

REAL ESTATE DEVELOPMENT MODEL - KEY ASSUMPTIONS

PROJECT START DATE	31-Dec-2025
PROJECT DURATION	3 Years

CONSTRUCTION DETAILS

Total Area to Construct (sq ft)	300000
Cost per sq ft (₹)	3000
Total Construction Cost (₹ Cr)	900000000

AREA ALLOCATION

Total Constructed Area (sq ft)	300000.00
Area to Land Owners (sq ft)	100000.00
Saleable Area (sq ft)	200000.00

GOVERNMENT APPROVAL COST

Govt Approval Cost (₹ Cr)	20.00
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MARKETING BUDGET OPTIONS

Option 1: Marketing % of Construction	0.10
Option 2: Marketing % of Construction	0.05

PRICING SCENARIOS

Scenario 1: Selling Price (₹/sq ft)	10000.00
Scenario 2: Selling Price (₹/sq ft)	8000.00

FINANCING ASSUMPTIONS

Total Debt (₹ Cr)	90.00
Total Equity (₹ Cr)	29.00
Total Project Cost (₹ Cr)	119.00
Debt Interest Rate (Annual)	0.16
Interest Compounding	Quarterly
Loan Tenure (Years)	3.00

SALES ASSUMPTIONS

Sales Start Month	Jul-2026
Monthly Sales Volume (sq ft)	10000.00
Total Months to Sell 200k sq ft	20.00

CONSTRUCTION PLAN

Phase 1 (Start): % of Total	20.00	Month 0
Phase 2 (After 1 year): % of Total	30.00	Month 12
Phase 3 (After 18 months): % of Total	30.00	Month 18
Phase 4 (3 months before end): % of Total	20.00	Month 33

MODEL 1: 10% MARKETING BUDGET | ₹10,000 PER SQ FT

COST SUMMARY (₹ Crores)				
Cost per sq ft (₹)	3000			
Total Area to Construct (sq ft)	300000			
Construction Cost	₹90,00,00,000.00			
Marketing Budget (10%)	₹9,00,00,000.00			
Govt Approval Cost	₹20,00,00,000.00			
Total Project Cost	₹1,19,00,00,000.00			
REVENUE SUMMARY (₹ Crores)				
Saleable Area (sq ft)	200000.00			
Price per sq ft (₹)	10000.00			
Total Revenue	₹2,00,00,00,000.00			
FINANCING STRUCTURE (₹ Crores)				
Equity	₹29,00,00,000.00			
Debt	₹90,00,00,000.00			
Total Funding	₹1,19,00,00,000.00			
DE Ratio (Debt to Equity Ratio)	3.10			
CONSTRUCTION CASH OUTFLOW SCHEDULE (₹ Crores)				
	20%	30%	30%	20%
Month	0	12	18	33
Construction (90 Cr)	₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00	₹18,00,00,000.00
Marketing (9 Cr)	₹9,00,00,000.00	₹9,00,00,000.00	₹9,00,00,000.00	₹9,00,00,000.00
Govt Approval (20 Cr)	200000000	0	0	0
Total Outflow	₹47,00,00,000.00	₹36,00,00,000.00	₹36,00,00,000.00	₹27,00,00,000.00
PV of Outflow	-₹47,00,00,000.00	-₹30,77,18,608.43	-₹44,43,90,156.40	-₹17,53,69,767.61
				-₹1,39,74,78,532.44
MONTH-ON-MONTH BASIS SALE				
	10000 sq ft			
SALES REVENUE (Starts Jul-26)				
Jan-26 to Jun-26	0			
Jul-26 to Dec-26 (6 months)	₹60,00,00,000.00		Monthly: 10.00 Cr	
Jan-27 to Jun-27 (6 months)	₹60,00,00,000.00		Monthly: 10.00 Cr	
Jul-27 to Dec-27 (6 months)	₹60,00,00,000.00		Monthly: 10.00 Cr	
Jan-28 to Feb-28 (2 months)	₹20,00,00,000.00		Monthly: 10.00 Cr	
Total Sales Revenue (₹ Crores)	₹2,00,00,00,000.00			
Debt Service Schedule				
	20%	30%	30%	20%
Month	0	12	18	33
Debt Drawdown	₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00	₹18,00,00,000.00
PV of Debt Drawdown	(₹18,00,00,000.00)	(₹23,27,58,620.69)	(₹21,61,10,953.91)	(₹11,96,77,645.03)
Interest Accrued (4% qtr)	₹8,64,00,000.00	₹8,64,00,000.00	₹6,48,00,000.00	₹2,16,00,000.00
				₹25,92,00,000.00
Closing Debt Balance				
Interest on Debt (Compounded quarterly)	16.00%			
Effective Annual Rate (EAR)	16.99%			
NET CASH FLOW SUMMARY				
Year	Year 0 (2025)	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)
Sales Revenue	-₹1,19,00,00,000.00	₹60,00,00,000.00	₹1,20,00,00,000.00	₹20,00,00,000.00
Less: Project Costs		₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00
Less: Interest Paid				
Less: Principal Repaid				
Net Cash Flow				
FV of equity		(₹46,43,48,685.88)		
FV of debt@16%(Compounded qaurterly)		(₹1,44,10,82,128.59)		
PV of Inflows				
Year		CF (₹ crore)	PVF	PV of Inflows
2026		600000000	0.854773912	₹51,28,64,347.38
2027		1200000000	0.730638441	₹87,67,66,129.38
2028		200000000	0.624530679	₹12,49,06,135.76
				₹1,51,45,36,612.52
PROJECT RETURNS				
Total Revenue	₹2,00,00,00,000.00			
Project Costs	₹1,19,00,00,000.00			
Total Interest	₹25,92,00,000.00			
Total Cost	₹1,44,92,00,000.00			
Net Profit	₹55,08,00,000.00			
NPV				
	₹11,70,58,080.08			
IRR				
	34.61%			

MODEL 2: 10% MARKETING BUDGET | ₹8,000 PER SQ FT

COST SUMMARY (₹ Crores)

Cost per sq ft (₹)	3000
Total Area to Construct (sq ft)	300000
Construction Cost	₹90,00,00,000.00
Marketing Budget (10%)	₹9,00,00,000.00
Govt Approval Cost	₹20,00,00,000.00
Total Project Cost	₹1,19,00,00,000.00

REVENUE SUMMARY (₹ Crores)

Saleable Area (sq ft)	200000.00
Price per sq ft (₹)	8000.00
Total Revenue	₹1,60,00,00,000.00

FINANCING STRUCTURE (₹ Crores)

Equity	₹29,00,00,000.00
Debt	₹90,00,00,000.00
Total Funding	₹1,19,00,00,000.00
DE Ratio (Debt to Equity Ratio)	3.10

CONSTRUCTION CASH OUTFLOW SCHEDULE (₹ Crores)

	20%	30%	30%	20%	
Month	0	12	18	33	Total
Construction (90 Cr)	₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00	₹18,00,00,000.00	₹90,00,00,000.00
Marketing (9 Cr)	₹9,00,00,000.00	₹9,00,00,000.00	₹9,00,00,000.00	₹9,00,00,000.00	₹36,00,00,000.00
Govt Approval (20 Cr)	200000000	0	0	0	200000000
Total Outflow	₹47,00,00,000.00	₹36,00,00,000.00	₹36,00,00,000.00	₹27,00,00,000.00	₹1,46,00,00,000.00
PV of Outflow	-₹47,00,00,000.00	-₹30,77,18,608.43	-₹44,43,90,156.40	-₹17,53,69,767.61	-₹1,39,74,78,532.44

MONTH-ON-MONTH BASIS SALE

SALES REVENUE (Starts Jul-26)

Jan-26 to Jun-26	0	
Jul-26 to Dec-26 (6 months)	₹48,00,00,000.00	Monthly: 10.00 Cr
Jan-27 to Jun-27 (6 months)	₹48,00,00,000.00	Monthly: 10.00 Cr
Jul-27 to Dec-27 (6 months)	₹48,00,00,000.00	Monthly: 10.00 Cr
Jan-28 to Feb-28 (2 months)	₹16,00,00,000.00	Monthly: 10.00 Cr
Total Sales Revenue (₹ Crores)	₹1,60,00,00,000.00	

Debt Service Schedule

Month	20%	30%	30%	20%	
Month	0	12	18	33	Total
Debt Drawdown	₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00	₹18,00,00,000.00	₹90,00,00,000.00
PV of Debt Drawdown	(₹18,00,00,000.00)	(₹23,27,58,620.69)	(₹21,61,10,953.91)	(₹11,96,77,645.03)	(₹74,85,47,219.63)
Interest Accrued (4% qtr)	₹8,64,00,000.00	₹8,64,00,000.00	₹6,48,00,000.00	₹2,16,00,000.00	₹25,92,00,000.00

Interest on Debt (Compunded quarterly)

16.00%

Effective Annual Rate (EAR)

16.99%

NET CASH FLOW SUMMARY

Year	Year 0 (2025)	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)	Total
Sales Revenue	-₹1,19,00,00,000.00	₹48,00,00,000.00	₹96,00,00,000.00	₹16,00,00,000.00	₹1,60,00,00,000.00
Less: Project Costs					
Less: Interest Paid					
Less: Principal Repaid					
Net Cash Flow					
FV of equity		(₹46,43,48,685.88)			
FV of debt@16%(Compounded qaurterly)		(₹1,44,10,82,128.59)			

Year	CF (₹ crore)	PVF	PV of Inflows
2026	480000000	0.854773912	₹41,02,91,477.90
2027	960000000	0.730638441	₹70,14,12,903.50
2028	160000000	0.624530679	₹9,99,24,908.61
PV of Inflows			1,21,16,29,290.02

PROJECT RETURNS

Total Revenue	₹1,60,00,00,000.00
Project Costs	₹1,19,00,00,000.00
Total Interest	₹25,92,00,000.00
Total Cost	₹1,44,92,00,000.00
Net Profit	₹15,08,00,000.00

NPV	-₹18,58,49,242.42
IRR	18.21%

MODEL 3: 15% MARKETING BUDGET | ₹10,000 PER SQ FT

COST SUMMARY (₹ Crores)					
Cost per sq ft (₹)	3000				
Total Area to Construct (sq ft)	300000				
Construction Cost	₹90,00,00,000.00				
Marketing Budget (5%)	₹4,50,00,000.00				
Govt Approval Cost	₹20,00,00,000.00				
Total Project Cost	₹1,14,50,00,000.00				
REVENUE SUMMARY (₹ Crores)					
Saleable Area (sq ft)	200000.00				
Price per sq ft (₹)	10000.00				
Total Revenue	₹2,00,00,00,000.00				
FINANCING STRUCTURE (₹ Crores)					
Equity	₹29,00,00,000.00				
Debt	₹85,50,00,000.00				
Total Funding	₹1,14,50,00,000.00				
DE Ratio (Debt to Equity Ratio)	2.95				
CONSTRUCTION CASH OUTFLOW SCHEDULE (₹ Crores)					
Month	0	30%	30%	20%	Total
Construction (90 Cr)	₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00	₹18,00,00,000.00	₹90,00,00,000.00
Marketing (4.5 Cr)	₹2,02,50,000.00	₹2,02,50,000.00	₹2,02,50,000.00	₹2,02,50,000.00	₹8,10,00,000.00
Govt Approval (20 Cr)	200000000	0	0	0	200000000
Total Outflow	₹40,02,50,000.00	₹29,02,50,000.00	₹29,02,50,000.00	₹20,02,50,000.00	₹1,18,10,00,000.00
PV of Outflow	-₹40,02,50,000.00	-₹24,80,98,128.05	-₹22,93,76,603.14	-₹13,00,65,910.98	-₹1,00,77,90,642.17
MONTH-ON-MONTH BASIS SALE					
SALES REVENUE (Starts Jul-26)					
Jan-26 to Jun-26	0				
Jul-26 to Dec-26 (6 months)	₹60,00,00,000.00			Monthly: 10.00 Cr	
Jan-27 to Jun-27 (6 months)	₹60,00,00,000.00			Monthly: 10.00 Cr	
Jul-27 to Dec-27 (6 months)	₹60,00,00,000.00			Monthly: 10.00 Cr	
Jan-28 to Feb-28 (2 months)	₹20,00,00,000.00			Monthly: 10.00 Cr	
Total Sales Revenue (₹ Crores)	₹2,00,00,00,000.00				
Debt Service Schedule					
Month	0	30%	30%	20%	Total
Debt Drawdown	₹17,10,00,000.00	₹25,65,00,000.00	₹25,65,00,000.00	₹17,10,00,000.00	₹1,18,10,00,000.00
PV of Debt Drawdown	(₹17,10,00,000.00)	(₹22,11,20,689.66)	(₹20,53,05,406.22)	(₹11,36,93,762.78)	(₹71,11,19,858.65)
Interest Accrued (4% qtr)	₹8,20,80,000.00	₹8,20,80,000.00	₹6,15,60,000.00	₹2,05,20,000.00	₹24,62,40,000.00
Closing Debt Balance					
Interest on Debt (Compounded quarterly)	16.00%				
Effective Annual Rate (EAR)	16.99%				
NET CASH FLOW SUMMARY					
Year	Year 0 (2025)	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)	Total
Sales Revenue	₹1,14,50,00,000.00	₹60,00,00,000.00	₹1,20,00,00,000.00	₹20,00,00,000.00	₹2,00,00,00,000.00
Less: Project Costs					
Less: Interest Paid					
Less: Principal Repaid					
Net Cash Flow					
FV of equity		(₹46,43,48,685.88)			
FV of debt@16%(Compounded qaurterly)		(₹1,36,90,28,022.16)			
NPV					
Year		CF (₹ crore)	PVF		PV of Inflows
2026		600000000	0.854773912		₹51,28,64,347.38
2027		1200000000	0.730638441		₹87,67,66,129.38
2028		200000000	0.624530679		₹12,49,06,135.76
PV of Inflows					1,51,45,36,612.52
PROJECT RETURNS					
Total Revenue	₹2,00,00,00,000.00				
Project Costs	₹1,14,50,00,000.00				
Total Interest	₹24,62,40,000.00				
Total Cost	₹1,39,12,40,000.00				
Net Profit	₹60,87,60,000.00				
NPV					
NPV	₹50,67,45,970.35				
IRR	37.71%				

MODEL 4: 5% MARKETING BUDGET | ₹10,000 PER SQ FT

COST SUMMARY (₹ Crores)

Cost per sq ft (₹)	3000
Total Area to Construct (sq ft)	300000
Construction Cost	₹90,00,00,000.00
Marketing Budget (5%)	₹4,50,00,000.00
Govt Approval Cost	₹20,00,00,000.00
Total Project Cost	₹1,14,50,00,000.00

REVENUE SUMMARY (₹ Crores)

Saleable Area (sq ft)	200000.00
Price per sq ft (₹)	8000.00
Total Revenue	₹1,60,00,00,000.00

FINANCING STRUCTURE (₹ Crores)

Equity	₹29,00,00,000.00
Debt	₹85,50,00,000.00
Total Funding	₹1,14,50,00,000.00
DE Ratio (Debt to Equity Ratio)	2.95

CONSTRUCTION CASH OUTFLOW SCHEDULE (₹ Crores)

	20%	30%	30%	20%	
Month	0	12	18	33	Total
Construction (90 Cr)	₹18,00,00,000.00	₹27,00,00,000.00	₹27,00,00,000.00	₹18,00,00,000.00	₹90,00,00,000.00
Marketing (4.5 Cr)	₹2,02,50,000.00	₹2,02,50,000.00	₹2,02,50,000.00	₹2,02,50,000.00	₹8,10,00,000.00
Govt Approval (20 Cr)	2000000000	0	0	0	2000000000
Total Outflow	₹40,02,50,000.00	₹29,02,50,000.00	₹29,02,50,000.00	₹20,02,50,000.00	₹1,18,10,00,000.00
PV of Outflow	-₹40,02,50,000.00	-₹24,80,98,128.05	-₹22,93,76,603.14	-₹13,00,65,910.98	-₹1,00,77,90,642.17

MONTH-ON-MONTH BASIS SALE

SALES REVENUE (Starts Jul-26)

Jan-26 to Jun-26	0			
Jul-26 to Dec-26 (6 months)	₹48,00,00,000.00		Monthly: 10.00 Cr	
Jan-27 to Jun-27 (6 months)	₹48,00,00,000.00		Monthly: 10.00 Cr	
Jul-27 to Dec-27 (6 months)	₹48,00,00,000.00		Monthly: 10.00 Cr	
Jan-28 to Feb-28 (2 months)	₹16,00,00,000.00		Monthly: 10.00 Cr	
Total Sales Revenue (₹ Crores)	₹1,60,00,00,000.00			

Debt Service Schedule

	20%	30%	30%	20%	
Month	0	12	18	33	Total
Debt Drawdown	₹17,10,00,000.00	₹25,65,00,000.00	₹25,65,00,000.00	₹17,10,00,000.00	₹1,18,10,00,000.00
PV of Debt Drawdown	(₹17,10,00,000.00)	(₹22,11,20,689.66)	(₹20,53,05,406.22)	(₹11,36,93,762.78)	(₹71,11,19,858.65)
Interest Accrued (4% qtr)	₹8,20,80,000.00	₹8,20,80,000.00	₹6,15,60,000.00	₹2,05,20,000.00	₹24,62,40,000.00

Interest on Debt (Compounded quarterly)

Effective Annual Rate (EAR)

16.00%

16.99%

NET CASH FLOW SUMMARY

Year	Year 0 (2025)	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)	Total
Sales Revenue	-₹1,14,50,00,000.00	₹48,00,00,000.00	₹96,00,00,000.00	₹16,00,00,000.00	₹1,60,00,00,000.00
Less: Project Costs					
Less: Interest Paid					
Less: Principal Repaid					
Net Cash Flow					
FV of equity		(₹46,43,48,685.88)			
FV of debt@16%(Compounded qaurterly)		(₹1,36,90,28,022.16)			

PV of Inflows

Year	CF (₹ crore)	PVF	PV of Inflows
2026	480000000	0.854773912	₹41,02,91,477.90
2027	960000000	0.730638441	₹70,14,12,903.50
2028	160000000	0.624530679	₹9,99,24,908.61
			1,21,16,29,290.02

PROJECT RETURNS

Total Revenue	₹1,60,00,00,000.00
Project Costs	₹1,14,50,00,000.00
Total Interest	₹24,62,40,000.00
Total Cost	₹1,39,12,40,000.00
Net Profit	₹20,87,60,000.00

NPV

IRR

₹20,38,38,647.85

20.86%

SCENARIO COMPARISON - ALL FOUR MODELS

	Model 1 10% Mktg ₹10k/sq ft	Model 2 10% Mktg ₹8k/sq ft	Model 3 5% Mktg ₹10k/sq ft	Model 4 5% Mktg ₹8k/sq ft
KEY INPUTS				
Total Project Cost (₹ Cr)	₹1,19,00,00,000.00	₹1,19,00,00,000.00	₹1,14,50,00,000.00	₹1,14,50,00,000.00
Total Revenue (₹ Cr)	₹2,00,00,00,000.00	₹1,60,00,00,000.00	₹2,00,00,00,000.00	₹1,60,00,00,000.00
Equity Required (₹ Cr)	₹29,00,00,000.00	₹29,00,00,000.00	₹29,00,00,000.00	₹29,00,00,000.00
Debt (₹ Cr)	₹90,00,00,000.00	₹90,00,00,000.00	₹85,50,00,000.00	₹85,50,00,000.00
FINANCIAL OUTCOMES				
Total Interest Paid (₹ Cr)	₹25,92,00,000.00	₹25,92,00,000.00	₹24,62,40,000.00	₹24,62,40,000.00
Debt Service (₹ Cr)	₹1,15,92,00,000.00	₹1,15,92,00,000.00	₹1,10,12,40,000.00	₹1,10,12,40,000.00
Net Profit (₹ Cr)	₹55,08,00,000.00	₹15,08,00,000.00	₹60,87,60,000.00	₹20,87,60,000.00
RETURNS ANALYSIS				
NPV	₹11,70,58,080.08	-₹18,58,49,242.42	₹50,67,45,970.35	₹20,38,38,647.85
Approximate IRR	34.61%	18.21%	37.71%	20.86%
Net Profit	₹55,08,00,000.00	₹15,08,00,000.00	₹60,87,60,000.00	₹20,87,60,000.00

Recommendations

Maintain the selling price at ₹10,000/sq ft to ensure strong profitability; avoid discounting that leads to negative project returns.
Optimize marketing spend by reducing it to 5% of construction costs, enhancing cost efficiency while supporting effective pre-sales activities.
Accelerate early sales with a target of 80,000 sq ft pre-bookings within the first 18 months to improve cash flow and reduce interest burden.