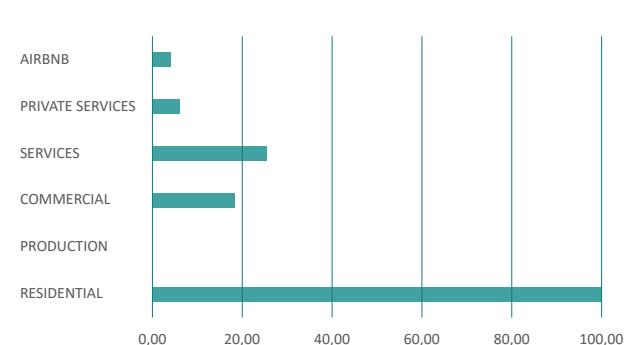
NIL SERVICES - YR VARIATION

DISTRICT	TYPE OF SERVICE	N° OF SERVICES	%	N° OF SERVICES	%	YR %
DUOMO	RESIDENTIAL	26,00	17%	100	65%	385%
DUOMO	PRODUCTION	18,00	12%	0	0%	0%
DUOMO	COMMERCIAL	16,00	10%	18	12%	113%
DUOMO	SERVICES	93,00	61%	25	16%	27%
DUOMO	PRIVATE SERVICES	0,00	0%	6	4%	600%
DUOMO	AIRBNB	0,00	0%	4	3%	400%
SUM		153,00	100%	153,00	100%	

NIL SERVICES - 2020



NIL SERVICES - 2021



NIL SERVICES - TYPES 2020



1.1.1 - RESIDENTIAL

AS IT IS - COMPARABLES

The determination of the annual rental price of the subject was the first goal to achieve, that was proceeded with the choice of evaluation by comparison, according to which, data of similar subjects in size and properties intriguing and extrinsic, It is possible to deduct the price of the subject following a series of adjustments due to the differences that have arisen such that the most compatible price can be defined after reviewing the subjects.

Key features that defined the choice and the subsequent adjustment of prices were the location, the energy class and the state of the property.

That required the consultation of the “OMI” website to consider the average prices related to the maintenance status, and through the technical sheets, it was also possible to view the consumption due to the energy class of each subject, thus being able to define the differences, be they positive or negative.

As per calculations, you can notice a monthly difference of rent of € 169,03 thus suggesting a strong similarity between the subject and the reference properties after was been carried out the necessary price adjustments process in correlation with the differences arising from the characteristics of the real estate.

1.1.2 - RESIDENTIAL

AS IT IS - COMPARABLES ANALYSIS

DATA - SUBJECT

BUILDING	FLOORS	GROSS SURFACE	USABLE AREA	DISTRICT	ENERGY	STATE	PRICE RANGE	PRICE [Sqm]
APARTMENT	1,00	200,00	180,00	MAGENTA	E	2,00	5.020,28 €	25,10 €

DATA - COMPARABLES

BUILDING	FLOORS	GROSS SURFACE	USABLE AREA	DISTRICT	ENERGY	STATE	PRICE RANGE	PRICE [Sqm]
APARTMENT	1,00	160,00	144,00	MAGENTA	F	3,00	2.750,00 €	17,19 €
APARTMENT	1,00	180,00	162,00	MAGENTA	D	2,00	5.250,00 €	29,17 €
APARTMENT	1,00	170,00	153,00	CADORNA	F	2,00	3.400,00 €	20,00 €
APARTMENT	1,00	180,00	162,00	MAGENTA	D	2,00	5.300,00 €	29,44 €

DATA - COMPARABLES ADJUSTED

BUILDING	FLOORS	GROSS SURFACE	USABLE AREA	DISTRICT	ENERGY	STATE	PRICE RANGE	PRICE [Sqm]
APARTMENT	0,00	40,00	36,00	- €	166,67 €	1.260,00 €	4.176,67 €	26,10 €
APARTMENT	0,00	20,00	18,00	- €	-161,11 €	- €	5.088,89 €	28,27 €
APARTMENT	0,00	30,00	27,00	-595,00 €	166,67 €	- €	2.971,67 €	17,48 €
APARTMENT	0,00	20,00	18,00	- €	-161,11 €	- €	5.138,89 €	28,55 €

AVERAGE

25,10 €

OMI - ADJUSTMENTS

ENERGY CLASS	COST [kWh/m3]	TOTAL COST
A	29,00	161,11 €
B	58,00	322,22 €
C	87,00	483,33 €
D	116,00	644,44 €
E	145,00	805,56 €
F	175,00	972,22 €
G	200,00	1.111,11 €

ENERGY - ADJUSTMENTS

BUILDING	STATE	VALUE MIN	VALUE MAX	DISTRICT
APARTMENT	2,00	13,50	18,90	MAGENTA
APARTMENT	3,00	19,00	26,00	MAGENTA
APARTMENT	2,00	17,50	21,50	CADORNA
APARTMENT	3,00	22,00	28,30	CADORNA
COST			6,30 €	2,97 €

1.2.1 - RESIDENTIAL*AS IT IS* - DISCOUNTED CASH FLOW

YEAR		31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031
YEARLY RENT [R]	732.935,39 €										
INFLATION RENT [ri]	2,50%										
RENT INDEXATION [rx]	75,00%										
INCREASE RATE [r=(ri*rx)]	1,88%										
REVALUATED INCOMES [R+(R*r)]		732.935,39 €	746.677,93 €	760.678,14 €	774.940,85 €	789.470,99 €	804.273,57 €	819.353,70 €	834.716,59 €	850.367,52 €	866.311,91 €
FINAL INCOMES		732.935,39 €	746.677,93 €	760.678,14 €	774.940,85 €	789.470,99 €	804.273,57 €	819.353,70 €	834.716,59 €	850.367,52 €	866.311,91 €
VACANCY RATE	8,00%	58.634,83 €	59.734,23 €	60.854,25 €	61.995,27 €	63.157,68 €	64.341,89 €	65.548,30 €	66.777,33 €	68.029,40 €	69.304,95 €
ADMINISTRATION COSTS	1,00%	7.329,35 €	7.466,78 €	7.606,78 €	7.749,41 €	7.894,71 €	8.042,74 €	8.193,54 €	8.347,17 €	8.503,68 €	8.663,12 €
RESERVE FOR MAINTANCE	2,00%	14.658,71 €	14.933,56 €	15.213,56 €	15.498,82 €	15.789,42 €	16.085,47 €	16.387,07 €	16.694,33 €	17.007,35 €	17.326,24 €
TAX	6,00%	43.976,12 €	44.800,68 €	45.640,69 €	46.496,45 €	47.368,26 €	48.256,41 €	49.161,22 €	50.083,00 €	51.022,05 €	51.978,71 €
INSURANCE COST	1,00%	7.329,35 €	7.466,78 €	7.606,78 €	7.749,41 €	7.894,71 €	8.042,74 €	8.193,54 €	8.347,17 €	8.503,68 €	8.663,12 €
YEARLY COSTS		131.928,37 €	134.402,03 €	136.922,06 €	139.489,35 €	142.104,78 €	144.769,24 €	147.483,67 €	150.248,99 €	153.066,15 €	155.936,14 €
NET OPERATING INCOME		601.007,02 €	612.275,90 €	623.756,07 €	635.451,50 €	647.366,21 €	659.504,33 €	671.870,04 €	684.467,60 €	697.301,37 €	710.375,77 €
NET CAP RATE	4,50%										
LAST YEAR MARKET VALUE											15.786.128,20 €
MARKETING AND BROKERAGE COSTS	1,50%										236.791,92 €
YEARLY NET CASH FLOW		601.007,02 €	612.275,90 €	623.756,07 €	635.451,50 €	647.366,21 €	659.504,33 €	671.870,04 €	684.467,60 €	697.301,37 €	16.259.712,04 €
YEAR		0,00	1,00	2,00	3,00	4,00	5,00	6,00	7,00	8,00	9,00
DISCOUNTED RATE WACC [t]	8,50%										
DISCOUNTED CASH FLOW		601.007,02 €	564.309,58 €	529.852,89 €	497.500,12 €	467.122,81 €	438.600,34 €	411.819,44 €	386.673,78 €	363.063,52 €	7.802.705,34 €
NET PRESENT VALUE											12.062.654,85 €

1.2.2 - RESIDENTIAL*AS IT IS* - DISCOUNTED CASH FLOW COMMENT

The analysis carried out on the state of the property in the phase of “As it is” gives us an NPV of € 12.062.654,85 that will identify the reference basis for the assessment of the profitability of the subsequent stages of the difference generated by the subtraction of the two values.

2.1.1 - OFFICES

OPTION 02- COMPARABLES

The choice of the intended use has been defined by the market requests defined in the NIL variations and in the forecast of the possible best investment scenario that can generate a situation of “Highest and best value”.

The comparison buildings have been selected in a perspective of the greatest possible similarity with the annexation of some buildings that, although different for specific characteristics, have the same characteristics, in relation to the density of the building type in Milan.

Adjustments were then made in relation to the distinctive criticalities between the buildings and the subject, such as energy class, capable of defining a high variation of the monthly rent, and the monthly lease of the property, the location in the historic center that increases the building prestige and architectural value. The first theme was developed with the calculation of the monthly costs of utilities related to energy performance such that it could be possible to define a unit value of monthly management and compare goods on the same level. The second issue was resolved by applying a multiplicative coefficient obtained from the average of the IMO values at the locality of the property.

2.1.2 - OFFICES

OPTION 02- COMPARABLE ANALYSIS

DATA - SUBJECT

BUILDING	FLOORS	GROSS SURFACE	USABLE AREA	DISTRICT	ENERGY	STATE	PRICE RANGE	PRICE [Sqm]
CASA ROSSI	6,00	3425,00	1818,90	MAGENTA	E	2,00	119.855,74 €	34,99 €

DATA - COMPARABLES

BUILDING	FLOORS	GROSS SURFACE	USABLE AREA	DISTRICT	ENERGY	STATE	PRICE RANGE	PRICE [Sqm]
OFFICES	4,00	2700,00	2400,00	CADORNA	F	1,00	91.600,00 €	33,93 €
OFFICES	6,00	3230,00	2800,00	CADORNA	G	2,00	92.000,00 €	28,48 €
OFFICES	5,00	1565,00	1400,00	CADORNA	G	3,00	71.729,00 €	45,83 €
OFFICES	5,00	1987,00	1750,00	MAGENTA	E	2,00	67.000,00 €	33,72 €

DATA - COMPARABLES ADJUSTED

BUILDING	FLOORS	GROSS SURFACE	USABLE AREA	DISTRICT	ENERGY	STATE	PRICE RANGE	PRICE [Sqm]
APARTMENT	0,00	725,00	-581,10	-1.883,75 €	2.854,17 €	20.550,00 €	113.120,42 €	41,90 €
APARTMENT	0,00	195,00	-981,10	-1.883,75 €	5.232,64 €	- €	95.348,89 €	29,52 €
APARTMENT	0,00	1860,00	418,90	-1.883,75 €	5.232,64 €	-20.550,00 €	54.527,89 €	34,84 €
APARTMENT	0,00	1438,00	68,90	- €	- €	- €	67.000,00 €	33,72 €

AVERAGE

34,99 €

OMI - ADJUSTMENTS

ENERGY CLASS	COST [kWh/m3]	TOTAL COST
A	29,00	2.759,03 €
B	58,00	5.518,06 €
C	87,00	8.277,08 €
D	116,00	11.036,11 €
E	145,00	13.795,14 €
F	175,00	16.649,31 €
G	200,00	19.027,78 €

ENERGY - ADJUSTMENTS

BUILDING	STATE	VALUE MIN	VALUE MAX	DISTRICT
APARTMENT	2,00	16,00	25,00	MAGENTA
APARTMENT	3,00	21,00	32,00	MAGENTA
APARTMENT	2,00	19,00	27,00	CADORNA
APARTMENT	3,00	21,20	29,00	CADORNA
COST			6,00 €	0,55 €

2.2.1 - OFFICES

OPTION 02 - DISCOUNTED CASH FLOW

YEAR		31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031
YEARLY RENT [R]	1.021.800,80 €										
INFLATION RENT [ri]	2,50%										
RENT INDEXATION [rx]	75,00%										
INCREASE RATE [r=(ri*rx)]	1,88%										
REVALUATED INCOMES [R+(R*r)]		1.021.800,80 €	1.040.959,57 €	1.060.477,56 €	1.080.361,52 €	1.100.618,29 €	1.121.254,89 €	1.142.278,42 €	1.163.696,14 €	1.185.515,44 €	1.207.743,85 €
FINAL INCOMES		1.021.800,80 €	1.040.959,57 €	1.060.477,56 €	1.080.361,52 €	1.100.618,29 €	1.121.254,89 €	1.142.278,42 €	1.163.696,14 €	1.185.515,44 €	1.207.743,85 €
CONSTRUCTION COSTS	1.700,00 €	1.546.065,00 €	1.546.065,00 €								
VACANCY RATE	9,35%	95.538,38 €	97.329,72 €	99.154,65 €	101.013,80 €	102.907,81 €	104.837,33 €	106.803,03 €	108.805,59 €	110.845,69 €	112.924,05 €
ADMINISTRATION COSTS	1,00%	10.218,01 €	10.409,60 €	10.604,78 €	10.803,62 €	11.006,18 €	11.212,55 €	11.422,78 €	11.636,96 €	11.855,15 €	12.077,44 €
RESERVE FOR MAINTANCE	2,00%	20.436,02 €	20.819,19 €	21.209,55 €	21.607,23 €	22.012,37 €	22.425,10 €	22.845,57 €	23.273,92 €	23.710,31 €	24.154,88 €
TAX	6,00%	61.308,05 €	62.457,57 €	63.628,65 €	64.821,69 €	66.037,10 €	67.275,29 €	68.536,70 €	69.821,77 €	71.130,93 €	72.464,63 €
INSURANCE COST	1,00%	10.218,01 €	10.409,60 €	10.604,78 €	10.803,62 €	11.006,18 €	11.212,55 €	11.422,78 €	11.636,96 €	11.855,15 €	12.077,44 €
PROJECT MANAGEMENT	2,00%	30.921,30 €	30.921,30 €								
DESIGN COSTS	7,00%	108.224,55 €	108.224,55 €								
UNFORSEEN EVENTS	3,00%	46.381,95 €	46.381,95 €								
YEARLY COSTS		1.929.311,26 €	1.933.018,48 €	205.202,41 €	209.049,95 €	212.969,64 €	216.962,82 €	221.030,87 €	225.175,20 €	229.397,24 €	233.698,44 €
NET OPERATING INCOME		-907.510,45 €	-892.058,91 €	855.275,15 €	871.311,56 €	887.648,65 €	904.292,07 €	921.247,54 €	938.520,93 €	956.118,20 €	974.045,42 €
NET CAP RATE	4,50%										
LAST YEAR MARKET VALUE											21.645.453,72 €
MARKETING AND BROKERAGE COSTS	1,50%										324.681,81 €
YEARLY NET CASH FLOW		-907.510,45 €	-892.058,91 €	855.275,15 €	871.311,56 €	887.648,65 €	904.292,07 €	921.247,54 €	938.520,93 €	956.118,20 €	22.294.817,33 €
YEAR		0,00	1,00	2,00	3,00	4,00	5,00	6,00	7,00	8,00	9,00
DISCOUNTED RATE WACC [t]	8,50%										
DISCOUNTED CASH FLOW		-907.510,45 €	-822.174,11 €	726.518,00 €	682.156,88 €	640.504,44 €	601.395,30 €	564.674,16 €	530.195,21 €	497.821,54 €	10.698.829,70 €
NET PRESENT VALUE											13.212.410,66 €

3.2.1 - HOTEL

OPTION 03 - DISCOUNTED CASH FLOW

YEAR		31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	31.12.2030	31.12.2031
N° OF ROOMS	18,00										
OCCUPANCY	71,00%										
INFLATION RATE	5,00%	120,00 €	126,00 €	132,30 €	138,92 €	145,86 €	153,15 €	160,81 €	168,85 €	177,29 €	186,16 €
ROOMS	61,50%	559.764,00 €	587.752,20 €	617.139,81 €	647.996,80 €	680.396,64 €	714.416,47 €	750.137,30 €	787.644,16 €	827.026,37 €	868.377,69 €
FOOD/BEVERAGE	28,00%	254.851,90 €	267.594,50 €	280.974,22 €	295.022,93 €	309.774,08 €	325.262,78 €	341.525,92 €	358.602,22 €	376.532,33 €	395.358,95 €
OTHER INCOME	10,50%	95.569,46 €	100.347,94 €	105.365,33 €	110.633,60 €	116.165,28 €	121.973,54 €	128.072,22 €	134.475,83 €	141.199,62 €	148.259,61 €
TOTAL REVENUES		910.185,37 €	955.694,63 €	1.003.479,37 €	1.053.653,33 €	1.106.336,00 €	1.161.652,80 €	1.219.735,44 €	1.280.722,21 €	1.344.758,32 €	1.411.996,24 €
ROOMS	24,10%	134.903,12 €	141.648,28 €	148.730,69 €	156.167,23 €	163.975,59 €	172.174,37 €	180.783,09 €	189.822,24 €	199.313,35 €	209.279,02 €
FOOD/BEVERAGE	79,50%	202.607,26 €	212.737,63 €	223.374,51 €	234.543,23 €	246.270,39 €	258.583,91 €	271.513,11 €	285.088,76 €	299.343,20 €	314.310,36 €
OTHER INCOME	54,00%	51.607,51 €	54.187,89 €	56.897,28 €	59.742,14 €	62.729,25 €	65.865,71 €	69.159,00 €	72.616,95 €	76.247,80 €	80.060,19 €
TOTAL DEPARTMENTAL EXPENSES		389.117,90 €	408.573,79 €	429.002,48 €	450.452,61 €	472.975,24 €	496.624,00 €	521.455,20 €	547.527,96 €	574.904,35 €	603.649,57 €
TOTAL NET		521.067,47 €	547.120,84 €	574.476,88 €	603.200,73 €	633.360,77 €	665.028,80 €	698.280,24 €	733.194,26 €	769.853,97 €	808.346,67 €
CONSTRUCTION COSTS	2.300,00 €	2.798.237,50 €	2.798.237,50 €								
ADMINISTRATION COSTS	3,00%	15.632,02 €	16.413,63 €	17.234,31 €	18.096,02 €	19.000,82 €	19.950,86 €	20.948,41 €	21.995,83 €	23.095,62 €	24.250,40 €
RESERVE FOR MAINTANCE	2,00%	10.421,35 €	10.942,42 €	11.489,54 €	12.064,01 €	12.667,22 €	13.300,58 €	13.965,60 €	14.663,89 €	15.397,08 €	16.166,93 €
TAX	6,00%	31.264,05 €	32.827,25 €	34.468,61 €	36.192,04 €	38.001,65 €	39.901,73 €	41.896,81 €	43.991,66 €	46.191,24 €	48.500,80 €
INSURANCE COST	1,00%	5.210,67 €	5.471,21 €	5.744,77 €	6.032,01 €	6.333,61 €	6.650,29 €	6.982,80 €	7.331,94 €	7.698,54 €	8.083,47 €
PROJECT MANAGEMENT	2,00%	55.964,75 €	55.964,75 €								
DESIGN COSTS	7,00%	195.876,63 €	195.876,63 €								
UNFORSEEN EVENTS	3,00%	15.632,02 €	16.413,63 €								
TOTAL EXPENSES		3.128.239,00 €	3.132.147,00 €	68.937,23 €	72.384,09 €	76.003,29 €	79.803,46 €	83.793,63 €	87.983,31 €	92.382,48 €	97.001,60 €
TOTAL NET INCOME		-2.607.171,53 €	-2.585.026,16 €	505.539,66 €	530.816,64 €	557.357,47 €	585.225,35 €	614.486,61 €	645.210,95 €	677.471,49 €	711.345,07 €
NET CAP RATE	7,00%										
LAST YEAR MARKET VAUE											10.162.072,39 €
MARKETING COSTS	1,50%										152.431,09 €
YEARLY NET CASH FLOW		-2.607.171,53 €	-2.585.026,16 €	505.539,66 €	530.816,64 €	557.357,47 €	585.225,35 €	614.486,61 €	645.210,95 €	677.471,49 €	10.720.986,37 €
YEAR [n]		0,00	1,00	2,00	3,00	4,00	5,00	6,00	7,00	8,00	9,00
DISCOUNT RATE WACC [t]	8,50%										
DISCOUNTED CASH FLOW		-2.607.171,53 €	-2.382.512,59 €	429.433,34 €	415.580,65 €	402.174,82 €	389.201,44 €	376.646,55 €	364.496,66 €	352.738,71 €	5.144.783,46 €
NET PRESENT VALUE											2.885.371,51 €

4.0.0 - CONCLUSIONS

HIGHEST AND BEST VALUE

After the necessary calculations, the office configuration lloks like the best investment according to the Net Present Value that is greater with a value equal to 12.177.337,02 € against the 11.117.654,24 € of the residencial configuration, with a difference of 1.059.682,80 €, against the 2,659,328.58 € of the configuration to Hotel that turns out to be the worst investment considered the values turned out from the analysis of the Discounted cash flow. Taking into account the results and premises related to the market movements of the last year found within the NIL research, the offices are the optimal solution with an average ROI over the 10 years of 15,91% ensuring an excellent return on investment.

4.1.1 - ROI, OFFICES

OPTION 02 - SUMMARY

GROSS OPERATING MARGIN	-907.510,45 €	-892.058,91 €	855.275,15 €	871.311,56 €	887.648,65 €	904.292,07 €	921.247,54 €	938.520,93 €	956.118,20 €	974.045,42 €
INVESTMENT	3.463.185,60 €									
ROI - RETURN ON INVESTMENT	-26,20%	-25,76%	24,70%	25,16%	25,63%	26,11%	26,60%	27,10%	27,61%	28,13%

4.1.2 - ROI, HOTEL

OPTION 02 - SUMMARY

GROSS OPERATING MARGIN	-2.607.171,53 €	-2.585.026,16 €	505.539,66 €	530.816,64 €	557.357,47 €	585.225,35 €	614.486,61 €	645.210,95 €	677.471,49 €	711.345,07 €
INVESTMENT	6.667.931,80 €									
ROI - RETURN ON INVESTMENT	-39,10%	-38,77%	7,58%	7,96%	8,36%	8,78%	9,22%	9,68%	10,16%	10,67%

4.1.1 - OFFICES

OPTION 02 - SUMMARY

INTENDED USE	RENTABLE AREA	POTENTIAL RENT
OFFICES	2433,25	430,00 €
RETAIL	330,00	800,00 €
SUM		1.310.297,50 €
NET PRESENT VALUE		13.212.410,66 €
OPEN MARKET VALUE		13.212.410,66 €
ROI - AVERAGE		15,91%

4.1.2 - HOTEL

OPTION 03 - SUMMARY

INTENDED USE	RENTABLE AREA	POTENTIAL RENT
HOTEL	18,00	43.800,00 €
RETAIL GROUND FLOOR	330,00	800,00 €
SUM		1.052.400,00 €
NET PRESENT VALUE		2.885.371,51 €
OPEN MARKET VALUE		2.885.371,51 €
ROI - AVERAGE		-0,55%