



FEASIBILITY STUDY

Prepared by: WBS Consultants

DEC-2025



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Introduction



1. Introduction

1.1. Project Overview

This comprehensive feasibility study is prepared for ABC Properties LLC, an entity actively engaged in Real Estate Development within the United Arab Emirates. The project is led by the recognized Project Owner, Mr. Syed Alam, who brings prior experience in the industry to the venture. This analysis forms the foundational document guiding the investment and development strategy for the subject property.

The **Project Location** is the Majan Submarket, an established and expanding locality situated within the larger Dubailand district of Dubai, UAE. Majan is positioned along the E311 corridor (Sheikh Mohammed Bin Zayed Road) and is characterized as a substantial mixed-use development. The submarket has garnered attention for balancing luxury offerings with relative affordability, suggesting its emerging importance as a future hub for real estate growth outside of Dubai's immediate core areas.

The **Asset Class** proposed for the subject property is an Envisaged Mixed-Use Development. This development is designed to integrate multiple revenue streams, comprising residential apartments, commercial office space, and ground-floor retail components. The concept involves the development of two distinct buildings, the design concepts for which will be reviewed early in the project lifecycle. This multi-asset approach necessitates a detailed evaluation of supply-demand dynamics and performance expectations for each component across the Majan submarket.

The **Site Specifications** pertain to a strategically **located 56,000 sq.ft plot**, which benefits from freehold title. The freehold status is particularly advantageous for attracting international investors and securing financing, as it assures clear and marketable title security. The analysis will subsequently detail the site's



topography, frontage, visibility, and connectivity to critical road networks and surrounding activity hubs. The context of the site within Majan, known for its low to mid-rise architectural characteristics, dictates that the development strategy must prioritize maximizing vertical efficiency within expected regulatory limits, a crucial factor when balancing the three distinct commercial functions within **the fixed 56,000 sq.ft** footprint.

1.2. Purpose of the Feasibility Study

The primary strategic goal of this report is to evaluate the overall financial viability of the envisaged mixed-use development. This evaluation is conducted under both sale and lease scenarios to determine the optimum path for monetization across the residential, office, and retail components.

The analysis is driven by the need for **Product Optimization**. The study's objective is to synthesize findings from the market assessment and competitive benchmarking to recommend the optimal development mix, specific product positioning, and the appropriate pricing strategy. This optimization process provides critical clarity on the recommended sizing, configuration, GFA allocation, and amenity offering that will maximize market appeal and financial performance for each asset class

The **Target Audience Mandate** for this comprehensive analysis is critical in defining its scope and depth. The study is commissioned for a sophisticated audience, including prospective partners, banks, and investors. Therefore, the findings must be presented with institutional-grade rigor, mandating the use of advanced financial modeling and detailed risk analysis. The rigorous approach is essential for securing the required external investment, as banks and partners require assurance that returns are achievable even under adverse market conditions.



The project's positioning within Majan – a submarket characterized by its strategic location and emphasis on sophisticated yet affordable investment opportunities – creates a specific parameter for the financial analysis. The commercial success of the project is intrinsically linked to maintaining its competitive pricing edge. Consequently, the analysis must scrutinize the impact of broader macroeconomic trends, such as inflation and rising construction costs (CAPEX/OPEX), on the project's financial model. If inflationary pressures cause costs to rise too steeply, the resulting required sales prices may push the project outside the affordable bracket that defines the Majan market's strength. Therefore, a critical determination in this report is quantifying the maximum acceptable cost escalation before the project's foundational affordability competitive advantage is compromised, ensuring long-term absorption stability.

1.3. Financial Objectives and Reference Details

Financial Objectives and Capital Structure

ABC Properties LLC is seeking to secure 59.5 Million\$ in external funding or investment to complement the 50 Million\$ of existing own capital contributed by the client. The combined capital requirement dictates a thorough assessment of the expected returns necessary to satisfy both equity and debt providers.

A critical focus of the financial assessment (Chapter 7) is on mitigating perceived risk for the external partners and lenders. The client's significant equity contribution of 57 Million\$ allows for the strategic sequencing of capital deployment. The plan is to allocate the client's own capital to cover initial phases, such as groundwork and early construction, thereby absorbing initial development risk. The 59.5 Million\$ external funding can then be structured to phase in during later construction stages or to cover the bulk of specific income-generating components, like the commercial offices. This method of staging the funding

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drawdown maximizes the collateral available to the lender and demonstrates the developer's high level of commitment, which is expected to result in more favorable terms for the external financing.

Scope Alignment and Project Timeline

This expert-level report adheres strictly to the 7-module professional proposal provided, ensuring comprehensive coverage of all required analytical components. The scope guarantees detailed analysis, from the macro level (UAE and Dubai economic dynamics) to the micro level (site characteristics, connectivity), through comprehensive market and financial assessments

Key modules addressed in the full feasibility study include:

- Macroeconomic Overview & Region Assessment, analyzing strategic market drivers
- Site & Location Analysis, assessing the **attributes of the 56,000 sq.ft freehold** plot
- Market Assessment and Benchmarking Analysis for the mixed-use components (residential, office, and retail)
- Detailed Financial Viability Assessment, including sensitivity testing and scenario building

The project requires immediate strategic and financial planning, given the proposed business start date of **12/01/2025**. The **immediate** execution of the findings and recommendations from this study is necessary to align all necessary regulatory, marketing, and construction milestones with this critical timeline.



Table 1 provides a summary of the client and project details.

Project Identification and Financial Parameters

Category	Specific Detail	Contextual Significance
Client Entity	ABC Properties LLC	Entity driving the Real Estate Development
Location Focus	Majan Submarket, Dubailand	Key emerging node for mixed-use development
Asset Class	Mixed-Use Development (Residential, Office, Retail)	Strategy to diversify revenue streams across three asset classes
Plot Size	56,000 sq.ft Freehold Plot	Secure title and large enough scale for multi-component development
Target Audience	Partner, Bank, Investors	Requires institutional-standard due diligence and risk assessment
Equity Contribution	57 Million\$	Demonstrates substantial developer commitment and initial financial stability
Funding Required	59.5 Million\$	Primary goal of the feasibility study is to secure this capital



1.4. Financial Outlook - Summary

The company's financial projections indicate a positive and profitable outlook for the next five years. The company expects to generate revenues of AED 10.58 Million in the first year, AED 18.54 Million in the second year, AED 28.58 Million in the third year, AED 39.54 Million in the Fourth year, and AED 46.03 Million in the Fifth year.

The company anticipates a net profit margin of -10% in the first year, 33% in the second year, and 50% in the third year, and 59% in the fourth year, and 61% in the fifth year. The company requires an initial investment of AED 30.00 Million to cover the start-up costs, such as Design & Fit out Cost, furniture, fit out, software license, office marketing, and working capital.

1.4.1. Project Snapshot

This project requires initial investment of AED 30.00 Million to cover this project. Net cash flows are sum of CAPEX plus OPEX benefit. Discount factors as per ABC Real Estate at 29% Discount rate by considering the Risk and Growth factors and NPV for this investment would be AED 5.965 Million. The IRR of this project would be 36% whereas Payback occurs when net cash is zero which is after 3 Years and 2 months, and Discounted Payback is 4 Years and 6 months Approximately.

The capital budgeting decision rules are to invest if the $NPV > 0$, if the $IRR > r$, or if the $PI > 1.0$. There are no decision rules for the payback period, discounted payback period, and AAR because they are not always sound measures.



1.5. Financial Outlook - A Positive and Profitable Future

The company's financial future shines brightly with a projected five-year journey of consistent growth and profitability. We anticipate a steady climb in revenue, starting at AED 48.02 Million in the first year and reaching AED 46.03 Million by year five. This upward trajectory signifies a promising market for our offerings, paving the way for long-term success.

Beyond revenue, we expect healthy profit margins throughout the next five years. Our projected net profit margin varies slightly between **-10%** and **61%**, highlighting not only profitability but also our ability to adapt to potential market fluctuations and operating expenses.

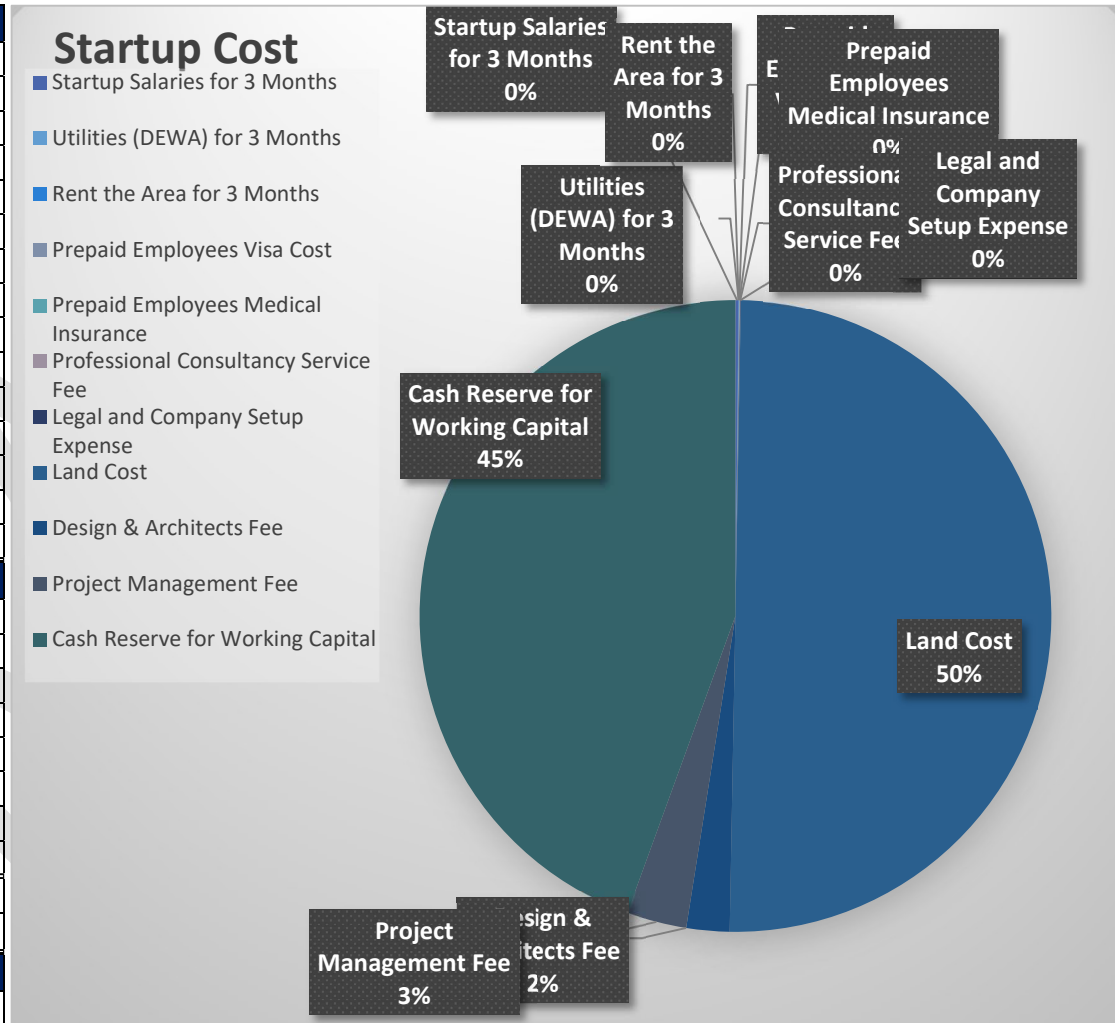
To embark on this exciting journey, an initial investment of AED 30.00 Million is necessary. This investment serves as the foundation for our success, covering crucial areas like Design and Fit out Cost, Equipment, furniture, software license, office marketing, and working capital. By acquiring the necessary equipment, we ensure efficient operations and high-quality service delivery. Creating a functional and professional work environment through furniture strengthens our internal operations and fosters a positive impression for potential clients. Effective marketing strategies, funded by the allocated budget, will raise brand awareness, attract new clients, and establish a strong market presence. Finally, working capital ensures we can cover ongoing operational expenses until our revenue generation reaches a point of self-sustainability.



1.6. Project Financial Highlights

Startup Cost Indicator - Key Performance Indicator (KPI)

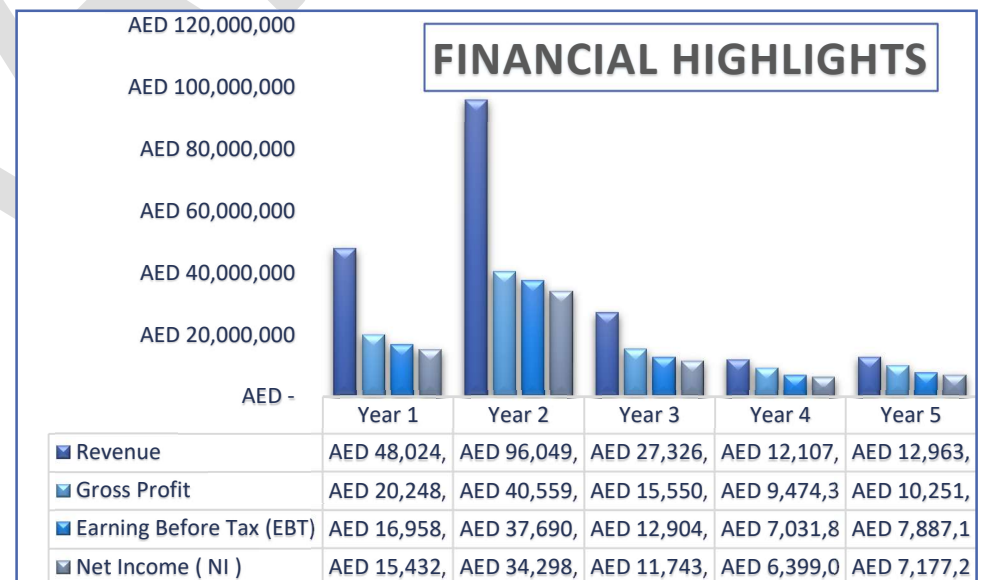
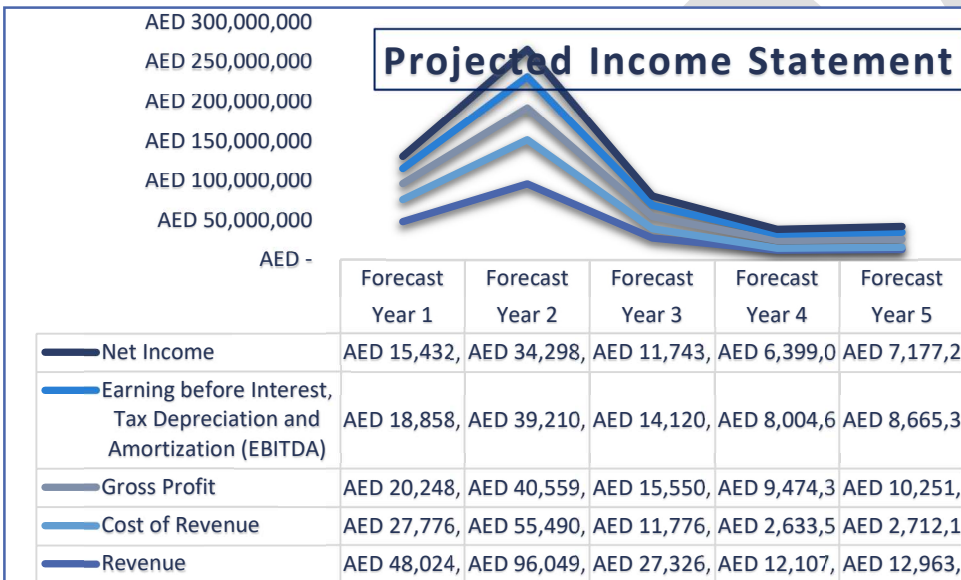
Start-up Expenses	Amount
Startup Salaries for 3 Months	AED 176,400
Utilities (DEWA) for 3 Months	AED 6,000
Utilities (Telephone & Internet) for 3 Months	AED 7,500
Rent the Area for 3 Months	AED 17,500
Business Stationery	AED 5,000
Prepaid Employees Visa Cost	AED 35,000
Prepaid Employees Medical Insurance	AED 25,000
Supplies (Cleaning Material etc.)	AED 2,000
Prepaid Business Insurance	AED -
Startup Branding & Marketing Cost	AED 500,000
Accounting & CRM Software	AED 8,000
Website Development Costs	AED 15,000
Professional Consultancy Service Fee	AED 20,000
Legal and Company Setup Expense	AED 35,000
Total Start-up Expenses	AED 852,400
Start-up Assets	Amount
Land Cost	AED 57,000,000
Design & Architects Fee	AED 2,500,000
Project Management Fee	AED 3,500,000
Legal & Approvals	AED 3,500,000
Government Fees	AED 1,000,000
Infrastructure costs (roads, landscaping)	AED 1,000,000
Cash Reserve for Working Capital	AED 50,647,600
Total Start-up Assets - Capital Outflow	AED 119,147,600
Total Capital Requirement	AED 120,000,000
Project Financing	Amount
Owner's Capital	AED 120,000,000





Projected Income Statement

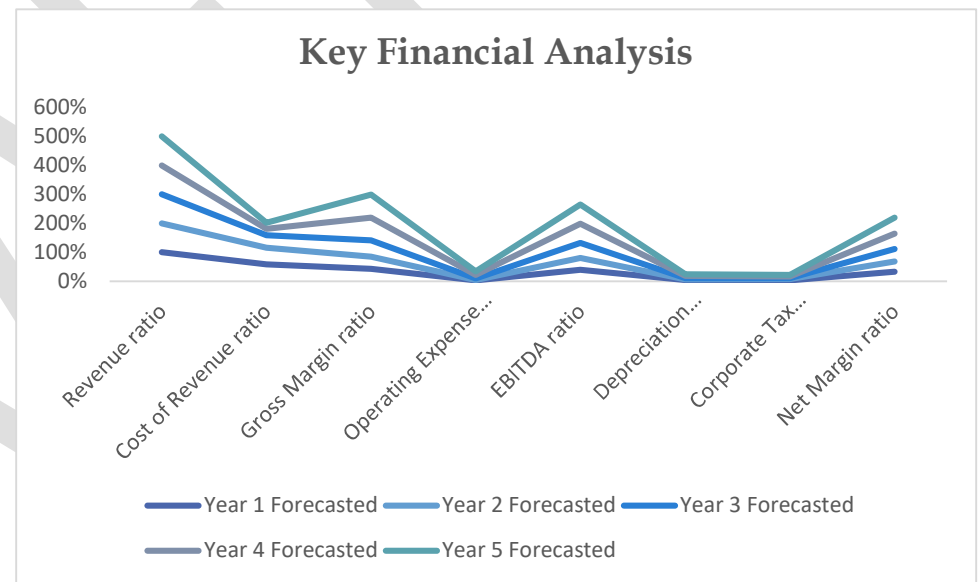
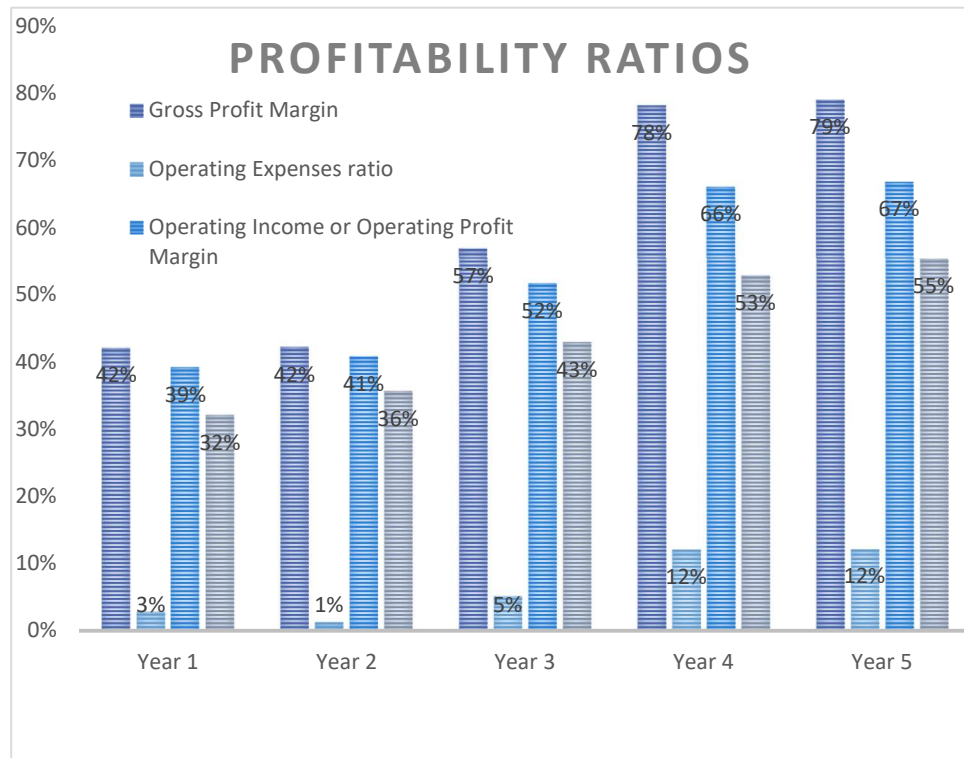
Projected Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235	AED 196,472,557
Less: Cost of Revenue	AED 27,776,127	AED 55,490,046	AED 11,776,071	AED 2,633,548	AED 2,712,189	AED 100,387,982
Gross Profit	AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046	AED 96,084,575
Less: Operating Expenses	AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692	AED 7,224,589
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354	AED 88,859,986
Less: Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240	AED 6,387,040
Earning Before Interest and Tax (EBIT)	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Less: Finance Cost (Bank charges)	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Less: Corporate Tax	AED 1,526,275	AED 3,392,183	AED 1,161,398	AED 632,869	AED 709,840	AED 7,422,565
Net Income (NI)	AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274	AED 75,050,381





Projected Income Statement -Key Performance Indicator (KPI) in % age

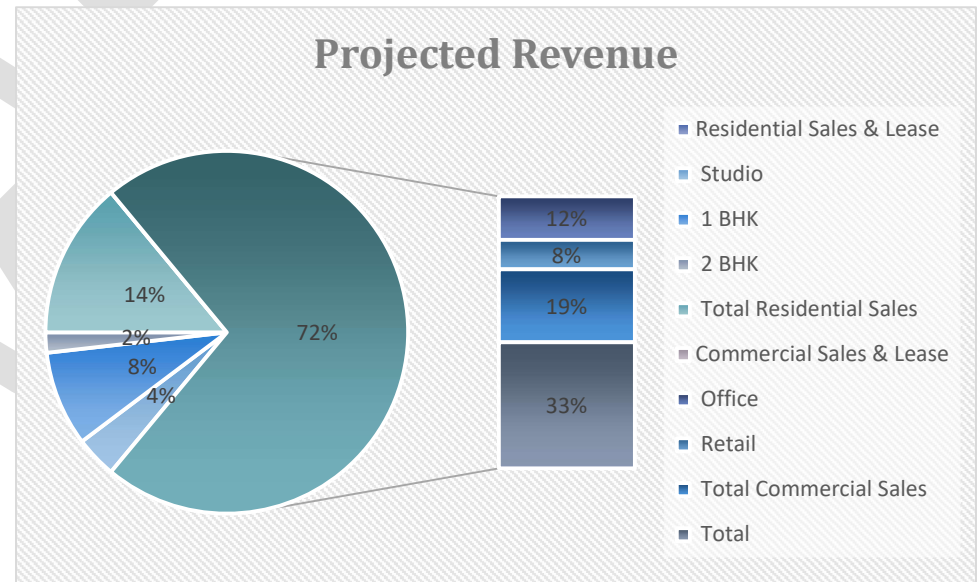
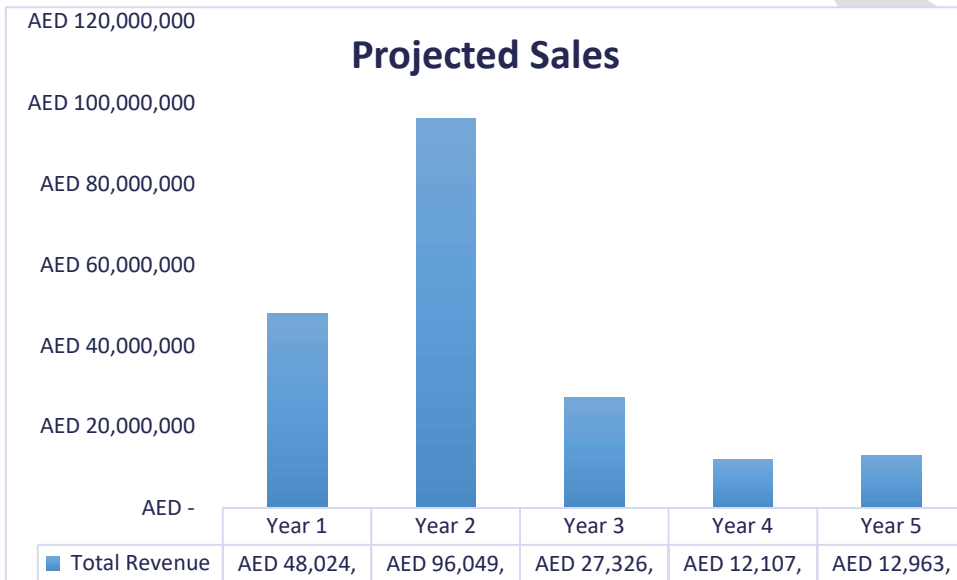
Key Financial Ratios	Year 1	Year 2	Year 3	Year 4	Year 5	Forecasted Average
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Revenue ratio	100%	100%	100%	100%	100%	100%
Cost of Revenue ratio	58%	58%	43%	22%	21%	40%
Gross Margin ratio	42%	42%	57%	78%	79%	60%
Operating Expense ratio	3%	1%	5%	12%	12%	4%
EBITDA ratio	39%	41%	52%	66%	67%	53%
Depreciation Expense ratio	4%	2%	4%	8%	6%	5%
Corporate Tax Expense ratio	3%	4%	4%	5%	5%	4%
Net Margin ratio	32%	36%	43%	53%	55%	38%





Projected Revenue year by year

Projected Revenue by Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Residential Sales & Lease						
Studio	AED 5,344,506	AED 10,689,012	AED 2,523,536	AED 779,136	AED 818,092	AED 20,154,282
1 BHK	AED 12,215,062	AED 24,430,124	AED 5,767,633	AED 1,780,743	AED 1,869,780	AED 46,063,340
2 BHK	AED 2,597,244	AED 5,194,488	AED 1,226,351	AED 378,633	AED 397,564	AED 9,794,279
Total Residential Sales	AED 20,156,812	AED 40,313,623	AED 9,517,519	AED 2,938,511	AED 3,085,436	AED 76,011,901
Commercial Sales & Lease						
Office	AED 16,614,154	AED 33,228,309	AED 9,045,210	AED 3,910,481	AED 4,360,187	AED 67,158,341
Retail	AED 11,253,875	AED 22,507,750	AED 5,241,179	AED 1,579,280	AED 1,674,037	AED 42,256,122
Total Commercial Sales	AED 27,868,030	AED 55,736,059	AED 14,286,388	AED 5,489,762	AED 6,034,224	AED 109,414,463
Total	AED 48,024,841	AED 96,049,682	AED 23,803,908	AED 8,428,273	AED 9,119,660	AED 185,426,364

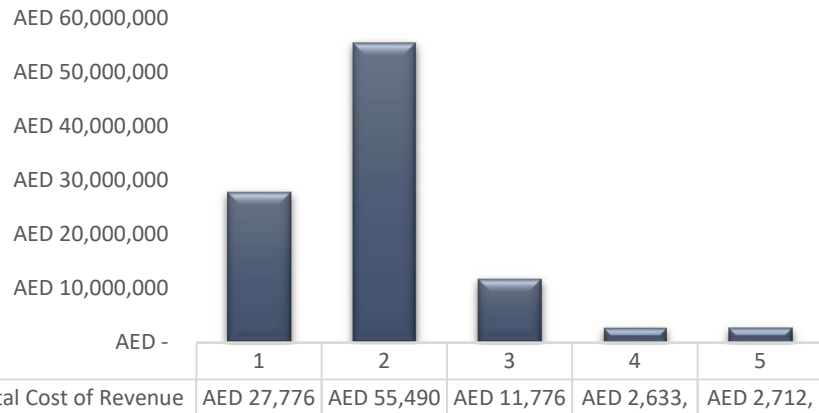




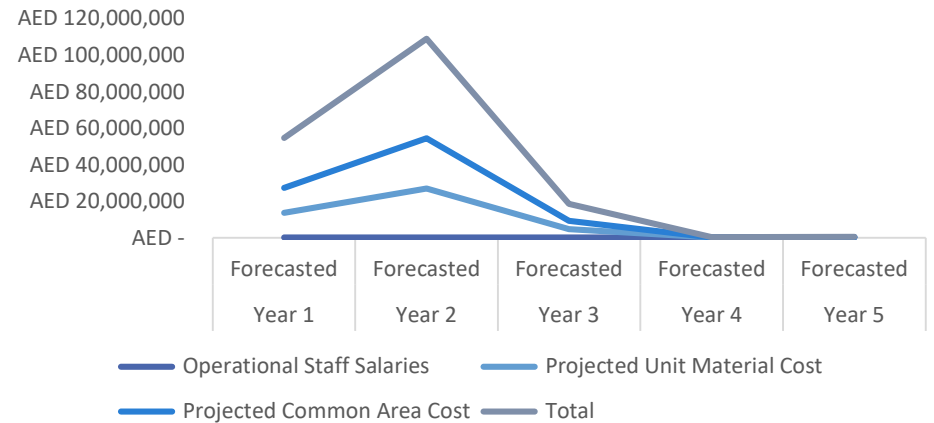
Projected Cost of Revenue

Projected Cost of Revenue by Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Operational Staff Salaries	AED 108,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687	AED 799,148
Projected Unit Material Cost	AED 13,413,329	AED 26,826,659	AED 4,471,110	AED -	AED -	AED 44,711,098
Projected Common Area Cost	AED 13,774,549	AED 27,549,099	AED 4,591,516	AED -	AED -	AED 45,915,164
Total	AED 27,295,879	AED 54,529,549	AED 9,226,876	AED 180,419	AED 192,687	AED 91,425,410

Projected Cost of Revenue



Projected Cost of Revenue



Profitability Ratios	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Gross Profit Margin	> 30%	42%	42%	57%	78%	79%
Operating Expenses ratio	10% - 15%	3%	1%	5%	12%	12%
Operating Income or Operating Profit Margin	> 10%	39%	41%	52%	66%	67%
Net Income or Net Profit Margin	> 5%	32%	36%	43%	53%	55%
Return on Assets (ROA)	> 0.2	0.2	0.5	0.2	0.1	0.1
Return on Investment (ROI)	> 0.2	13%	29%	10%	5%	6%
Return on equity (ROE)	> 0.2	11%	20%	6%	3%	4%
Return on Capital Employed (ROCE)	> 0.2	14%	28%	8%	4%	4%



Return on Invested Capital	> 0.2	13%	29%	10%	5%	6%
EBITDA Margin	>10%	39%	41%	52%	66%	67%
EBIT Margin	>10%	35%	39%	47%	58%	61%
Corporate Tax Ratio	< 5%	3%	4%	4%	5%	5%

Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Industry Standard	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Current Ratio	> 1	34.6	24.7	79.7	154.1	147.7
Quick Ratio	> 1	34.6	24.7	79.7	154.1	147.7

100% Lease Scenario Working

Projected Income Statement

Projected Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	AED 9,222,305	AED 9,854,950	AED 10,546,338	AED 11,302,474	AED 12,130,013	AED 53,056,080
Less: Cost of Revenue	AED 2,497,113	AED 2,505,782	AED 2,574,316	AED 2,630,536	AED 2,702,759	AED 12,910,505
Gross Profit	AED 6,725,192	AED 7,349,169	AED 7,972,022	AED 8,671,938	AED 9,427,254	AED 40,145,575
Less: Operating Expenses	AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692	AED 7,224,589
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	AED 5,335,092	AED 6,000,450	AED 6,541,595	AED 7,202,288	AED 7,841,561	AED 32,920,987
Less: Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240	AED 6,387,040
Earning Before Interest and Tax (EBIT)	AED 3,435,092	AED 4,480,450	AED 5,325,595	AED 6,229,488	AED 7,063,321	AED 26,533,947
Less: Finance Cost (Bank charges)	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)	AED 3,435,092	AED 4,480,450	AED 5,325,595	AED 6,229,488	AED 7,063,321	AED 26,533,947
Less: Corporate Tax	AED 309,158	AED 403,240	AED 479,304	AED 560,654	AED 635,699	AED 2,388,055
Net Income (NI)	AED 3,125,934	AED 4,077,209	AED 4,846,291	AED 5,668,834	AED 6,427,622	AED 24,145,891

Project Economics

Project Financial Feasibility Analysis

Description	Value
Return on Investment (ROI) or ROI	13%
Net Present Value (NPV)	AED 161,454,942



Cost of Capital (WACC) - Discount Rate used for NPV	15%
Project Internal Rate of Return (IRR)	46%
Undiscounted Payback Period (PBP)	1 Year and 4 month approximately
Discounted Payback Period (PBP)	1 Year and 3 month approximately
Projection years	5 Years
Accounting Rate of Return (ARR)	13%
Profitability Index (PI)	2.3

Note : The financial feasibility analysis provides the information regarding projected IRR, NPV and payback period of the study, which is shown in above Table.

Project Financing

Description	Details
Total Equity (100%)	AED 120,000,000
Bank Loan (0%)	AED -
Annual Markup to the Borrower - Long Term Loan	AED -
Tenure of the Loan (Years)	AED -
Annual Markup to the Borrower - Short Term Debt	AED -

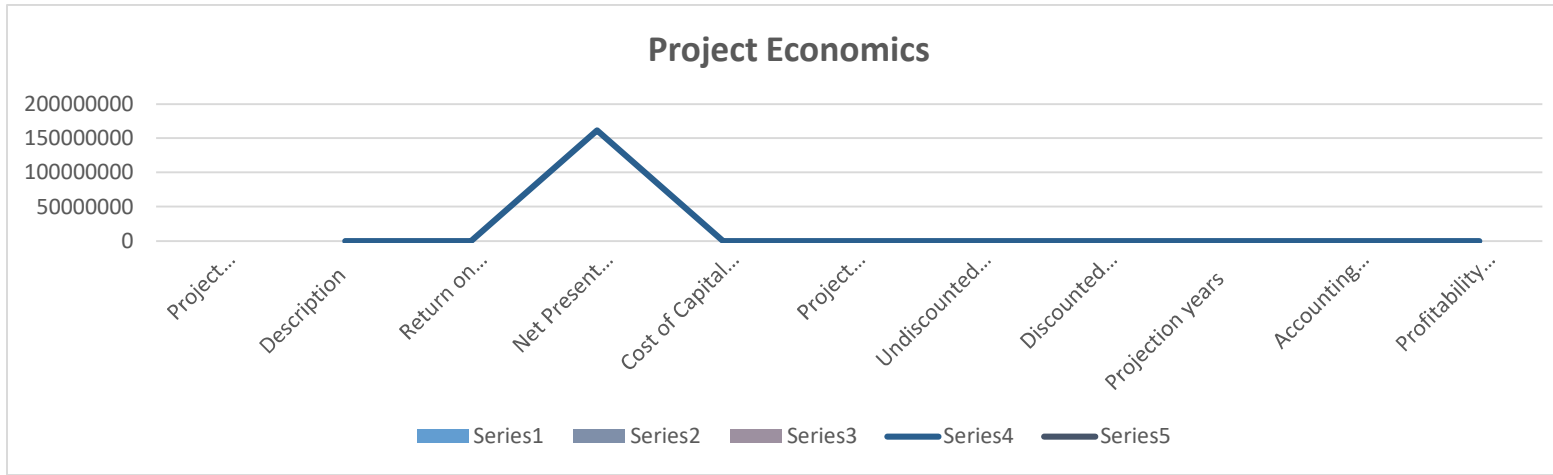
Accounting Rate of Return (ARR)

Accounting Rate of Return	Forecast
Initial Investment	AED 120,000,000
Average Net Income	AED 15,010,076
ARR	13%

Financial Assumptions for Debt: Equity Model

Description	Details
Debt	0%
Equity	100%
Interest Rate on Debt	-
Debt Tenure	-
Debt Payment / Year	-





Projected Bookings-to-Cost (B/C) Ratio on 100% Unit Sale

Bookings-to-Cost (B/C) Ratio	Note	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred
Residential Sales					
Studio		43 Units	26%	AED 29,688,000	AED 35,779,354
1 BHK		49 Units	29%	AED 67,862,400	AED 48,214,551
2 BHK		7 Units	4%	AED 14,428,800	AED 7,923,409
Total Residential Sales		99 Units	59%	AED 111,979,200	AED 91,917,315
Commercial Sales					
Office		36 Units	21%	AED 92,300,000	AED 37,439,998
Retail		33 Units	20%	AED 62,522,400	AED 29,768,949
Total Commercial Sales		69 Units	41%	AED 154,822,400	AED 67,208,947
Grand Total		168 Units	100%	AED 266,801,600	AED 159,126,262

Projected Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue	AED 266,801,600
Total Project Costs Incurred	AED 159,126,262
Projected Bookings-to-Cost (B/C) Ratio	1.68



Projected Booking Percentage on 100% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred	Total Booking Revenue @ WACC 15%
Residential Sales					
Studio	43 Units	26%	AED 29,688,000	AED 35,779,354	AED 22,448,393
1 BHK	49 Units	29%	AED 67,862,400	AED 48,214,551	AED 51,313,724
2 BHK	7 Units	4%	AED 14,428,800	AED 7,923,409	AED 10,910,246
Total Residential Sales	99 Units	59%	AED 111,979,200	AED 91,917,315	AED 84,672,363
Commercial Sales					
Office	36 Units	21%	AED 92,300,000	AED 37,439,998	AED 69,792,060
Retail	33 Units	20%	AED 62,522,400	AED 29,768,949	AED 47,275,917
Total Commercial Sales	69 Units	41%	AED 266,801,600	AED 67,208,947	AED 117,067,977
Grand Total	168 Units	100%	AED 378,780,800	AED 159,126,262	AED 201,740,340

Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue @ WACC 15%	AED 201,740,340
Total Project Costs Incurred	AED 159,126,262
Projected Booking Percentage	79%

Projected Bookings-to-Cost (B/C) Ratio on 60% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Total Booking Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred
Residential Sales					
Studio	43 Units	26 Units	26%	AED 17,815,020	AED 28,766,259
1 BHK	49 Units	29 Units	29%	AED 40,716,873	AED 40,222,885
2 BHK	7 Units	4 Units	4%	AED 8,657,479	AED 6,781,743
Total Residential Sales	99 Units	59 Units	59%	AED 67,189,372	AED 75,770,887



Commercial Sales					
Office	36 Units	22 Units	21%	AED 55,380,514	AED 31,568,570
Retail	33 Units	20 Units	20%	AED 37,512,917	AED 24,386,806
Total Commercial Sales	69 Units	41 Units	41%	AED 92,893,432	AED 55,955,376
Grand Total	168 Units	101 Units	100%	AED 160,082,804	AED 131,726,262

Projected Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue	AED 160,082,804
Total Project Costs Incurred	AED 131,726,262
Projected Bookings-to-Cost (B/C) Ratio	1.22

Projected Booking Percentage on 60% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred	Total Booking Revenue @ WACC 15%
Residential Sales					
Studio	43 Units	26%	AED 17,815,020	AED 28,766,259	AED 13,470,715
1 BHK	49 Units	29%	AED 40,716,873	AED 40,222,885	AED 30,787,805
2 BHK	7 Units	4%	AED 8,657,479	AED 6,781,743	AED 6,546,298
Total Residential Sales	99 Units	59%	AED 67,189,372	AED 75,770,887	AED 50,804,818
Commercial Sales					
Office	36 Units	21%	AED 55,380,514	AED 31,568,570	AED 41,875,625
Retail	33 Units	20%	AED 37,512,917	AED 24,386,806	AED 28,365,155
Total Commercial Sales	69 Units	41%	AED 92,893,432	AED 55,955,376	AED 70,240,780
Grand Total	168 Units	100%	AED 160,082,804	AED 131,726,262	AED 121,045,598

Projected Booking Percentage on 60% Unit Sale

Particulars	Amount
Total Booking Revenue @ WACC 15%	AED 121,045,598
Total Project Costs Incurred	AED 131,726,262

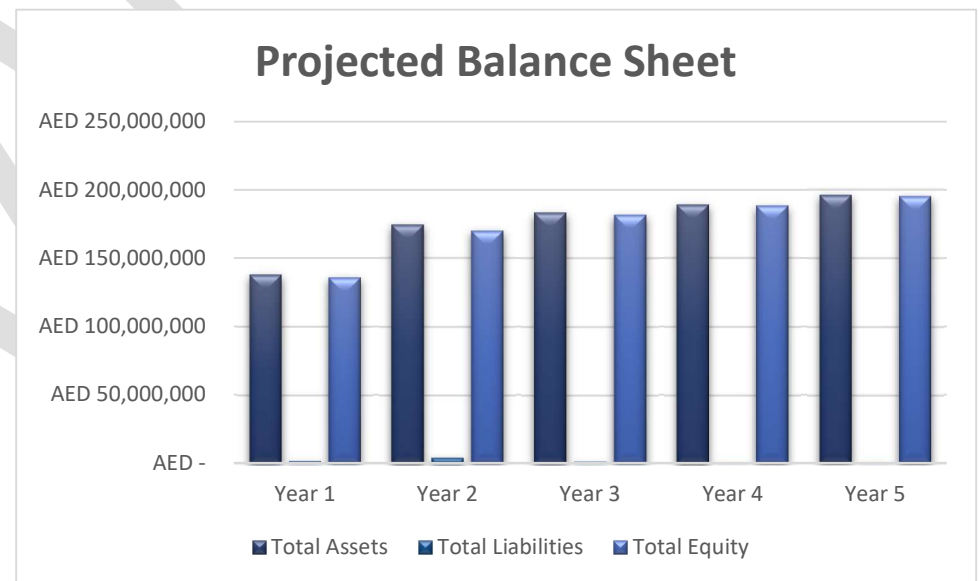
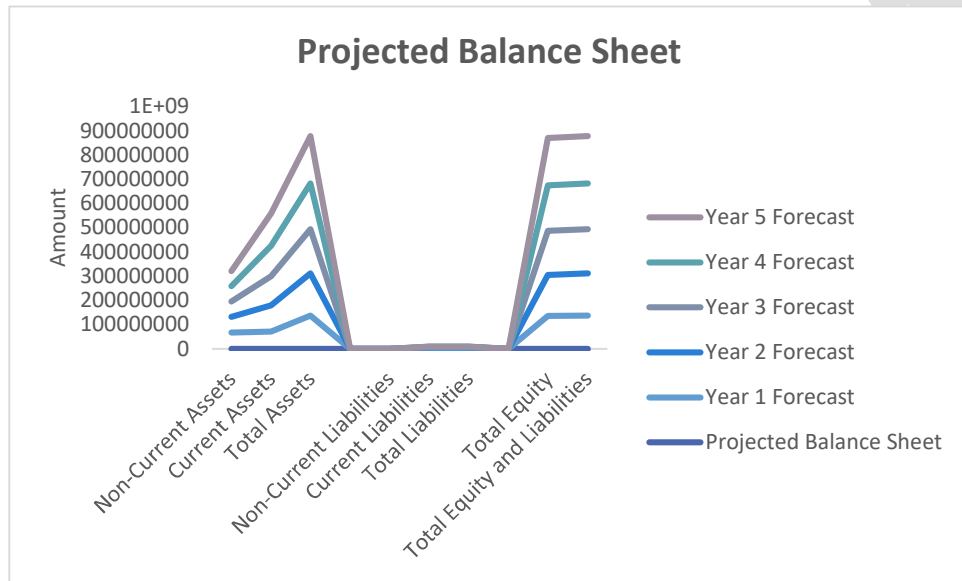


Projected Booking Percentage

109%

Projected Balance Sheet

Projected Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Non-Current Assets	AED 66,617,500	AED 65,080,000	AED 63,864,000	AED 62,891,200	AED 62,112,960
Current Assets	AED 70,860,838	AED 109,059,703	AED 119,103,584	AED 125,798,400	AED 133,843,410
Total Assets	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370
Non-Current Liabilities	AED -	AED -	AED -	AED -	AED -
Current Liabilities	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
Total Liabilities	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
Total Equity	AED 135,432,339	AED 169,731,074	AED 181,474,098	AED 187,873,107	AED 195,050,381
Total Equity and Liabilities	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370

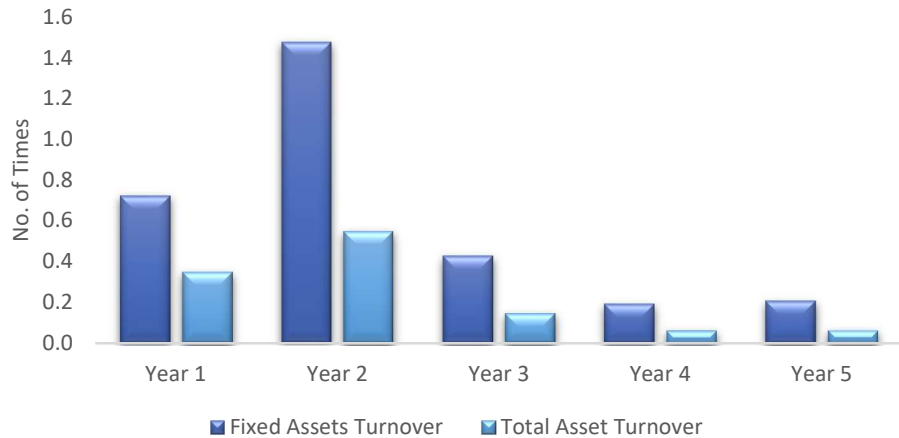




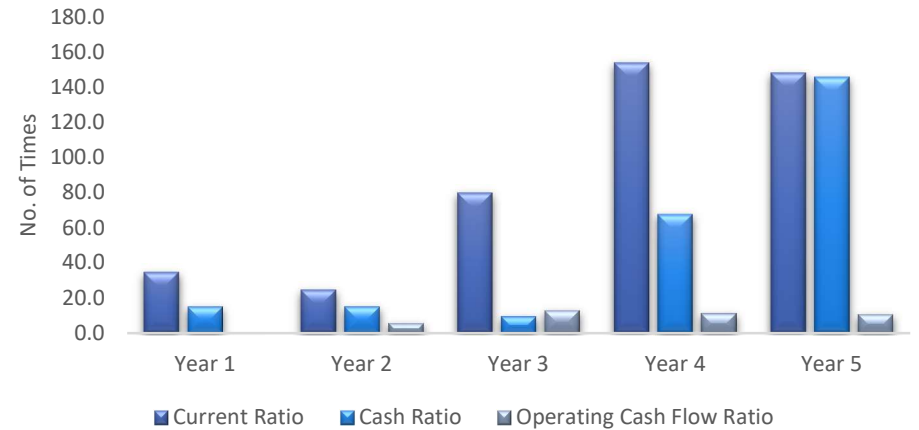
Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Year 1	Year 2	Year 3	Year 4	Year 5	Forecasted Average
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Current Ratio	35	25	80	154	148	88
Quick Ratio	35	25	80	154	148	88
Return on Assets (ROA)	0	1	0	0	0	0
Return on equity (ROE)	11%	20%	6%	3%	4%	9%
Return on Capital Employed (ROCE)	14%	28%	8%	4%	4%	12%

Efficiency Ratios (in times)



Liquidity Ratios



1.7. Project Financial Analysis

Based on the financial analysis, the proposed business is found to be financially Profitable, with a projected internal rate of return on investment of 69% over the period of five years.



1.7.1. Forecast Revenue Analysis

Annual Revenue growth has been projected over the period of 5 years from Year 1 to Year 5 with annual growth rate of Healthcare Education Market 14.60% by the amount of AED 10.58 Million to AED 46.03 Million. Strong annual revenue Growth over the period of 5 years from Year 1 to Year 5 (YOY) from (75% to 16%) along with CAGR that would be 44.44%.

1.7.2. Forecast Costs of Revenue & Operating expense Analysis

Cost of revenue is 21% as AED 2.24 Million and operating expenses is 73% as AED 7.75 Million in year 1 of the total revenue as AED 10.58 Million.

Whereas it has been observed that the decreasing trend from 73% - 15% (YOY) for operating expenses from AED 7.75 Million to AED 7.09 Million as well as 21% - 15% showing the increasing trend for Costs of revenue as AED 2.24 Million to AED 6.72 Million over the forecasted period of 5 years from Year 1 to Year 5.

1.7.3. Forecast EBITDA analysis.

ABC Real Estate's large portion of total costs are of variable nature. Management forecasts EBITDA to increase from AED 0.58 Million in FY1 to AED 32.22 Million in FY5, with margins 6% to 70% over the same period by (YOY). From our discussions with Management, we understand this is based on the Forecast Period. It will use its capital effectively to generate profit - EBITDA in the coming 5 years from as an annual growth rate of 6% to 70% (YOY) along with CAGR rate would be 172% over the period.



Taking EBITDA of AED 0.58 Million or 73% of total operating revenue AED 10.58 Million in year 1 by the increasing ratio over the forecasted period of 5 years from (YOY) Year 1 to Year 5 from AED 0.58 Million to AED 32.22 Million.

1.7.4. Forecast Net Income Analysis.

It has been observed that Net income in year 1 is -10% of the total operating revenue of AED -1.03 Million whereas we have projected the Net income margin over the period of 5 years from Year 1 to Year 5 with the growth rate of -10% to 61%(YOY).

It is anticipated that the forecasted period of Net income will be an average of 39% and it is increasing proportionally as compared to Total operating revenue -10% to 61% (YOY). However, total revenue is anticipated to improve by approximately from AED 10.58 Million to AED 46.03 Million over the period of 5 years from (YOY) Year 1 to Year 5.

Growth in Annual Earnings or Net Income with increasing Profit Margin (YOY) from (-10% to + 61 %) over the period of 5 years along with CAGR would be 46.90%.

1.7.5. Current Assets & Current Liabilities Analysis

Current Assets will be grown from AED 7.67 Million to AED 90.47 Million over the period of 5 years from Year 1 to Year 5 with the CAGR 85.33% whereas Current Liabilities from AED 0.90 Million to AED 6.40 Million will also be grown over the period of 5 years from Year 1 to Year 5 with CAGR 63.42% But the ratio of Current Assets to Current liabilities is very ideal which is more than 2 for the future funds flow position of the Company. Company has good current ratio over the period of 5 years (YOY) from +9 to + 14.



These improving of EBITDA results reflect Business will be in its ramp up phase. When analyzing the Year-to-Date (YTD) Year 1 to Year 5 data points the same trend of higher rate continued for the ABC Real Estate vs the competitive set, resulting in a higher KPIs.

1.8. Economics Analysis of Project

We used several important criteria to evaluate capital investments. The two most comprehensive measures of whether a project is profitable or unprofitable are the present net value (NPV) and internal rate of return (IRR). In addition to this, we present four other criteria that are frequently used: the payback period, discounted payback period, average accounting rate of return (AAR), and profitability index (PI). We fully understand the economic logic behind each of these investment decision criteria as well as its strengths and limitations in practice.

Net Present Value (NPV)

Net Present Value (NPV) is an effective front end management tool for assessing the Capital investment in the project. Net Present Value (NPV) is the value of all future cash flows (positive and negative) over the entire life of an investment discounted to the present. NPV analysis is a form of intrinsic valuation and is used extensively to value a business, investment security, capital project, new venture, cost reduction program, and anything that involves cash flow.

Project Economics

Project Financial Feasibility Analysis

Description	Value
Return on Investment (ROI) or ROI	13%
Net Present Value (NPV)	AED 161,454,942
Cost of Capital (WACC) - Discount Rate used for NPV	15%



Project Internal Rate of Return (IRR)	46%
Undiscounted Payback Period (PBP)	1 Year and 4 month approximately
Discounted Payback Period (PBP)	1 Year and 3 month approximately
Projection years	5 Years
Accounting Rate of Return (ARR)	13%
Profitability Index (PI)	2.3

Note : The financial feasibility analysis provides the information regarding projected IRR, NPV and payback period of the study, which is shown in above Table.

Project Financing

Description	Details
Total Equity (100%)	AED 120,000,000
Bank Loan (0%)	AED -
Annual Markup to the Borrower - Long Term Loan	AED -
Tenure of the Loan (Years)	AED -
Annual Markup to the Borrower - Short Term Debt	AED -

Accounting Rate of Return (ARR)

Accounting Rate of Return	Forecast
Initial Investment	AED 120,000,000
Average Net Income	AED 15,010,076
ARR	13%

Financial Assumptions for Debt: Equity Model

Description	Details
Debt	0%
Equity	100%
Interest Rate on Debt	-
Debt Tenure	-
Debt Payment / Year	-

Its primary role is to confirm the financial viability of an investment over a long time period, by looking at net discounted cash inflows and discounted cash outflows that a project will generate over its lifecycle and converting these into a single Net Present Value. Net present value is the difference between the present values of the cash inflows and cash outflows experienced by a Project over a period of time.



Net Present Value (NPV)

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
<i>Initial outflow:</i>						
Fixed Asset Investment	AED (69,352,400)					
Working Capital Investment	AED (50,647,600)					
Total Investment Value	AED (120,000,000)					
<i>After-tax Annual Cash flows</i>						
Revenue		AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235
Variable Cost		AED 81,500	AED 675,165	AED 740,294	AED 735,178	AED 803,925
Fixed Cost		AED 29,084,727	AED 56,178,945	AED 12,481,903	AED 3,384,079	AED 3,510,384
Operating Income (EBIT)		AED 77,191,068	AED 152,903,792	AED 40,549,118	AED 16,227,134	AED 17,277,545
Tax at 9%		AED (1,526,275)	AED (3,392,183)	AED (1,161,398)	AED (632,869)	AED (709,840)
Operating Income after tax		AED 75,664,793	AED 149,511,610	AED 39,387,720	AED 15,594,265	AED 16,567,705
Add back Depreciation		AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
Change in Working Capital		AED -	AED (25,751,652)	AED 47,523,228	AED 10,434,542	AED 968,218
After-tax Operating Cash flows		AED 77,564,793	AED 125,279,958	AED 88,126,948	AED 27,001,606	AED 18,314,163
<i>Terminal Cash Flows</i>						
Return of Working Capital						AED 17,473,264
Salvage Value (Book Value at year 5)						AED 62,112,960
Tax on Salvage Value						AED (5,590,166)
Total After-Tax Cash Flows	AED (120,000,000)	AED 77,564,793	AED 125,279,958	AED 88,126,948	AED 27,001,606	AED 92,310,221
Discount Period	0	1	2	3	4	5
Discount Factor @ 28% (WACC)	1.00	0.87	0.76	0.66	0.57	0.50
Present Value	AED (120,000,000)	AED 67,447,646	AED 94,729,647	AED 57,944,899	AED 15,438,256	AED 45,894,494
Net Present Value	AED 161,454,942					



A positive NPV (profit) indicates that the Income generated by the investment exceeds the costs of the project. A negative NPV (loss) indicates that the whole life costs of the investment are less than the income generated. The Discounted value of cash takes into account the fact that money in the present is worth more than the same amount in the future. The Discount rate of 29% to be used for project lasting 1 to 5 years. If the net present value of a project or investment, is negative it means the expected rate of return that will be earned on it is less than the discount rate (required rate of return or hurdle rate). This doesn't necessarily mean the project will "lose money." It may very well generate accounting profit (net income), but since the rate of return generated is less than the discount rate, it is considered to destroy value. If the NPV is positive, it creates value.

NPV analysis is used to help determine how much an investment, project, or any series of cash flows is worth. We can lay out this information in a financial model to show all expected cash flows over the useful life of an investment, and then apply a discount rate that reduces the cash flows to what they would be worth at the present date. This calculation is known as net present value analysis. Net present value is the traditional approach to evaluating capital proposals, since it is based on a single factor – cash flows – that can be used to judge any proposal. It is an all-encompassing metric, as it takes into account all revenues, expenses, and capital costs associated with an investment in its Free Cash Flow (FCF). In addition to factoring all revenues and costs, it also takes into account the timing of each cash flow that can result in a large impact on the present value of an investment. For example, it's better to see cash inflows sooner and cash outflows later, compared to the opposite. Because the NPV is the amount by which the investor's wealth increases as a result of the investment, the decision rule for the NPV is as follows:

Invest if	$NPV > 0$
Do not invest if	$NPV < 0$



Profitability Index

The profitability index (PI) is the present value of a project's future cash flows divided by the initial investment. It can be expressed as the profitability index (PI) is the present value of a project's future cash flows divided by the initial investment:

You can see that the PI is closely related to the NPV. The PI is the ratio of the PV of future cash flows to the initial investment, while an NPV is the difference between the PV of future cash flows and the initial investment.

Whenever the NPV is positive, the PI will be greater than 1.0, and conversely, whenever the NPV is negative, the PI will be less than 1.0. The investment decision rule for the PI is as follows:

Invest if	$PI > 1.0$
Do not invest if	$PI < 1.0$

The PI indicates the value you are receiving in exchange for one unit of currency invested. Although the PI is used less frequently than the NPV and IRR, it is sometimes used as a guide in capital rationing. The PI is usually called the profitability index in corporations, but it is commonly referred to as a "benefit-cost ratio" in governmental and not-for-profit organizations.

Internal Rate of Return (IRR)

The internal rate of return (IRR) is one of the most frequently used concepts in capital budgeting and in Business analysis. For a project with one investment outlay, made initially, the IRR is the discount rate that makes the present value of the future after-tax cash flows equal that investment outlay. IRR, or



internal rate of return, is a metric used in financial analysis to estimate the profitability of potential investments. IRR is a discount rate that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis.

Internal Rate of Return (IRR)

Years	Cash flows	DF @ 15%	Present value	DF @ 25%	Present value
Year 0	AED (120,000,000)	1.00	AED (120,000,000)	1	AED (120,000,000)
Year 1	AED 77,564,793	0.87	AED 67,447,646	0.80	AED 62,051,834
Year 2	AED 125,279,958	0.76	AED 94,729,647	0.64	AED 80,179,173
Year 3	AED 88,126,948	0.66	AED 57,944,899	0.51	AED 45,120,997
Year 4	AED 27,001,606	0.57	AED 15,438,256	0.41	AED 11,059,858
Year 5	AED 92,310,221	0.50	AED 45,894,494	0.33	AED 30,248,213
			AED 161,454,942		AED 108,660,076
IRR	46%				

When calculating IRR, expected cash flows for a project or investment are given and the NPV equals zero. Put another way, the initial cash investment for the beginning period will be equal to the present value of the *future* cash flows of that investment. (Cost paid = present value of future cash flows, and hence, the *net* present value = 0). Once the internal rate of return is determined, it is typically compared to a company's hurdle rate or cost of capital. If the IRR is greater than or equal to the cost of capital, the company would accept the project as a good investment. (That is, of course, assuming this is the sole basis for the decision). The decision rule for the IRR is to invest if the IRR exceeds the required rate of return for a project.

Invest if $IRR > r$



Do not invest if $IRR < r$

Typically, investors and Project Managers of the Project look at both NPV and IRR in conjunction with other figures when making a decision. The internal rate of return (IRR) is the discount rate at which the net present value of an investment is equal to zero. Put another way, it is the compound annual return an investor expects to earn (or actually earned) over the life of an investment.

For example, if a Project offers a series of cash flows with an NPV of \$500,000 and an investor pays exactly \$500,000 for it, then the investor's NPV is \$0. It means they will earn whatever the discount rate is on the Project. Ideally, an investor would pay less than \$500,000 and therefore earn an IRR that's greater than the discount rate.

Payback Period

The payback period is the length of time required to recover the costs of an investment. This differs from the NPV calculation as it ignores the time value of money. This indicator is used more where income (cash) is generated by the project and not on infrastructure type investments. So, the payback (undiscounted) period is three years and two Months.

Payback Period (PBP)

Years	Undiscounted		Discounted	
	Cash flows	Cumulative cash flows	Cash flows	Cumulative cash flows
Year 0	AED (120,000,000)	AED (120,000,000)	AED (120,000,000)	AED (120,000,000)
Year 1	AED 77,564,793	AED (42,435,207)	AED 67,447,646	AED (52,552,354)
Year 2	AED 125,279,958	AED 82,844,751	AED 94,729,647	AED 42,177,293
Year 3	AED 88,126,948	AED 170,971,698	AED 57,944,899	AED 100,122,191
Year 4	AED 27,001,606	AED 197,973,305	AED 15,438,256	AED 115,560,447
Year 5	AED 92,310,221	AED 290,283,526	AED 45,894,494	AED 161,454,942



Payback Period	Years	
Undiscounted	1.34	1 Year and 4 month approximately
Discounted	1.27	1 Year and 3 month approximately

Because it is not economically sound, the payback period has no decision rule like that of the NPV or IRR. If the payback period is being used (perhaps as a measure of liquidity), Project owner should also use an NPV or IRR to ensure that their decisions also reflect the profitability of the projects being considered.

The payback period is the number of years required to recover the original investment in a project. The payback is based on cash flows. For example, if you invest \$10 million in a project, how long will it be until you recover the full original investment? Financial Table below illustrates the calculation of the payback period by following an investment's cash flows and cumulative cash flows. The payback period has many drawbacks – it is a measure of payback and not a measure of profitability. By itself, the payback period would be a dangerous criterion for evaluating capital projects. Its simplicity, however, is an advantage. The payback period is very easy to calculate and to explain. The payback period may also be used as an indicator of project liquidity. A project with a two-year payback may be more liquid than another project with a longer payback.

Discounted Payback Period

The discounted payback period is the number of years it takes for the cumulative discounted cash flows from a project to equal the original investment. The discounted payback period partially addresses the weaknesses of the payback period.

The discounted payback does account for the time value of money and risk within the discounted payback period, but it ignores cash flows after the discounted payback period is reached. This drawback has two



consequences. First, the discounted payback period is not a good measure of profitability (like the NPV or IRR) because it ignores these cash flows. Second, another idiosyncrasy of the discounted payback period comes from the possibility of negative cash flows after the discounted payback period is reached. It is possible for a project to have a negative NPV but to have a positive cumulative discounted cash flow in the middle of its life and, thus, a reasonable discounted payback period. The NPV and IRR, which consider all of a project's cash flows, do not suffer from this problem.

The discounted payback period relies on discounted cash flows, much as the NPV criterion does. If a project has a negative NPV, it will usually not have a discounted payback period since it never recovers the initial investment.

Average Accounting Rate of Return

Sales revenues and cash operating expenses for each year. The table also shows the annual income taxes and the net income. The average accounting rate of return (AAR) can be explained with the help of below example as follows: The average accounting rate of return is 47%.

Accounting Rate of Return (ARR)

Particulars	Amount
Initial Investment	AED 120,000,000
Average Net Income	AED 15,010,076
ARR	13%



The advantages of the AAR are that it is easy to understand and easy to calculate. The AAR has some important disadvantages, however. Unlike the other capital budgeting criteria discussed here, the AAR is based on accounting numbers and not based on cash flows. This is an important conceptual and practical limitation. The AAR also does not account for the time value of money, and there is no conceptually sound cutoff for the AAR that distinguishes between profitable and unprofitable investments. The AAR is frequently calculated in different ways, so the analyst should verify the formula behind any AAR numbers that are supplied by someone else. We should know the AAR and its potential limitations in practice, but we should rely on more economically sound methods like the NPV and IRR.

Return on Investment (ROI)

Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost.

To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment. The result is expressed as a percentage or a ratio

- Return on Investment (ROI) is a popular profitability metric used to evaluate how well an investment has performed.
- ROI is expressed as a percentage and is calculated by dividing an investment's net profit (or loss) by its initial cost or outlay.
- ROI can be used to make apples-to-apples comparisons and rank investments in different projects or assets.



- ROI does not take into account the holding period or passage of time, and so it can miss opportunity costs of investing elsewhere.

Whether or not something delivers a good ROI should be compared relative to other available opportunities what qualifies as a “good” ROI will depend on factors such as the risk tolerance of the investor and the time required for the investment to generate a return. All else being equal, investors who are more risk-averse will likely accept lower ROIs in exchange for taking less risk. Likewise, investments that take longer to pay off will generally require a higher ROI in order to be attractive to investors. The ROI of an investment is an indicator of the efficiency of an investment, it measures the assumed return against the estimated costs, the result being expressed as a percentage.

Ranking Conflicts between NPV and IRR

For a single conventional project, the NPV and IRR will agree on whether to invest or to not invest. For independent, conventional projects, no conflict exists between the decision rules for the NPV and IRR.

1.9. Risk Analysis of Project

Sensitivity Analysis – Standalone Method

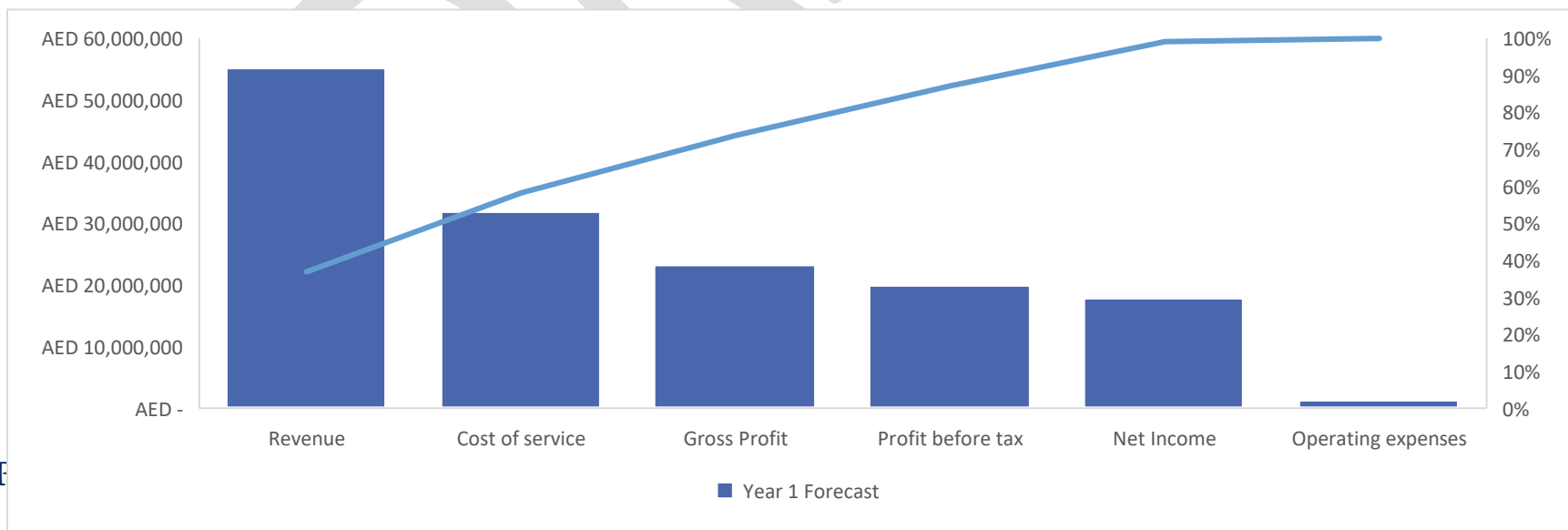
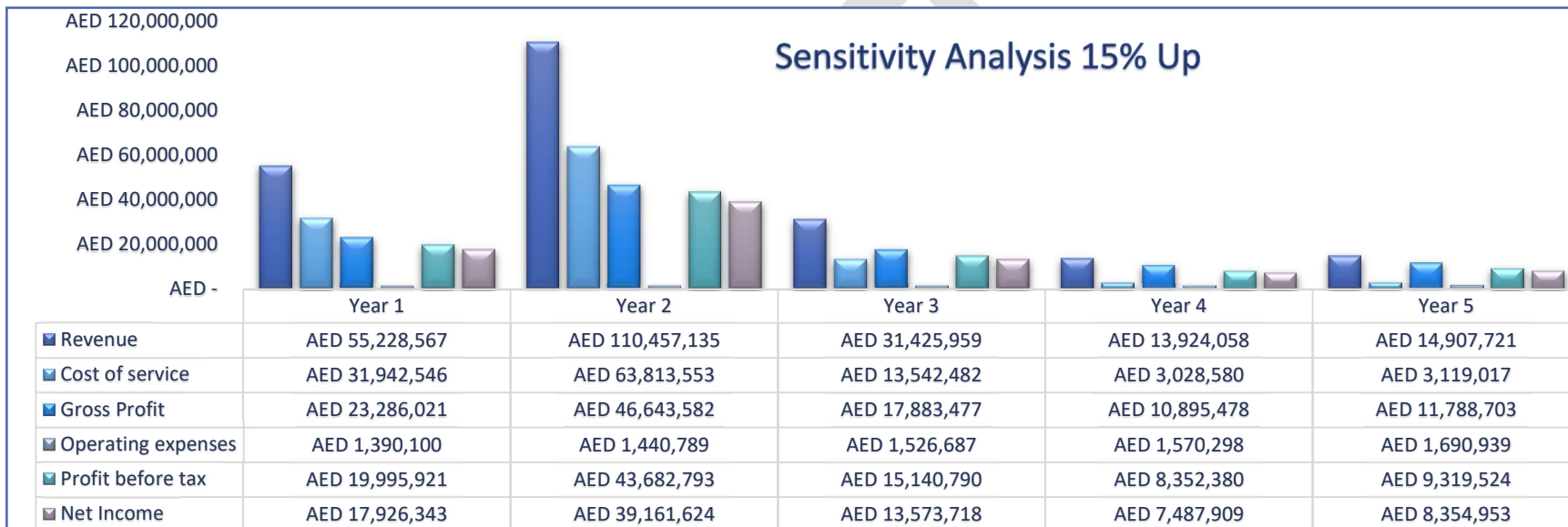
Sensitivity analysis calculates the effect on the NPV of changes in one input variable at a time. The base case above has several input variables. If we wish to do a sensitivity analysis of several of them, we must specify the changes in each that we wish to evaluate.

Risk Analysis - Sensitivity Analysis

Sensitivity Analysis 15% Up	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast

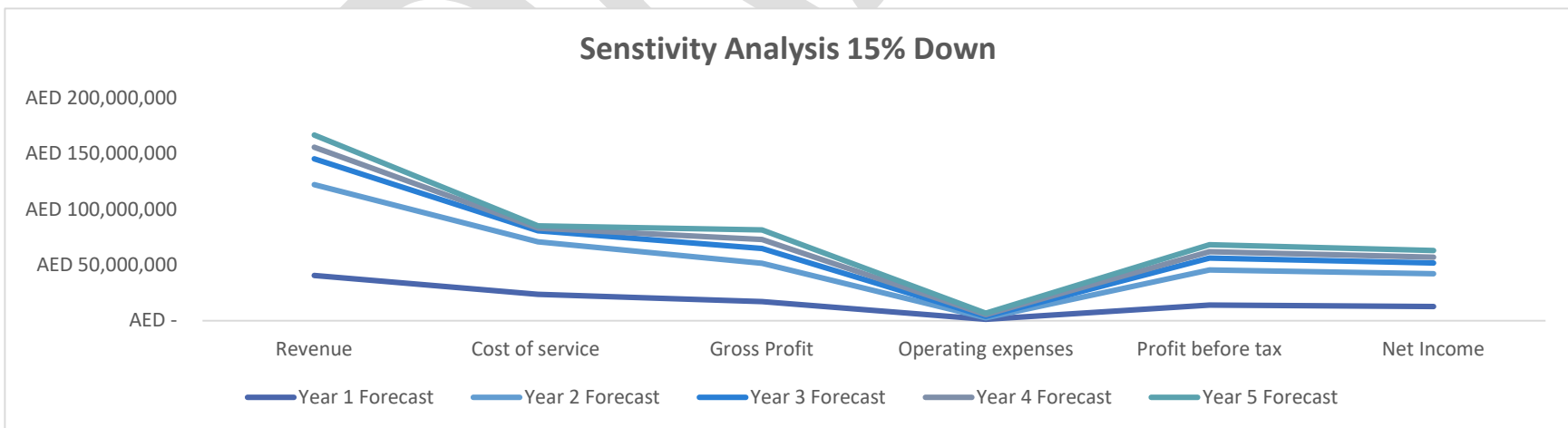
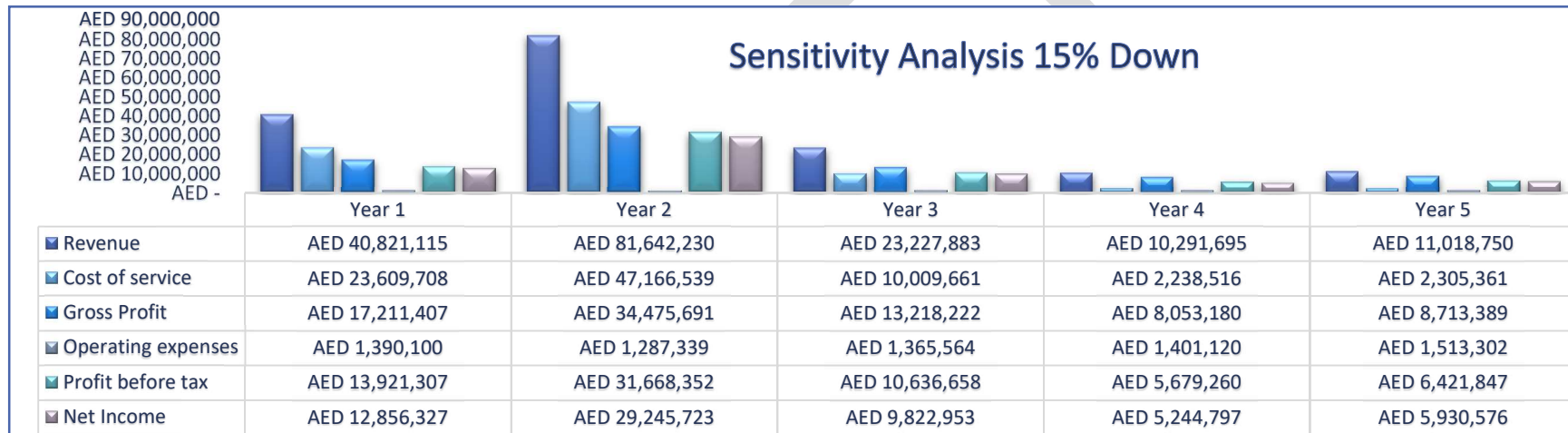


Revenue	AED	55,228,567	AED	110,457,135	AED	31,425,959	AED	13,924,058	AED	14,907,721
Cost of service	AED	31,942,546	AED	63,813,553	AED	13,542,482	AED	3,028,580	AED	3,119,017
Gross Profit	AED	23,286,021	AED	46,643,582	AED	17,883,477	AED	10,895,478	AED	11,788,703
Operating expenses	AED	1,390,100	AED	1,440,789	AED	1,526,687	AED	1,570,298	AED	1,690,939
Profit before tax	AED	19,995,921	AED	43,682,793	AED	15,140,790	AED	8,352,380	AED	9,319,524
Net Income	AED	17,926,343	AED	39,161,624	AED	13,573,718	AED	7,487,909	AED	8,354,953





Sensitivity Analysis 15% Down	Year 1		Year 2		Year 3		Year 4		Year 5	
		Forecast		Forecast		Forecast		Forecast		Forecast
Revenue	AED	40,821,115	AED	81,642,230	AED	23,227,883	AED	10,291,695	AED	11,018,750
Cost of service	AED	23,609,708	AED	47,166,539	AED	10,009,661	AED	2,238,516	AED	2,305,361
Gross Profit	AED	17,211,407	AED	34,475,691	AED	13,218,222	AED	8,053,180	AED	8,713,389
Operating expenses	AED	1,390,100	AED	1,287,339	AED	1,365,564	AED	1,401,120	AED	1,513,302
Profit before tax	AED	13,921,307	AED	31,668,352	AED	10,636,658	AED	5,679,260	AED	6,421,847
Net Income	AED	12,856,327	AED	29,245,723	AED	9,822,953	AED	5,244,797	AED	5,930,576

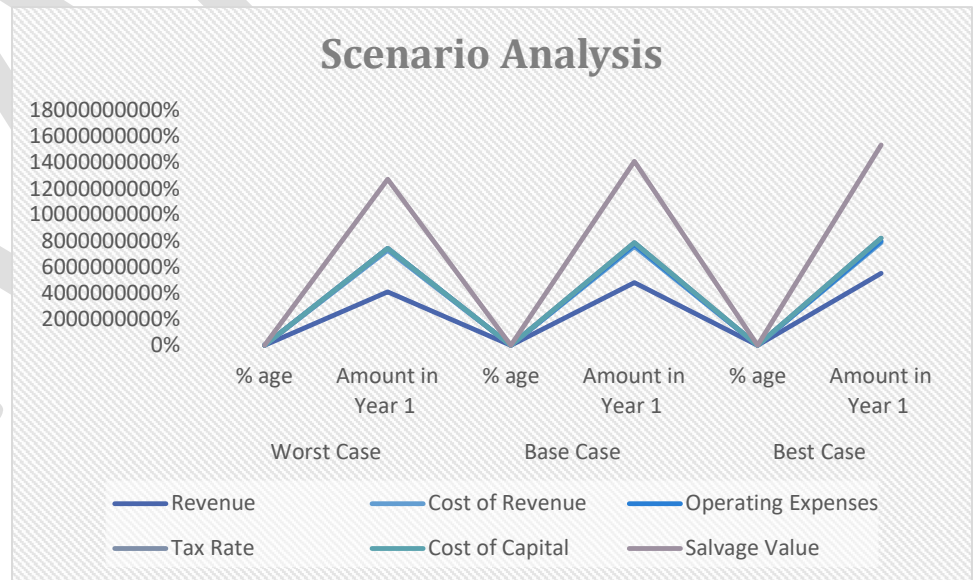
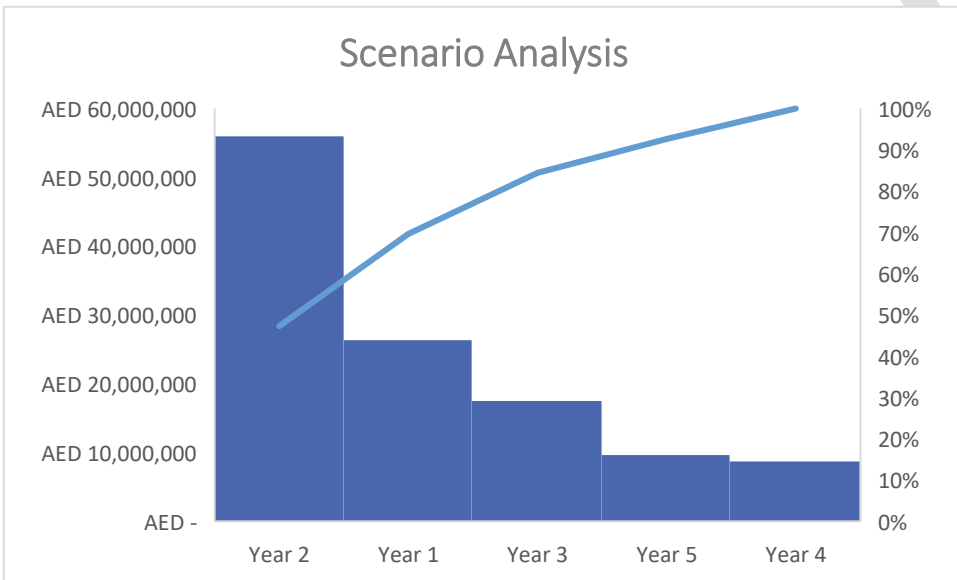




The most likely scenario is the same as the base case we used above for sensitivity analysis, and the NPV for the most likely scenario is AED 9.251Million. To form the pessimistic and optimistic scenarios, we change several of the assumptions for each scenario.

Risk Analysis - Scenario Analysis

Description	Worst Case		Base Case		Best Case	
	% age	Amount in Year 1	% age	Amount in Year 1	% age	Amount in Year 1
Revenue	85%	AED 40,821,115	100%	AED 48,024,841	115%	AED 55,228,567
Cost of Revenue	115%	AED 31,942,546	100%	AED 27,776,127	85%	AED 23,609,708
Operating Expenses	115%	AED 1,598,615	100%	AED 1,390,100	85%	AED 1,181,585
Tax Rate	10%	AED -	9%	AED 1,526,275	8%	AED 2,183,101
Cost of Capital	17%	AED -	15%	AED -	13%	AED -
Salvage Value	85%	AED 52,796,016	100%	AED 62,112,960	115%	AED 71,429,904





For the pessimistic scenario, several of the input variables are changed to reflect higher costs, lower revenues, and a higher required rate of return. As the table shows, the result is a negative NPV for the pessimistic scenario and an IRR that is less than the pessimistic scenario's 1 percent required rate of return.

For the optimistic scenario, the more favorable revenues, costs, and required rate of return result in very good NPV and IRR. For this example, the scenario analysis reveals the possibility of an unprofitable investment, with a negative NPV and with an IRR less than the cost of capital.

The range for the NPV is fairly large compared to the size of the initial investment, which indicates that the investment is fairly risky. We have included three scenarios for which management wants to know the profitability of the investment for each set of assumptions. Other scenarios can be investigated if management chooses to do so.

1.10. Recommendations

Based on the findings of the feasibility study, the recommendation is to proceed with the project, but it requires a lot of effort and high management expertise and experience to make the positive Cash flows from Negative Cash flows in the early years of Project to give the benefits to the investor and the company. The project is expected to increase ABC Real Estate's share, customer satisfaction, brand recognition, and profitability. The project is also expected to create new opportunities for innovation, collaboration, and growth in the industry. The project is feasible in terms of market, financial, and organizational aspects, and the potential risks are manageable and outweighed by the potential rewards.

The feasibility study report provides more details and supporting data for the findings and recommendations. The report also includes a detailed action plan and a timeline for the project implementation. The report is attached as an appendix to this executive summary.



1.11. Conclusion

This project required initial investment of AED 30.00 Million to cover this project. Net cash flows are sum of CAPEX plus OPEX benefit. Discount factors as per ABC Real Estate at 29% Discount rate by considering the Risk and Growth factors and NPV for this investment wo

uld be AED 5.965 Million. The IRR of this project would be 36% whereas Payback occurs when net cash is zero which is after 3.2 months or 3 Years months, and Discounted Payback is more than 5~6 months. According to our projected financial data, the company return on investment is an average of 69%. The investment in this Project will be recovered in approximately 5~6 years (Discounted payback period), which is a very reasonable time-period for such investment.

The capital budgeting decision rules are to invest if the $NPV > 0$, if the $IRR > r$, or if the $PI > 1.0$. There are no decision rules for the payback period, discounted payback period, and AAR because they are not always sound measures.

We are confident that based on our conservative financial projections, generating a gross revenue of AED 10.58 Million in year one after the starting of the project with the 14.60% of the average industry growth rate and will be able to achieve a turnover of approximately AED 46.03 Million within five years if the Management use their proper expertise and experience in this project.

Annual Revenue growth rate from -10% to 61% has been projected over the period of 5 years from Year 1 to Year 5 with Industry growth rate 8.03% by the amount of AED 10.58 Million to AED 46.03 Million as CAGR 44.44%. Strong annual revenue Growth over the period of 5 years from Year 5 to Year 1 (YOY) from (-10% to +61%) along with CAGR that would be 44.44%.



Based on the above financial indicators, we firmly believe that the start of this business has the potential to become a highly regarded resource in local and regional markets. We can conclude that this business has an opportunity to make more profits for the future. This business will also be able to stand strongly and will continuously concentrate in the business strategies, especially in terms of marketing and quality control, to ensure that the business is well known to the customers.

Based on market demand dynamics, strategic location, diversified academic offerings, and scalable delivery model, ABC Real Estate represents a commercially viable and strategically sound higher-education investment in the UAE. The institution is well positioned to address regional nursing workforce shortages while leveraging Dubai's role as a global education hub and Africa's unmet demand for quality nursing education. The feasibility assessment supports proceeding to detailed regulatory planning, financial modeling, and licensing applications as the next phase of project development.

An aerial photograph of a city skyline at dusk. The Burj Khalifa is the central focus, standing tall against a clear blue sky. The city is illuminated with warm lights, and the buildings are reflected in the sky. The overall scene is a vibrant and modern urban landscape.

Macroeconomic Overview & Region Assessment



2. Macroeconomic Overview & Region Assessment

This chapter provides a detailed analysis of the macro-environmental factors influencing the viability of the proposed mixed-use development by HFRC Properties LLC in the Majan submarket of Dubailand. The assessment covers the overarching economic stability of the UAE and Dubai, key demographic pressures generating structural demand, the supportive infrastructure pipeline, and the aligning governmental policies and strategic visions that collectively underpin investment confidence and long-term project performance.



2.1. Macroeconomic Dynamics: UAE and Dubai Economic Stability

The fundamental attractiveness of the Dubai real estate market is anchored by the [sustained growth](#), robust diversification, and fiscal stability characterizing the UAE economy. This macroeconomic foundation provides the necessary predictability and resilience required for a large-scale, multi-year real estate investment such as the one proposed in Majan.

2.1.1. Real Gross Domestic Product (GDP) Performance and Forecast

The UAE economy continues to demonstrate exceptional momentum, reflecting resilient domestic demand and the effectiveness of comprehensive structural reforms. For the first quarter (Q1) of 2025, the UAE's real Gross Domestic Product (GDP) grew by [3.9 per cent](#) compared to the same period in 2024,



reaching a total of AED 455 billion. This trajectory is forecast to strengthen further, with projections indicating real GDP growth of approximately **5.0 per cent** for the full year 2025. This sustained high-growth environment confirms a strong national financial framework supportive of capital deployment.

Recent history and projections

	2022	2023	2024	2025e	2026f	2027f
Real GDP growth, at constant market prices	7.6	2.9	3.9	4.8	5.0	5.1
Private consumption	9.0	5.1	4.6	2.9	2.6	2.6
Government consumption	3.5	3.0	3.5	4.9	3.2	4.9
Gross fixed capital investment	6.0	5.9	4.2	2.9	3.1	3.3
Exports, goods and services	8.1	3.3	5.0	6.0	6.2	6.1
Imports, goods and services	7.4	5.3	5.6	4.8	4.6	4.6
Real GDP growth, at constant factor prices	7.6	2.9	3.9	4.8	5.0	5.1
Agriculture	3.4	3.5	2.9	2.7	2.5	2.5
Industry	8.8	1.2	2.5	1.3	2.0	1.7
Services	6.5	4.5	5.2	7.9	7.5	7.8
Employment rate (% of working-age population, 15 years+)	75.0	75.8	76.1	76.1	76.1	76.1
Inflation (consumer price index)	4.8	1.6	1.8	2.1	2.0	2.0
Current account balance (% of GDP)	11.9	9.2	7.8	7.1	7.7	5.8
Fiscal balance (% of GDP)¹	9.7	6.1	4.8	4.4	4.9	5.1
Revenues (% of GDP)	32.1	29.7	26.5	26.9	26.3	25.9
Debt (% of GDP)	31.5	28.2	28.5	30.3	28.3	26.1
Primary balance (% of GDP)	10.2	6.7	5.5	4.7	5.2	5.4
GHG emissions growth (mtCO2e)	0.4	-1.6	-0.8	5.9	6.8	7.3

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.

1/ Consolidated fiscal balance.

1

¹ <https://thedocs.worldbank.org/en/doc/65cf93926fdb3ea23b72f277fc249a72-0500042021/related/mpo-are.pdf>



Dubai, as the commercial and financial engine of the federation, mirrors this performance. The emirate's economy recorded a 4 per cent year-on-year increase in GDP during Q1 2025, reaching [AED 119.7 billion](#). This growth continues the solid performance achieved in 2024, which saw Dubai's economy expand by 3.2 per cent at constant prices. Crucially for the HFRC project, this momentum is overwhelmingly driven by non-oil sectors.

Key growth pillars – including trade, financial services, transport, industry, and specifically, the **real estate sector** – collectively contributed nearly 78 per cent of the total growth achieved during 2024. The explicit identification of real estate as a top contributor to GDP confirms that governmental policies and economic strategies are inherently aligned to support the property market, mitigating potential regulatory friction and ensuring institutional priority for the sector. This macroeconomic validation is essential for justifying the high investment capitalization required for the proposed mixed-use development. ²

Source: www.wam.ae

² <https://www.wam.ae/en/article/bl6x6m9-dubai%E2%80%99s-gdp-reaches-aed1197-billion-2025-rising>



2.1.2. Economic Diversification and Inflation Assessment

The structural resilience of the UAE economy is best demonstrated by its aggressive diversification strategy. The contribution of non-oil activities to the nation's real GDP reached a record high of **77.3 per cent** in Q1 2025, with non-oil GDP recording a **substantial 5.3 per cent growth**³. This performance underscores the success of national policies aimed at building an economic model based on knowledge and innovation, supporting the ambitious "**We the UAE 2031**" vision to raise the country's GDP to AED 3 trillion⁴. The high contribution from non-oil sectors ensures the economy is increasingly insulated from global oil price volatility, assuring sustained, non-cyclical demand necessary for the successful absorption of a multi-year development project.

Concurrently, the economic environment is characterized by price stability. Inflation, measured by the Consumer Price Index (CPI), is both low and stable, **projected at 2.1 per cent in 2025**⁵. This stability provides a predictable operating cost environment. The moderation in inflation is attributed to easing global trends, including weaker tradeable prices and continued declines in transportation costs. Low and controlled cost inflation provides critical security for the financial viability assessment (Chapter 8), allowing HFRC Properties LLC to utilize tighter cost phasing and reduced contingency allowances in its Capital Expenditure (CAPEX) projections, maximizing profitability.

³ <https://www.moet.gov.ae/en/-/uae-economy-records-5.3-growth-in-non-oil-activities>

⁴ <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/innovation-and-future-shaping/we-the-uae-2031-vision>

⁵ <https://www.arabnews.com/node/2619659/amp>



Table 2.1: UAE and Dubai Key Economic Indicators & Forecasts (2024–2025)

Indicator	2025	2026 (F)	Context
UAE Real GDP Growth (Constant Prices)	<u>4.8%</u>	<u>5.0</u>	Strong, resilient growth trajectory driven by non-oil activity
Dubai Real GDP Growth (Constant Prices)	<u>4.4%</u>	<u>4.8%</u>	Sustained expansion supported by finance, trade, and real estate
UAE Non-Oil GDP Contribution (Q1 2025)	<u>77.3</u>	<u>77.5</u>	Highest recorded contribution, confirming successful diversification
UAE Inflation (CPI)	<u>2.1%</u>	<u>2.0%</u>	Stable and low, critical for cost predictability in CAPEX/OPEX



2.2. Demographic Dynamics: Demand Drivers for the Mixed-Use Segment

The economic expansion fuels an exceptional influx of residents, creating massive structural demand pressure across all real estate asset classes—residential, office, and retail—which directly justifies the integrated mixed-use strategy planned for Majan.

2.2.1. Accelerated Population Growth and Composition

Dubai is experiencing one of its fastest annual growth periods. The emirate's population reached **4,044,273 residents by November 2025**, following the addition of over **208,030 new residents** in the preceding 12 months.⁵ This annual increase, representing a 5.5 per cent growth rate, translates into an average daily influx of approximately 567 new residents during 2025. This unprecedented growth confirms the necessity for significant expansion of housing stock and supporting community facilities, ensuring sustained absorption of new supply across the city.⁶



Source: Times of India

The demographic composition reflects the demands of a rapidly expanding economy focused on business and development. As of the end of 2024, the population maintained a high ratio of men (69 per cent, or

⁶ <https://timesofindia.indiatimes.com/world/middle-east/dubai-breaks-population-record-adding-over-17000-residents-in-just-30-days/articleshow/125323280.cms>



2.7 million residents) compared to women (31 per cent, or 1.2 million residents). This structure underscores an extensive labor market requirement, which translates directly into demand for rental residential units for skilled workers and commercial office space for expanding businesses. This dense, working-age demographic requires proximal residential, office, and retail facilities, thereby validating the inherent synergy and integrated model of the proposed mixed-use development in Majan.

2.2.2. Target Consumer Profile and Demand Evolution

The driving force behind this population boom consists primarily of high-net-worth individuals, skilled professionals, and entrepreneurs who are attracted by the city's strong infrastructure, high safety standards, and highly favorable investor-friendly climate. Government initiatives, such as long-term residency visas, have further boosted expatriate confidence, ensuring sustained investment demand crucial for the financial modeling of residential sales scenarios.

The residential market demand is complex and evolving, requiring nuanced product positioning. While luxury properties maintain exceptional performance, the mid-to-high-end segment, often referred to as 'affordable housing' for middle-income families and young professionals, is also gaining significant traction. This bifurcated demand structure indicates that the HFRC project must carefully define its target positioning within Majan to maximize both price points and absorption rates (Chapter 5).

Furthermore, contemporary buyer and tenant preferences are shifting toward 'destination communities' that offer a comprehensive 'live-work-play' lifestyle package. High demand is noted for homes with easy access to schools, clinics, community malls, and notably, **green spaces or parks**. The project design in Majan must therefore prioritize high-quality amenities and environmental considerations to capture the



most profitable segment of this demographic influx, thereby justifying the development's scale, quality, and premium positioning.

Table 3.2: Dubai Demographic Profile and Growth Metrics (as of Q4 2025)

Metric	Data Point (Latest)	Annual Growth Rate	Implication for Real Estate Demand
Total Resident Population	4,044,273	5.5%	Exceptional, structural demand for new housing stock and community facilities
Primary Demand Drivers	HNWIs, Entrepreneurs, Skilled Professionals	Strong	Requires high-quality, investor-grade residential and commercial products
Evolving Demand Type	Integrated Communities, Green Spaces, Premium Amenities	High	Dictates product differentiation strategy (Chapter 6) focusing on quality of life



2.3. Infrastructure Assessment and Submarket Positioning

The [Majan submarket](#), situated within the broader Dubailand district, is benefiting from significant public investment in infrastructure, fundamentally enhancing its viability, connectivity, and long-term asset value.

2.3.1. Strategic Road Connectivity and Accessibility

Majan's primary investment advantage lies in its efficient connectivity infrastructure, which links the location to Dubai's core economic and activity centers. The submarket is strategically positioned along key transportation corridors, offering excellent regional access:

- **Sheikh Mohammed Bin Zayed Road (E311):** Provides rapid 5–7-minute access, linking the area to major hubs like Dubai Marina (30–35 minutes) and Al Maktoum Airport (25–30 minutes).⁷
- **Al Ain Road (E66):** Offers direct highway connectivity to Downtown Dubai (20–25 minutes) and Dubai International Airport (25–30 minutes).⁸
- **Emirates Road (E611):** Facilitates access to Sharjah and the northern emirates (25–30 minutes).⁹

This superior existing connectivity is being further optimized by ongoing public infrastructure projects. The expansion of the Al Barari/Majan road network includes advanced features like multi-lane highways and smart traffic management systems. This project, scheduled for full operational status by 2026, is

⁷ <https://prelaunch.ae/majan-dubai-location-guide-why-binghatti-vintages-address-matters-for-roi/>

⁸ <https://offplandxb.ae/blog/major-highways-in-uae-a-guide-to-get-you-along#:~:text=E66:%20Dubai%20Al%20Ain%20Road,%2C%20E611%2C%20and%20E44%20routes.>

⁹ <https://uaedge.com/emirates-road-e611-uae-guide/>



projected by the Road and Transport Authority (RTA) to reduce average commute times in the area by a substantial **30 per cent** within the first year of operation. This significant reduction in travel time fundamentally re-rates Majan's effective distance from key employment and retail centers, transforming its competitive positioning and validating projections of high absorption rates and superior valuation for the HFRC project.

Furthermore, Majan is supported by public transportation. The submarket is well-connected by the RTA bus service network, with lines such as 4, 10, 13, 13D, and 64 passing through or near the locality. The M2 metro line also runs close to this district.

2.3.2. Catchment Area Growth and New Demand Generators

The strategic development of the Majan catchment area is anchored by robust social infrastructure and the planned introduction of a major economic and social catalyst. Dubailand is already well-equipped with reputable schools (offering various international curricula) and hospitals, ensuring a high standard of living for residents and making it highly attractive to expatriate families.

The most impactful future demand generator is the planned permanent charitable endowment district, valued at **Dh4.7 billion**¹⁰, unveiled by His Highness Sheikh Mohammed bin Rashid Al Maktoum. This self-sustained hub, designed to generate sustainable revenue for philanthropic initiatives, will be a major employment and social magnet located proximate to Majan. The district is planned to feature:

1. A large hospital with the capacity to treat **90,000 patients** annually.

¹⁰ <https://arabinsightscaremagazine.com/uae-launches-dh4-7-billion-global-endowment-to-boost-healthcare-access/#:~:text=Prime%20Highlight,for%20humanitarian%20and%20development%20projects>.



2. A dedicated Medical University for training healthcare professionals.
3. Schools designed to accommodate more than 5,000 students.
4. Residential Buildings capable of housing 2,000 families within the district.
5. A boulevard and retail outlets owned by the endowment.

The creation of this medical and academic cluster guarantees a massive, localized employment node comprised of high-skilled professionals, hospital staff, and educators in Majan’s immediate catchment area. This structural demand guarantees a captive market for the HFRC project’s commercial components – Office and Retail – significantly de-risking the mixed-use scheme. The integrated concept (combining residential, office, and retail components) is directly supported by the sustained, predictable flow of professionals, students, and residents associated with this catalytic development.

Table 3.3: Majan Submarket Strategic Connectivity and Infrastructure Summary

Infrastructure Type	Key Component	Status / Impact
Major Road Networks	E311 (SMBZR), E66 (Al Ain Rd), E611 (Emirates Rd)	Excellent access to Downtown, airports, and major commercial districts
Infrastructure Pipeline	Al Barari/Majan Road Network Expansion	Full operation by 2026; projected 30% commute time reduction
Catchment Catalyst	Dh4.7B Endowment District (Hospital, University, Schools)	Guarantees major employment node and captive commercial/residential market
Social Amenities	Schools, Clinics, Hospitals	High standard of living and appeal to family demographics



2.4. Policies & Strategic Visions: Regulatory and Master Plan Alignment

The feasibility of the Majan development is reinforced by a clear, supportive regulatory framework and a strong alignment with the Emirate's long-term urban development strategy, which ensures political support and sustained infrastructural investment.

2.4.1. Freehold Investment Framework

The subject plot in Majan is designated as a **freehold** property, a status that is foundational to maximizing international investor appeal. [*Dubai's property laws*](#), formalized by the 2002 Freehold Decree, permit foreign nationals to fully own freehold property in designated areas. This grants owner's comprehensive rights, including the ability to sell, rent, or lease the property freely.

For institutional investors, banks, and partners (HFRC's target audience), this legal clarity provides security and streamlines the exit strategy. Full ownership is secured upon registration with the Dubai Land Department (DLD) and issuance of the title deed, following payment of the statutory [**4 per cent DLD fee**](#). The robust and transparent regulatory protocols associated with DLD registration confirm the reliability of the investment environment, which is paramount for securing international financial partnerships.¹¹

¹¹ <https://www.engelvoelkers.com/ae/en/resources/dld-fees>



2.4.2. Alignment with Dubai 2040 Urban Master Plan

The proposed development in Majan is strategically aligned with the overarching objectives of the [Dubai 2040 Urban Master Plan \(DMP 2040\)](#), a vision designed to guide the Emirate's sustainable growth. The core goals of DMP 2040 include optimizing space utilization, enhancing environmental sustainability, and developing vibrant, healthy, and inclusive communities with improved accessibility.



The plan specifically targets the development of integrated sustainable housing complexes, focusing on enhanced provision of parks, open spaces, and green corridors. Key quantitative targets underscore the commitment to areas like Dubailand/Majan: green and recreational spaces are slated to double in size, and the land area allocated for education and health facilities is set to [increase by 25 per cent](#). By developing a modern mixed-use project that incorporates quality amenities and community elements, HFRC Properties LLC's proposal directly supports these mandates.

This alignment provides a crucial layer of governmental de-risking. Projects that conform to the **DMP 2040 Vision** (i.e., integrated, green, community-focused) are prioritized for necessary infrastructure support (as evidenced by the road expansion) and are likely to benefit from swifter regulatory approvals. This strategic positioning ensures that the surrounding environment in Majan will continually evolve to support residential and commercial livability, securing long-term asset value and sustained demand for the HFRC project.

An aerial photograph of a modern city skyline at sunset. The sky is filled with golden light and scattered clouds. In the foreground, a complex multi-level highway interchange with several overpasses and ramps is visible. The city is dominated by numerous skyscrapers of varying heights and architectural styles. The Burj Khalifa is the most prominent building, standing tall in the center. Other notable buildings include a large, modern structure with a distinctive facade on the left and a tall, slender tower on the right. The overall scene depicts a highly developed urban environment.

Site & Location Analysis



3. Site & Location Analysis

The objective of this chapter is to assess the micro-level drivers and possible influencers unique to the subject property, providing a comprehensive understanding of the current title, location attributes, and area profile within the Majan submarket. This detailed assessment is critical for optimizing the development program and ensuring that the final design maximizes financial viability.

3.1. Site Characteristics

The subject property is strategically positioned within the Majan submarket, offering both a secure investment title and significant scale for a multi-faceted mixed-use development.

- **Plot Size and Title:** The site encompasses a substantial **56,000 sq.ft freehold plot**. This freehold status is a significant advantage, particularly for the target audience of international investors and banks, as it assures secure, marketable title and straightforward property transfer procedures.
- **Topography and Shape of the Land:** The site is intended for a mixed-use development comprising two distinct buildings. The Majan submarket is generally characterized by low to mid-rise architectural structures, suggesting the development strategy must prioritize maximizing vertical efficiency within expected regulatory limits while maintaining consistency with the surrounding urban fabric.
- **Contiguity and Merging of Boundaries:** The 56,000 sq.ft size offers a large enough footprint to integrate all three asset classes—residential, commercial office space, and ground-floor retail components—while allowing for the necessary separation and dedicated access for the proposed two-building concept.



- **Visibility and Frontage from Primary Roads:** Majan is strategically positioned along the critical Sheikh Mohammed Bin Zayed Road ([E311](#)) corridor. The site's location is optimized for visibility, which is a major factor in attracting both residential sales/leasing and commercial retail traffic.
- **Parking Provision and Access Points within the Plot:** Given the three distinct commercial functions (Residential, Office, Retail), the design requires a robust internal planning strategy to ensure seamless and dedicated access points and adequate parking provision for residents, office tenants, and retail visitors.

3.2. Accessibility & Connectivity

Majan's investment appeal is largely defined by its efficient road network access and its growing proximity to major activity clusters within Dubai.

- **Accessibility via Primary and Secondary Road Networks:** The submarket boasts superior connectivity via major regional highways:
 - **Sheikh Mohammed Bin Zayed Road ([E311](#)):** Provides rapid access to key destinations like Dubai Marina and Al Maktoum Airport.¹²
 - **Al Ain Road (E66):** Offers direct highway access to central locations, including Downtown Dubai and Dubai International Airport.¹³
 - **Emirates Road (E611):** Links the area efficiently to Sharjah and the Northern Emirates.
- **Connectivity to Key Destinations:** The subject location offers highly competitive commute times to major economic hubs, including [Dubailand](#), [Al Barari](#), [Motor City](#), and the Sheikh Zayed Road ([SZR](#))

¹² <https://uaemood.com/sheikh-mohammed-bin-zayed-road-e311/>

¹³ <https://prelaunch.ae/majan-dubai-location-guide-why-binghatti-vintages-address-matters-for-roi/>



corridor. Furthermore, ongoing infrastructure projects, such as the Al Barari and Majan road network expansion, are projected to reduce average commute times in the area by a substantial **30 per cent** upon full operational status (expected by 2026). This future improvement significantly de-risks the long-term viability of the project.

- **Proximity to Activity Hubs (Employment, Education, Retail & Leisure Clusters):** Dubailand is already well-equipped with reputable schools and hospitals. Crucially, the Majan catchment area will benefit from the [Dh4.7 billion permanent charitable endowment district](#)—a planned self-sustained hub featuring a large hospital, a medical university, schools, residential buildings, and retail outlets. This development acts as a major, high-quality demand generator, ensuring a stable, captive market of high-skilled professionals, educators, and students for the proposed residential, office, and retail components.¹⁴
- **Accessibility to Public Transportation and Mobility Networks (Current & Planned):** While Majan currently lacks a direct Dubai Metro connection, relying heavily on private cars and ride-hailing, the area is serviced by the RTA bus network, with [multiple lines](#) (such as 4, 10, 13, 13D, and 64) passing through or near the locality. The M2 metro line also runs close to this district.¹⁵



¹⁴ <https://timesofindia.indiatimes.com/world/middle-east/uae-announces-dh4-7-billion-endowment-for-health-education-and-housing/articleshow/124945108.cms>

¹⁵ <https://www.wam.ae/en/article/bjqj1me-public-bus-coverage-now-reaches-88-dubai%E2%80%99s-urban>



3.3. Profiling of Majan Submarket

Majan is characterized as a rapidly emerging and strategic submarket within the Dubailand district, offering a crucial "bridge" between luxury and affordability.

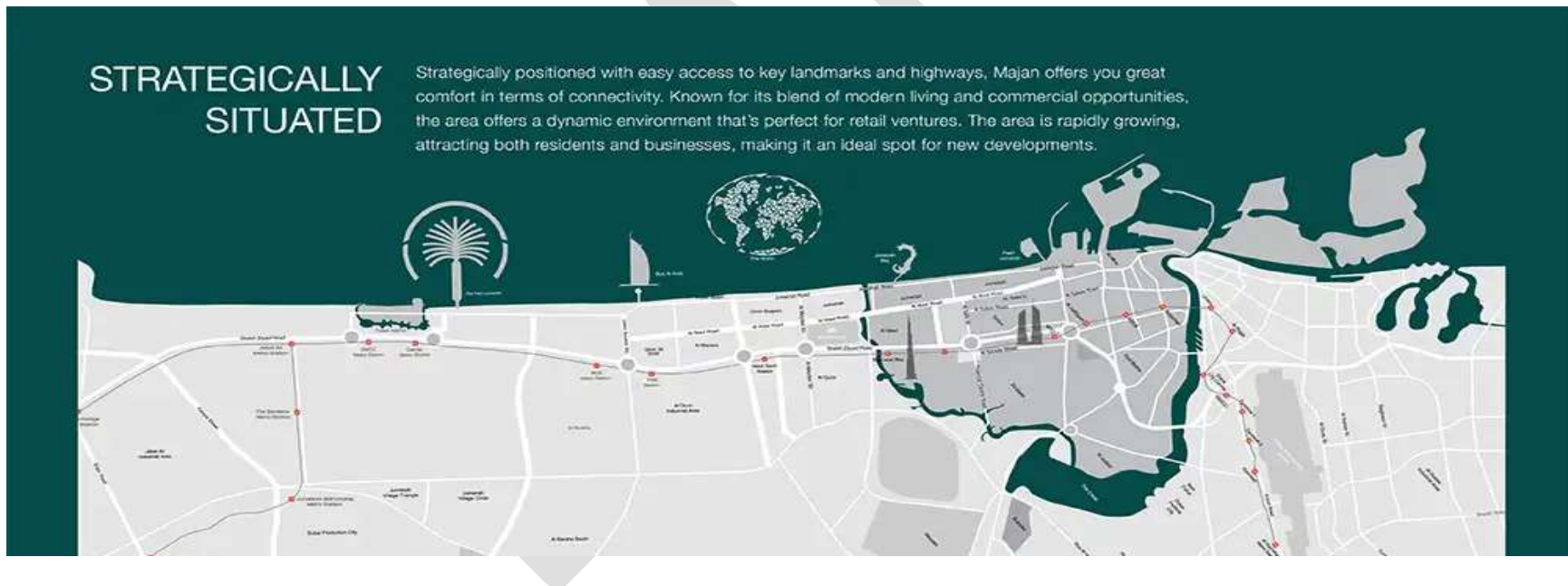
- **Mixed-Use Market Overview for Residential, Office, and Retail:** Majan is a substantial, [15.6 million sq. ft.](#) planned development featuring low to mid-rise buildings. It is noted for its ability to balance luxury offerings with relative affordability, emphasizing sophisticated and modern design.⁸ The market currently includes apartments in various layouts (studio, 1, 2, 3-bedroom) and commercial properties such as shops (often on the ground floor of residential buildings) and mixed-use land parcels.¹⁶
- **Demographic and Socio-Economic Profiling of Catchment Population:** The submarket is appealing to a broad demographic, including middle-income families and young professionals, as well as investors drawn to the area's high potential returns. The demand profile heavily favors properties offering integrated community living, high-quality amenities, and, specifically, access to green spaces and parks.¹⁷
- **Mapping of Demand Generators Influencing Residential Leasing/Sales and Commercial Space Uptake:**
 - **Employment Hubs:** The future endowment district (hospital, university, etc.) will create a massive, stable pool of new employees and students.

¹⁶ <https://www.axcapital.ae/guides/majan>

¹⁷ <https://www.aire-realestate.com/post/using-catchment-area-analysis>



- **Residential Drivers:** High demand from the overall influx of residents to Dubai, attracted by its stability and quality of life.
- **Commercial Drivers:** The need for neighborhood retail (F&B, convenience, service retail) to serve the growing residential population and dedicated office space for businesses servicing the surrounding educational and medical clusters.
- **Identification of Key Market Drivers for the Area Across Asset Classes:** The key drivers include the strategic location along major highways, the positioning as an investment property that promises both comfort and financial returns, and the alignment with Dubai's long-term urban vision focusing on integrated, livable communities.¹⁸



¹⁸ <https://www.qbd.ae/blog/importance-of-location-for-uae-real-estate-investment>



3.4. Majan Wadi Al Safa 3 Real Estate Performance

Median price per sqft 1,486 +8.1%	Property median price 1,320,000 +24.9%	Transactions 5,401 +77.5%
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Top Selling Projects in Wadi Al Safa 3, YTD

Project	2024	2025	Change	Property * Median (AED) *	price Price * Median (AED) *	per per sqft
Samana Barari Lagoons		520		1.2M		1,650
Samana Barari Heights		417		1M		1,696
Rabdan Gates		372		698K		1,482
Al Rabia Tower		278		961.8K		772
Lazord By Lapis		200		688.8K		1,512
Forest City Tower		174		992.4K		1,228
Jade Tower	13	151	1061.5%	721.7K		1,210



The Haven Ii	8	149	1762.5%	1.2M	1,230
Samana Barari Avenue		146		1.7M	1,796
Samana Barari Views	547	95	-82.6%	1.4M	1,414
Al Ghurair Residence 5		94		947.7K	1,000
The Haven - Tower A	114	78	-31.6%	887.8K	1,258
The Haven - Tower B	92	69	-25%	1M	1,346
Tulip Oasis 10		62		1.2M	1,218
Samana Barari Views 2	584	61	-89.6%	1.1M	1,276

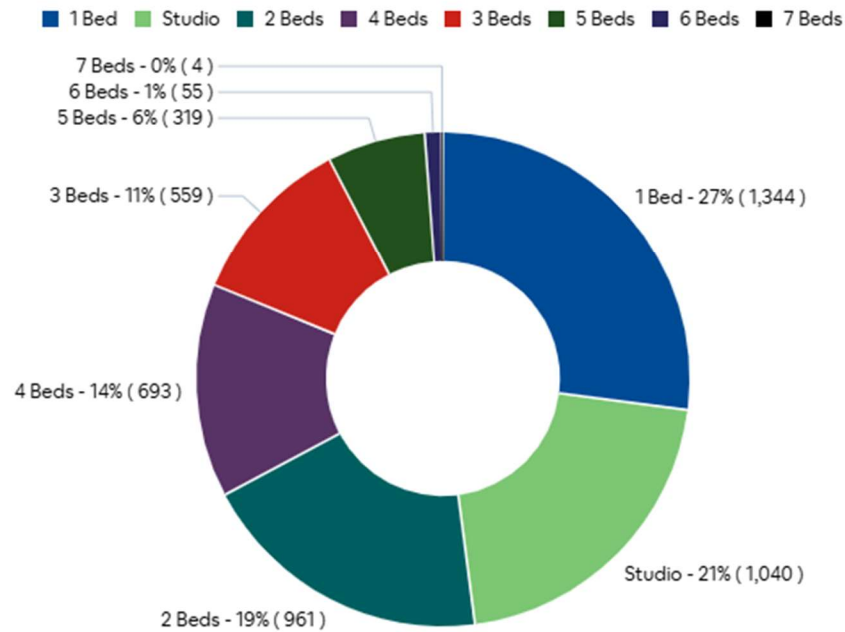
Prices per bedroom, YTD

Beds	Property * Median (AED) *	price	Price * Median (AED) *	per	sqft
Studio	680,000		1,630		
1 Bed	1,050,000		1,310		
2 Beds	1,439,000		1,230		
3 Beds	5,291,000		1,520		
4 Beds	6,300,000		1,560		



5 Beds	7,896,000	1,520
6 Beds	22,677,000	1,940
7 Beds	39,846,000	3,180

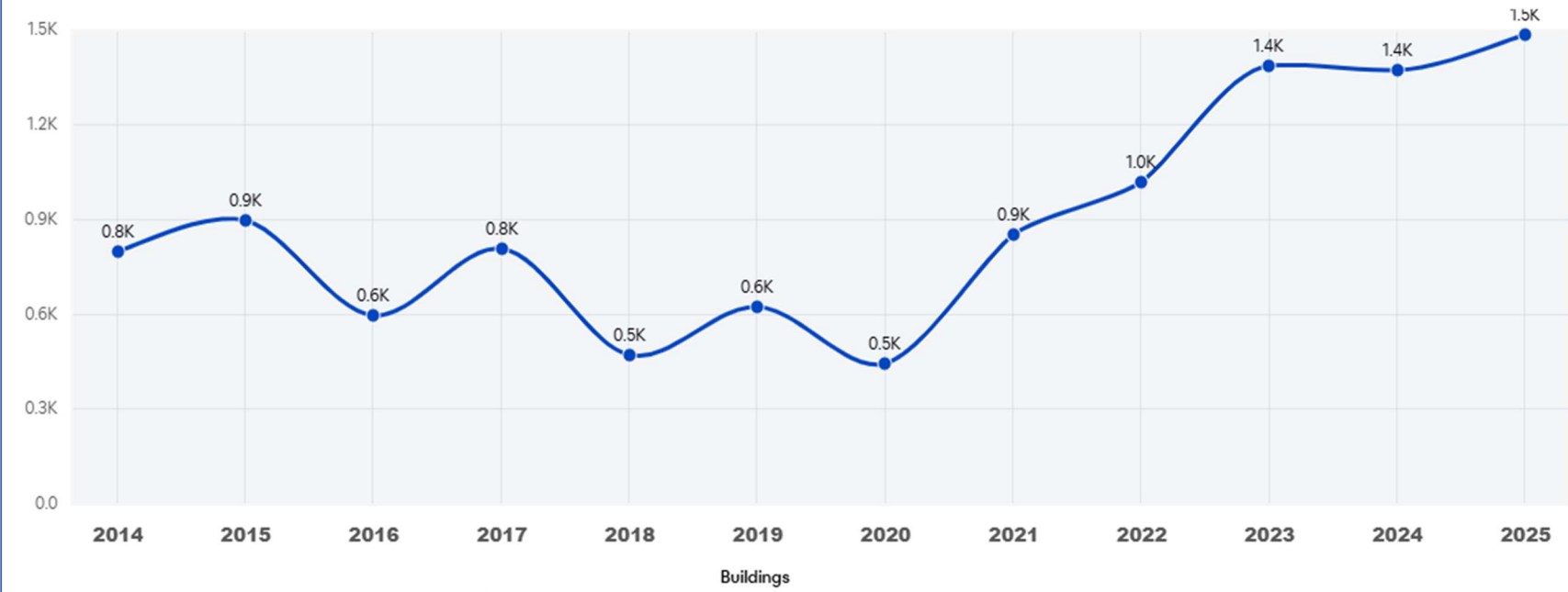
Sales volume per bed, YTD





Property price, YTD

You can compare the median price or median price per sqft of different buildings by selecting them. If no selection is made, we'll show you the area. For yearly comparisons, we take into account all transactions that have taken place from the start of the calendar year up to the current date for each year.





3.5. No of Real Estate Developer in Dubai

The number of real estate developers currently approved and licensed by the Dubai Land Department (DLD) is **2,172**. This figure is sourced directly from the official DLD e-services page as of late 2025.¹⁹ There are giants like **Emaar, DAMAC, Nakheel, Meraas, and Sobha** to numerous other active players like **Binghatti, Azizi, Select Group, Deyaar, Danube Properties**, and many more, with the Dubai Land Department listing licensed entities and market reports highlighting the top performers by sales. The market features a mix of large, established firms and smaller, specialized developers contributing to its fast-growing skyline.

Major & Well-Known Developers:

- **Emaar Properties:** Dubai's biggest giant, known for Burj Khalifa, Dubai Mall.
- **DAMAC Properties:** A leading luxury developer.
- **Nakheel:** Famous for Palm Jumeirah and other iconic projects.
- **Meraas:** Involved in lifestyle destinations.
- **Sobha Realty:** Known for quality construction.
- **Binghatti:** A rapidly growing developer.
- **Azizi Developments:** A significant presence in various communities.

¹⁹ <https://dubailand.gov.ae/en/eservices/approved-real-estate-developers/approved-developers/#/>



How many real estate agencies and agents are in Dubai?

As per the latest report from the Dubai Land Department (DLD):

- There are **5,933 active real estate brokers** in Dubai
- And **2,285 registered real estate brokerage offices**

These figures highlight the significant role that real estate brokers and agencies play in Dubai's dynamic property sector. The DLD continues to regulate and support this vital industry segment through licensing, training, and oversight via its Real Estate Regulatory Agency (RERA).²⁰

²⁰ <https://famproperties.com/advice/how-many-real-estate-companies-are-in-dubai>



3.6. SWOT Analysis

Based on the micro-level drivers and macro-context, a SWOT analysis is undertaken to evaluate the suitability of the investment for the HFRC Properties LLC mixed-use development.

Strengths (Internal Attributes)	Weaknesses (Internal Challenges)
S1: Freehold Title & Scale: 56,000 sq.ft freehold plot offers security and scale, maximizing international investor and bank appeal.	W1: Public Transport Dependency: Lack of a direct Metro connection creates reliance on private vehicles and RTA bus services.
S2: Superior Connectivity: Excellent road access via E311 (Sheikh Mohammed Bin Zayed Road), E66 (Al Ain Road), and E611 (Emirates Road).	W2: Retail Amenity Gap: Current under-provision of immediate, high-end retail/shopping options within the Majan community.
S3: Strategic Positioning: Acts as an affordable bridge to luxury living, attracting a strong segment of middle-to-high-end buyers and investors.	W3: Development Phase Nuisance: Ongoing construction in certain pockets of the submarket may lead to temporary noise and dust issues.



Opportunities (External Factors)

Threats (External Risks)

O1: Guaranteed Demand Catalyst: Proximity to the Dh4.7B Endowment District (Hospital, University, Schools) ensures a stable, high-skilled, captive market for all three asset classes (Residential, Office, Retail).²¹

T1: Competitive Oversupply: Future and under-construction supply in Majan and surrounding communities could affect absorption rates if the product is not differentiated.²²

O2: Infrastructure Re-rating: Planned Al Barari/Majan road network expansion (30% commute reduction) will fundamentally enhance asset value and demand by 2026.²³

T2: Cost Inflation Risk: Rising construction costs (CAPEX) due to macroeconomic factors could compromise the project's critical competitive affordability edge in the Majan submarket.

O3: Integrated Lifestyle Demand: High market preference for 'live-work-play' destination communities, which the proposed mixed-use scheme is specifically designed to capitalize on.

T3: Zoning and Regulatory Complexity: Combining multiple land uses (mixed-use) often involves more stringent and complex zoning approvals and negotiation of community concerns (e.g., traffic).²⁴

²¹ <https://gulfnews.com/uae/government/sheikh-mohammed-launches-dh47-billion-global-humanitarian-endowment-project-1.500327112#:~:text=A%20state%2Dof%2Dthe%2Dart%20urban%20model,to%20enhance%20quality%20of%20life.>

²² https://www.researchgate.net/publication/344430214_Competitiveness_in_the_construction_industry_A_contractor's_perspective_on_barriers_to_improving_the_construction_industry_performance

²³ <https://www.wam.ae/en/article/b4vvsgw-rta-implements-traffic-improvements-majan-barari>

²⁴ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4510458

An aerial photograph of a city skyline at sunset. The Burj Khalifa is the central focus, reaching towards the top of the frame. The sky is filled with golden, wispy clouds. In the foreground, there are several modern skyscrapers with glass facades, some of which are illuminated. A complex highway interchange is visible at the bottom of the image.

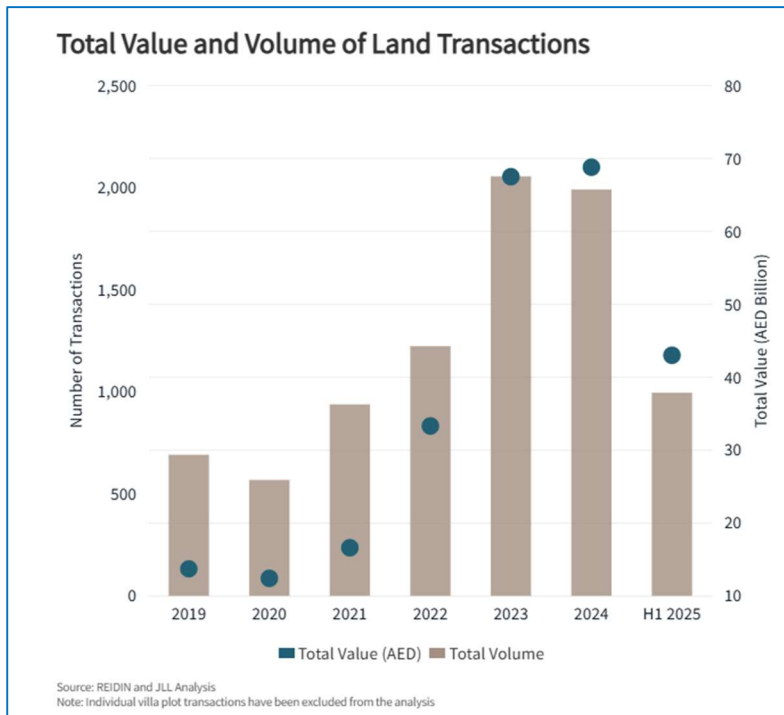
Market Assessment

Residential, Office & Retail



4. Market Assessment – Residential, Office & Retail

This chapter provides a detailed, asset-specific analysis of the supply, demand, and performance metrics within the Majan submarket, contextualized by the broader Dubailand and Dubai real estate trends. The objective is to quantify the market opportunity for the 56,000 sq.ft mixed-use development and establish preliminary pricing and positioning recommendations for the residential, office, and retail components, thereby supporting the investment thesis for ABC Properties LLC.



4.1. Supply Dynamics and Competitive Landscape

4.1.1. Macro-Context: Validation of Mixed-Use Typology

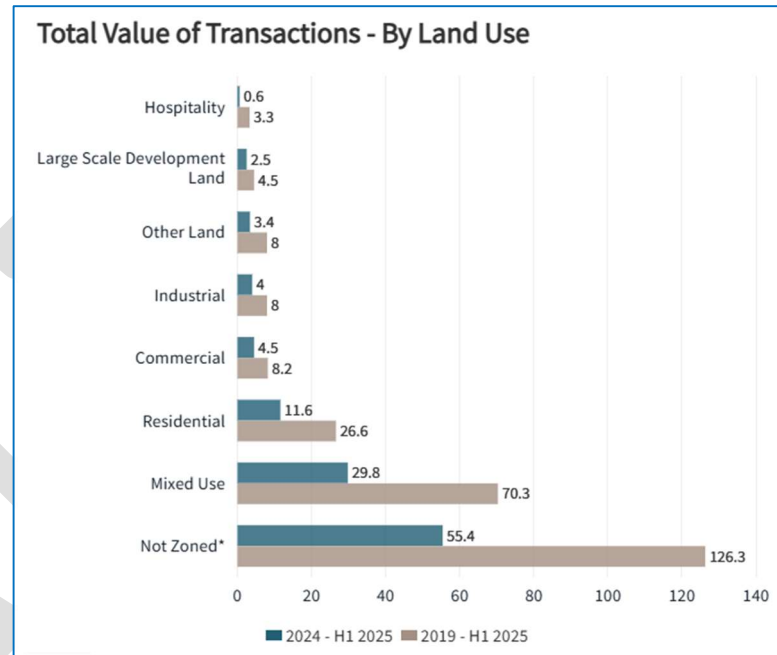
The strategic decision by ABC Properties LLC to pursue a mixed-use development is strongly validated by prevailing macro-market trends in Dubai. Mixed-use land transactions have demonstrated significant market dominance, **commanding 27.6%** of the total land transaction value, amounting to **AED 70.3 billion**, between 2019 and the first half of 2025 (H1 2025).²⁵

²⁵ <https://www.jll.com/en-ae/insights/beyond-the-skyline-dubais-land-market-transformation-story>



Critically, investment momentum in this typology is accelerating, signaling sustained developer confidence. A substantial **42.4%** of those total mixed-use land transactions occurred exclusively between 2024 and H1 2025.

This acceleration confirms the asset class's status as the preferred investment vehicle for sophisticated developers seeking to capitalize on the growing demand for integrated lifestyle destinations. Majan's structural identity as a developing commercial and residential community aligns perfectly with this high-growth, integrated market segment.



4.1.2. Majan Submarket Positioning and Accessibility Drivers

Majan is a strategic submarket within Dubailand, spanning an area of **15.6 million sq. ft.**²⁶ It is positioned as a moderately dense community characterized by newly built, modern mid-rise buildings and thoughtfully integrated green layouts. This design philosophy offers residents a quieter, more relaxed environment compared to the density and pace of Dubai's central districts.

The primary infrastructure asset supporting the submarket's viability is its direct access to the E311 highway (Emirates Road). This connectivity is paramount, facilitating rapid travel to key commercial and

²⁶ <https://estatemagazine.ae/majan-dubai-unveiling-a-promising-investment-l/>



transport hubs, including Dubai International Airport in approximately 20 minutes and Downtown Dubai in about 25 minutes. This highway access is the critical factor in attracting both end-users and office tenants whose professional and personal lives rely heavily on private vehicular access within the city.²⁷

4.1.3. Competitive Residential Pipeline Analysis

The immediate competitive environment in Majan is highly active, characterized by a concentration of off-plan launches. This high volume of committed projects signals aggressive developer confidence and strong underlying investor demand. Key competitors that establish the baseline for pricing and timeline expectations include [Binghatti Titania](#), scheduled for handover in Q1 2027, and [Rabdan Gates](#), anticipated for Q2 2028.²⁸



²⁷ <https://www.khaleejtimes.com/kt-engage/dubais-visionary-drive-building-infrastructure-for-global-impact>

²⁸ <https://rabdan.ae/properties/rabdan-gates>



This concentration of off-plan developments indicates that market participants are actively racing to capitalize on the current window of opportunity, driven by high existing rental yields, which are reported to range robustly between **6.7% and 8.4%** in Majan.²⁹ This exceptional yield significantly exceeds the performance of established mature communities, such as Dubai Marina, where average rental yields hover around **6.8%**. This differential creates a temporary, attractive market inefficiency. The subsequent increase in supply is expected to eventually compress this yield differential. Therefore, the strategic advantage for ABC Properties LLC lies in expediting its project launch to capture the maximum volume of high-yield investor demand during this narrow window, maximizing initial absorption and investor excitement based on current high-performance metrics.

Furthermore, the existing competitive product offering often emphasizes modern design, high-quality finishes, and attractive payment structures, such as the **70/30 plan** seen in Bingham Titania, highlighting a focus on high ROI for investors.³⁰

4.1.4. The Implications of Limited Public Transport

A crucial factor shaping the demand profile and design requirements for the project is the documented drawback of limited public transportation within Majan.² This constraint fundamentally defines the market catchment area as one reliant on driving radius rather than transit nodes. Consequently, the commercial spaces – the office and retail components – cannot be designed based on projections of mass public foot traffic.

²⁹ <https://zeerealestate.ae/blog/pros-and-cons-of-living-in-majan-dubai/#:~:text=According%20to%20real%20estate%20data,options%20with%20solid%20rental%20returns.>

³⁰ <https://prelaunch.ae/binghatti-sky-terraces-payment-plan-and-roi-is-the-70-30-plan-worth-it-in-2025/>



The commercial design must therefore be executed and positioned exclusively to cater to high vehicular accessibility and provide convenience services for the immediate, localized, and affluent residential catchment that prioritizes rapid highway links via the E311. This limitation elevates the importance of integrating generous on-site parking provision and ensuring the retail mix is weighted towards necessity-focused offerings (e.g., F&B, essential services) to stabilize occupancy and performance within the mixed-use plot boundary.

4.2. Supply Assessment: Current Stock & Future Pipeline

4.2.1. Residential Stock Profile and Pricing Segmentation

Analysis of competing off-plan sale prices in Majan reveals a clear market dichotomy driven by unit size and buyer profile. Smaller investor units are demonstrated to command a substantial premium on a Price per Square Foot (PSF) basis, while larger units are priced more aggressively on overall affordability to attract end-users.

Examples show that studios (374 sqft) in schemes like Binghatti Titania are priced at AED 670,000, translating to a premium of **AED 1,791 per square foot (PSF)**.³¹ In contrast, larger 2- and 3-bedroom units (e.g., 1,198 sqft units) are priced around **AED 1,500,000**, resulting in a lower PSF of approximately AED 1,252. The derived weighted average for new supply in Majan is approximately **AED 1,446 PSF**. This figure is closely aligned with the Q4 2024 Dubai average residential sale price of AED 1,421 PSF. This

³¹ <https://www.royaloasis.co.ae/property-buy-details/246367/burj-binghatti-jacob-co-residences#:~:text=Pricing%20&%20Availability,of%20leisure%20and%20lifestyle%20amenities:>



convergence confirms Majan's repositioning in the market, moving beyond basic affordability to the "value-for-money" prestige segment.

The analysis confirms a substantial price premium, reaching up to **46% on a PSF basis**, for smaller, efficiently designed off-plan units. This high premium is a direct quantitative indicator that investors prioritize asset liquidity and the maximization of rental yield relative to unit size. Therefore, to optimize the project's overall capital returns and absorption velocity, ABC should strategically allocate its residential GFA to maximize the count of premium-priced studio and 1-bedroom units over larger family configurations. This unit mix optimization represents a primary mechanism for maximizing overall project revenue and enhancing the investment profile.

Table 5.1 details the current competitive residential pricing landscape:

Majan Submarket Competitive Residential Pricing Benchmarks (2024/2025)

Project Name	Unit Type	Size Range (sqft)	Sale Price (AED)	Price per sqft (AED)	Handover/Status
Rabdan Gates	2/3 BR	1,261	1,549,000	1,228	Off-Plan (Q2 2028)
Binghatti Titania	Studio	374	670,000	1,791	Off-Plan (Q1 2027)



Binghatti Titania	2/3 BR	1,198	1,500,000	1,252	Off-Plan (Q1 2027)
Dusit Rijas	1 BR 503 (Furnished)		830,562	1,651	Post Hanover Plan
Majan Average (New Supply Est.)	Weighted N/A	N/A	N/A	~1,446	N/A

4.2.2. Office Supply Gap in Grade 'A' Space

The wider Dubai office market is currently suffering from an acute [shortage of Grade A space](#), which has caused market-wide instability. This supply crunch has been a key factor driving the average office sale price to **AED 1,417 PSF** in 2024, reflecting a dramatic **27% year-on-year increase**. This surge is supported by fundamental economic strength, including a significant influx of global firms and an overall surge in new company setups within the Emirate.

Despite Majan being identified as a developing commercial community, the submarket currently demonstrates a clear deficit in specialized, high-specification Grade A office inventory. The existing commercial supply is generally non-specialized bulk space, which benchmarks local annual rental rates at approximately [AED 81 PSF](#).

The significant price differential between the local Majan commercial rental benchmark (AED 81 PSF) and the urgent demand and subsequent pricing in core Dubai (AED 1,417 PSF sale price) presents a compelling investment opportunity. This market distortion allows ABC to offer a high perceived value proposition.



By investing in genuinely Grade A quality, efficient management, and superior connectivity, the project can attract price-sensitive but quality-focused Small and Medium Enterprises (SMEs) seeking relief from the core market's supply crunch. A rental rate targeting **AED 300-320 PSF** is entirely justifiable for premium, well-managed office space, representing a **20-25% rental** uplift above the local baseline and ensuring a superior NOI contribution to the overall mixed-use scheme.

4.2.3. Retail Supply Requirements and Regional Pipeline

Local retail performance is currently benchmarked by stabilized convenience centers, such as [Midtown Central Majan](#). The future competitive landscape in the broader Dubailand area, however, includes the planned introduction of significant destination retail GLA, notably with projects like Dubai Hartland Mall, which will contribute an additional 115,000 sq ft.³²

This impending regional competition reinforces the crucial strategic requirement that the ABC retail component must be focused on localized convenience and essential services. The retail strategy must be dedicated to serving the captive residential population within the 56,000 sq.ft plot, minimizing exposure to the higher-risk destination shopping segment.

³² <https://midtown-central.com/midtown-central-majan/>



4.3. Demand Assessment: Target Profiles and Drivers

4.3.1. Residential Demand Drivers and Profile

Majan's primary demand driver is the exceptional investment return it offers. The submarket's robust rental yield, consistently ranging between 6.7% and 8.4%, makes it a highly attractive location compared to the Dubai Marina average of 6.8%. This high performance supports two key target profiles:³³

1. **The Investor Profile:** Characterized by global and regional high-net-worth individuals seeking superior passive income, these buyers prioritize liquidity, strong asset management, and high-quality finishes. The strong yield provides a powerful rationale for portfolio inclusion.
2. **The End-User Profile:** This group consists primarily of middle-income professionals and young families who are typically car-dependent. They value the efficient connectivity of the E311 highway and prefer the quiet, greener, moderately dense residential environment Majan provides.² They seek modern housing at an affordable absolute price point.

The fact that Majan is an affordable property location *while* achieving superior rental yields confirms the underlying rental market is robust and defensive. This stability, driven by strong rental demand relative to unit cost, is highly appealing to institutional banks and financial partners, positioning the residential component as a reliable cash flow generator, which is crucial for project financing.

³³ <https://zeerealestate.ae/blog/pros-and-cons-of-living-in-majan-dubai/>



4.3.2. Office Demand Drivers and Requirements

Office demand is driven primarily by the ongoing migration of Small and Medium Enterprises (SMEs) seeking expansion space, new regional firms establishing headquarters in Dubai, and the broader surge in company registrations. These tenants are cost-sensitive but require high standards of quality, coupled with efficient connectivity to key logistical corridors.³⁴

A significant secondary demand driver is the increasing need for localized professional services. As the residential population in Majan and the wider Dubailand catchment grows (a critical finding from the initial assessment), the demand for local legal services, consulting firms, wealth management, and developer offices will concurrently rise, necessitating accessible, modern office space within the immediate community.

4.3.3. Retail Demand Drivers and Optimal Typology

The retail success of the ABC development is fundamentally contingent upon successfully serving the immediate, localized residential catchment, given the limitations in external public transit foot traffic.² The optimal retail typologies must therefore be necessity-based to ensure stable occupancy and absorption. This includes quick-service F&B options, neighborhood cafés, convenience retailers (supermarkets, pharmacies), and essential personal services (salons, dry cleaning).

Given the quiet residential layout and mid-rise nature of the area ², the success of the mixed-use component relies not just on the volume of space allocated but on the *curation* of the retail offering. The retail element must provide amenities that seamlessly integrate and enhance the residential lifestyle,

³⁴ <https://gulfnews.com/business/property/dubai-office-rents-start-to-settle-but-demand-for-big-spaces-is-on-the-rise-1.500206033>



thereby justifying a perceived value and rental premium for both the residential and commercial components. This integrated approach, which overcomes current community limitations, enhances the overall desirability and strengthens the investment metrics across the board.

4.4. Performance Assessment: Pricing, Absorption, and Yields

4.4.1. Residential Performance Projection

Based on the quantitative benchmark data (Table 5.1), the targeted average residential sale price PSF should be set between **AED 1,400 and AED 1,550**³⁵. This range positions the product competitively with neighboring off-plan schemes, while the specific price point will reflect the final unit mix and level of luxury finishes.³

The most critical performance validation is the forecast rental yield, which must be modeled to align with the demonstrated Majan range of **6.7% to 8.4%**.² This high anticipated yield must be the cornerstone of the financial viability assessment. Market liquidity is exceptionally high in Dubai, with off-plan sales accounting for 58% of all transactions. Therefore, the initial launch phase is projected to achieve rapid absorption, anticipating a velocity of 60–75% within the first 12 months, provided competitive payment plans are offered to investors.

4.4.2. Office/Commercial Performance Projection

The baseline rental rate established by existing bulk commercial space in the submarket is a minimum of **AED 250 PSF** per annum. However, in light of the severe demand for Grade A space across Dubai—

³⁵ <https://www.bayut.com/property-market-analysis/transactions/sale/apartments/dubai/majan/>



evidenced by the 27% price surge—the ABC office component should target a premium rental rate of **AED 300–320 PSF** for high-quality, efficiently managed space. This targeted uplift will generate a superior NOI compared to the local baseline. Absorption risks must be mitigated through early pre-leasing strategies targeting regional SMEs who prioritize the E311 highway connectivity² over premium location addresses.

4.4.3. Retail Performance and Revenue Optimization

Retail space planning must be strategically focused on maximizing rental efficiency per square foot. Local benchmarks show that standard convenience and service retail units achieve an approximate rate of **AED 207 - 218 PSF** per annum.⁷ In stark contrast, small-format Kiosks demonstrate vastly superior performance, commanding annual rents of up to **AED 846 PSF**.

Table 5.2 illustrates the commercial and retail performance benchmarks:

Majan Submarket Commercial and Retail Performance Benchmarks (2024/2025)

Asset Class	Format/Context	Size Range (sqft)	Annual Rent (AED)	Approximate PSF (AED)	Rent Source
Retail	Convenience/Service Shop	412 - 415	86,000 89,999	- 207 - 218	⁷
Retail	Kiosk (High-Density)	60 - 65	45,000 55,000	- 692 - 846	⁷
Commercial	Bulk Commercial Unit	1,380	345,000	250	⁷



Dubai Context	Market	Residential Rental Yield	N/A	N/A	6.7% - 8.4%	2
Dubai Context	Market	Grade A Office (Sale Price)	N/A	N/A	1,417 (Sale PSF)	6

The significant performance differential in retail rental metrics (where Kiosks can yield up to four times the rent PSF⁷) provides a critical strategy for de-risking the commercial component of the investment. By minimizing the allocation to lower-yield standard retail and maximizing high-yield kiosks and highly visible service units, ABC can stabilize its commercial revenue projections. This optimization, based on proven performance metrics, significantly aids in securing institutional bank financing, which favors reliable, balanced cash flows.

4.4.4. Broader Economic Support

Majan's robust micro-level performance metrics are fundamentally underpinned by the exceptional macro-level economic strength of Dubai. The Emirate continues to demonstrate resilience and growth, evidenced by record transaction volumes reaching **AED 532 billion in 2024**, marking a substantial **31% year-on-year increase** and achieving the highest figure recorded since data collection began.⁴ This external economic strength, fueled by ongoing strong population inflows and business formation, provides the investment with a macro-shield against localized market fluctuations. This validation of long-term capital stability in the UAE justifies the overall scale of the proposed \$80 million investment.

Benchmark Analysis





5. Benchmarking Analysis

The objective of this detailed benchmarking analysis is to assess the profile and performance of competitive projects within the Majan submarket and surrounding Dubailand communities. By identifying critical success and failure factors, this review will lead directly to strategic differentiation opportunities, ensuring the ABC Properties LLC mixed-use development maximizes its competitiveness and performance metrics.

5.1. Identification of Comparable Projects

This analysis focuses on a small, highly relevant basket of comparable projects that establish the baseline for pricing, quality, and buyer expectations within the Majan submarket.

- **Choose 2–3 Relevant Mixed-Use Residential/Office/Retail Comparables:**
 - **Residential Benchmarks (Off-Plan/New Supply):** Key competitors include recently launched and anticipated schemes such as [Binghatti Titania](#) and [Rabdan Gates](#). These projects establish the current upper bounds for pricing and the expected payment plan structures (e.g., 70/30) that appeal to local and international investors.
 - **Commercial/Retail Benchmarks (Stabilized Local Supply):** Performance drivers are established by existing, stabilized mixed-use commercial centers within the Majan community, such as [Midtown Central Majan](#). These benchmarks define the current market absorption for local convenience retail and standard office space.



- **Conduct a Desktop-Based Analysis:** The analysis uses verified data from real estate databases and industry reports, focusing specifically on Majan and its proximate Dubailand communities to ensure the most accurate comparison of market drivers and competitive positioning.

5.2. Data Collection & Analysis

5.2.1. Residential Performance Drivers and Competitive Advantages

Performance analysis reveals a clear segmentation in pricing and demand, driven by unit size:

- **Pricing (Sale) and Unit Sizes:** Comparable off-plan projects demonstrate that smaller units (studios and 1-bedrooms) command a significant premium per square foot (PSF), indicative of high investor demand for liquidity and rental yield maximization. For instance, studios (approx. 374 sqft) are priced at approximately [AED 1,791 PSF](#) (e.g., Binghamiti Titania), while larger 2- and 3-bedroom units, aimed more at end-users, command a lower PSF of around **AED 1,228 - AED 1,252**.
- **Rental Yield and Positioning:** The core performance driver in Majan is the high return on investment (ROI). The submarket offers robust rental yields ranging between [6.7% and 8.4%](#), substantially higher than the average yield (approx. 6.8%) observed in established, mature communities like Dubai Marina. This high yield is the primary competitive advantage for the residential component and is the key factor attracting institutional and international investors.
- **Facilities, Amenities, and Positioning:** While many newer complexes offer standard amenities (gyms, pools, and security), the most successful contemporary developments are those that integrate the desired "destination community" elements, specifically featuring accessibility to **green spaces and parks**. This is a critical deficiency in many existing competitive mid-rise buildings.



5.2.2. Office and Retail Performance Drivers and Deficiencies

- **Office Performance Analysis:** The local market deficiency is acute Grade A supply. While the average office sale price in Dubai surged by 27% year-on-year to **AED 1,417 PSF** in 2024 due to an acute shortage, the existing Majan commercial stock is generally bulk, non-specialized space, achieving annual rental rates around **AED 250 PSF**. This competitive deficiency highlights an opportunity for ABC to offer a high-value, quality alternative to cost-sensitive Small and Medium Enterprises (SMEs) escaping the core market's supply crunch.³⁶
- **Retail Performance Analysis:** Analysis of local stabilized retail (e.g., Midtown Central Majan) shows a vast disparity in performance based on format. Standard convenience and service retail shops achieve a relatively low rental range of **AED 207 - 218 PSF** annually. Conversely, small-format, high-density Kiosks command a premium, reaching up to **AED 846 PSF**. This demonstrates that revenue maximization in Majan's retail segment is driven by efficient space utilization and strategic service offering to the captive residential audience, rather than sheer size.³⁷

³⁶ <https://www.savills.com/insight-and-opinion/savills-news/382100/dubai-office-market-report---q3-2025#:~:text=%E2%80%9CDubai's%20office%20market%20is%20therefore,existing%20occupiers%20and%20new%20entrants.>

³⁷

https://www.researchgate.net/publication/326420526_Financial_Performance_Analysis_of_Location_Rental_Rate_and_Parking_Revenue_on_Shopping_Centers



5.3. Identification of Gaps & Opportunities

Based on the performance drivers and competitive landscape, several critical gaps and unique opportunities have been identified for the subject development:

Gap / Deficiency (Where Benchmarks Fall Short)	Opportunity (Proposed Units Can Capitalize On)
Residential: High-yield competitors (e.g., off-plan schemes) often focus narrowly on quick sale and lack the necessary large-scale integrated green spaces and community amenities desired by end-users and long-term tenants.	Product Differentiation: Integrate high-quality, large-format green and open-air relaxation spaces that align with Dubai's 2040 Urban Master Plan and meet the high demand for 'live-work-play' environments.
Office: Local Majan supply is currently non-specialized, bulk commercial space, failing to meet the demand for dedicated, high-specification Grade A offices required by professional SMEs and corporate support services.	Niche Market Penetration: Provide true Grade A office quality, focused on connectivity and parking , attracting the high volume of SMEs seeking relief from the core city's escalating rents and supply shortage.
Retail: The submarket suffers from limited retail and shopping options, forcing residents to drive to destination malls. Existing retail spaces	Guaranteed Demand Anchor: Leverage the planned Dh4.7 billion Endowment District (Hospital, University) to guarantee a large, stable, high-skilled,



are often optimized for low-performing, large-format shops.

captive workforce/student/patient market for essential commercial services, significantly de-risking retail absorption.

Logistics/Infrastructure: Current public transport limitations (no direct Metro) necessitate a focus on vehicular access, a constraint not always optimized by existing developments.

Future Asset Re-Rating: The project will benefit from the **Al Barari/Majan road network expansion (30% commute reduction)** by 2026), allowing ABC to market the project based on a guaranteed, enhanced connectivity profile that existing, stabilized assets cannot easily claim.

5.4. Recommendations for Differentiation

The following strategic recommendations are proposed for the ABC mixed-use development to enhance its competitive performance in the Majan submarket:

Residential Component Differentiation

1. **Unit Mix Optimization:** Maximize the number of **studio and 1-bedroom apartments** (investor-focused units) to capture the highest price per square foot and capitalize on the strong rental yield segment (6.7% - 8.4%).
2. **Amenity Premium:** Allocate significant space to enhance residential facilities beyond the local norm, specifically focusing on **green corridors, high-quality communal lounges, and smart home technology integration** to justify a price premium over commodity off-plan competitors.



Office Component Differentiation

1. **Targeted Grade A Specification:** Ensure the office component meets genuine Grade A standards (high-speed connectivity, dedicated access, modern HVAC, and efficient floor plates) to justify a target rental rate of **AED 300–320 PSF** – a substantial premium over the local baseline of ~AED 250 PSF.
2. **Parking Priority:** Dedicate premium, easily accessible parking provisions that cater specifically to vehicular access, addressing the submarket's lack of Metro connectivity and directly supporting the expected SME tenant profile.

Retail Component Differentiation

1. **Revenue Maximization through Format:** Minimize the allocation of large, low-yield shop space. Instead, prioritize the creation of **high-density, high-visibility retail units (kiosks and small, essential service units)** to capture the high PSF premium (up to AED 846 PSF) observed in comparable centers.
2. **Curation and Necessity Focus:** Curate the tenant mix exclusively around essential service providers (convenience supermarket, pharmacy, bank ATM/kiosk) and high-quality local F&B concepts that serve the captive residential and future employment (Endowment District) audiences. This strategy minimizes competition with regional destination malls and stabilizes occupancy.

An aerial photograph of the Dubai skyline at sunset. The sky is a mix of light blue and orange. In the foreground, a large, ornate, golden structure with intricate Arabic calligraphy is under construction. A multi-lane highway with traffic is visible in the middle ground. The background is filled with numerous skyscrapers, including the Burj Khalifa. A dark blue text box with a yellow border is overlaid on the left side of the image.

Review of Findings & Recommendations



6. Review of Findings & Recommendations

This chapter synthesizes the core findings from the Macroeconomic, Site, Market, and Benchmarking analyses (Chapters 2–6) to provide prescriptive recommendations on the optimal development program, positioning, and pricing strategy for the ABC Properties LLC mixed-use development in Majan.

6.1. Key Findings Summary

The feasibility of the envisaged development is strongly validated by macro-level economic resilience and localized market opportunities, highlighting key strengths and differentiators.

6.1.1. Strengths, Weaknesses, and Differentiators

Category	Finding Summary
Macro/Economic	Dubai's economy is structurally sound, supported by a 5.5% annual population growth and sustained GDP expansion (4% in Q1 2025). The non-oil sector contributed a record 77.3% to Q1 2025 GDP , assuring long-term non-cyclical demand.
Site/Connectivity	Strength: The 56,000 sq.ft freehold plot benefits from superior highway access (E311/E66). Differentiator: The planned Al Barari/Majan road network expansion will reduce commute times by 30% by 2026 , providing a guaranteed future value uplift.



Demand Potential	Major Catalyst: The adjacent Dh4.7 billion Endowment District (Hospital, Medical University, Schools, 2,000 residential units) guarantees a massive, high-skilled, and captive workforce for the project's office and retail components.
Competitive Gap	Majan offers a unique market inefficiency: the submarket provides exceptional rental yields of 6.7% to 8.4% , significantly higher than established luxury areas like Dubai Marina (~6.8%). This signals high investor appeal and stable rental demand.
Product Gap	Current competition often lacks the integrated green spaces and premium amenities increasingly demanded by the affluent demographic moving to Dubai, in alignment with the Dubai 2040 Master Plan objectives.

6.1.2. Demand Potential and Suitability of Concept

The current concept—a mixed-use development comprising residential, commercial office, and ground-floor retail components—is highly suitable for the Majan submarket, provided the unit mix and GFA allocation are optimized:

- **Residential Suitability:** Demand is driven by liquidity-focused investors seeking high yields and end-users prioritizing affordability and connectivity. The concept must maximize high-yield, small-format units (Studio/1BR).
- **Office Suitability:** The concept is validated by the acute shortage of Grade A office space across Dubai (leading to a 27% price surge). The Majan location, accessible via E311, is ideal for price-sensitive SMEs seeking Grade A quality outside the expensive core districts.



- **Retail Suitability:** Given the limited public transport, the retail concept must pivot entirely toward serving the immediate, captive demand pool (residents + future Endowment District workforce).

Consolidated Insights on Pricing, Absorption, and Performance

- **Residential Pricing & Absorption:** Achievable off-plan sale prices range from **AED 1,400 to AED 1,550 PSF**, driven by strong investor appetite that commands a 46% PSF premium on smaller units. Given that off-plan sales account for 58% of all Dubai transactions, a velocity of **60%-75% absorption** within the first 12 months is achievable with competitive payment plans.³⁸
- **Commercial Pricing & Performance:** The baseline commercial rental rate is approximately AED 250 PSF. However, the premium Grade A offering can support a target rental rate of **AED 300-320 PSF**, capturing the value-seeking SME segment.
- **Retail Revenue Maximization:** Retail profitability is sensitive to format. Kiosks and small, high-density units demonstrate vastly superior performance, achieving up to **AED 846 PSF**, compared to standard shop units (AED 207-218 PSF).

³⁸ <https://www.arabnews.com/node/2616525/business-economy>



6.2. Development Programme Recommendations

The optimal development program must prioritize revenue maximization through unit mix and strategic GFA allocation across the three asset classes within the 56,000 sq.ft plot.

Component	Optimal GFA Allocation Strategy	Sizing and Configuration
Residential	Maximize GFA to capture high liquidity and superior yield (6.7%-8.4%). Allocate for two distinct buildings to allow separate access points and optimized amenity allocation.	Prioritize Studio and 1-Bedroom units to maximize the high price-per-square-foot revenue segment. Minimize large 3-bedroom units to preserve overall investment liquidity.
Office	Allocate sufficient area for efficient, flexible floor plates suitable for Small and Medium Enterprises (SMEs) , capitalizing on the city-wide supply crunch.	Design for modularity, allowing for small (500-1,500 sq.ft) office suites to attract local professional service firms and businesses servicing the Endowment District.
Retail	Allocate minimal, high-efficiency GFA. Retail should be located on the ground floor of the residential buildings with maximum frontage.	Prioritize small-format, high-yield Kiosks and essential service units (F&B, convenience store, pharmacy) over large destination retail formats.



6.3. Positioning Strategy (Residential, Office, Retail)

The positioning strategy must highlight the competitive advantages identified in the benchmarking analysis, focusing on quality, connectivity, and community integration.

- **Residential Positioning: "Integrated High-Yield Investment"**
 - **Differentiation:** Focus on the high-quality finishes, integration of **green spaces/parks**, and community amenities to satisfy the demand for 'live-work-play' environments.
 - **Key Message:** *Secure your capital in Dubai's best-performing yield submarket with a premium lifestyle offering and guaranteed future connectivity.*
- **Office Positioning: "Premium Grade a Value Headquarters"**
 - **Differentiation:** Deliver genuinely Grade A specifications (HVAC, security, dedicated access) coupled with high vehicular accessibility and **ample, dedicated parking**.
 - **Key Message:** *Escape the core city's rental volatility. Secure a high-specification office space with superior E311 connectivity for your cost-sensitive SME.*
- **Retail Positioning: "Endowment District Convenience Hub"**
 - **Differentiation:** Curate the tenant mix exclusively for **necessity-based services** to serve the captive market of residents and the future high-skilled professional workforce of the adjacent Dh4.7 billion institutional cluster.



- **Key Message:** *Exclusive retail tenancy opportunity guaranteed by the high foot traffic of a rapidly developing, institutional employment node.*

6.4. Pricing & Launch Strategy

6.4.1. Achievable Sales Prices and Rental Rates

Asset Class	Target Pricing Metric	Target Range (Based on Market Evidence)
Residential Sale	Price per Square Foot (PSF)	AED 1,400 - AED 1,550 PSF
Residential Lease	Rental Yield	6.7% - 8.4% (Must be modeled to achieve this range)
Office Lease	Rental Rate (Annual PSF)	AED 300 - AED 320 PSF (Premium over local AED 250 PSF)
Retail Lease	Rental Rate (Annual PSF)	AED 690 - AED 850 PSF for Kiosks/High-Density Units

6.4.2. Differentiation and Delivery Strategy

1. **Launch Timing:** Initiate the sales and leasing strategy immediately to capitalize on the current market window where Majan's rental yield premium is highly attractive to investors. This rapid launch will maximize early absorption velocity against competitive off-plan schemes.
2. **Payment Plan:** Offer an investor-friendly payment plan, aligning with competitor best practice, such as the **70/30 structure** (70% during construction, 30% upon handover).



3. **Delivery Advantage:** The marketing and sales materials should explicitly integrate the projected benefits of the RTA's **30% commute time reduction** from the Majan road network expansion (expected 2026 completion). Selling the future connectivity is a potent differentiator against existing stabilized assets.
4. **Community Offering:** Secure anchor tenants for retail (supermarket, café) early to demonstrate the integrated community offering, thereby strengthening the value proposition for residential buyers.

DRAFT



**Project Kick-off Workshop
with Client Representatives**



7. Project Kick-off Workshop With Client Representatives

The initiation of the feasibility study commences with a dedicated Project Kick-off Workshop. We shall initiate a discussion with the ABC Properties LLC Client team to obtain essential inputs, ensure project alignment, and develop a comprehensive understanding of the subject property characteristics and strategic mandates. This workshop is fundamental for setting the analytical parameters and confirming the resources required to deliver an institutional-grade assessment for prospective partners, banks, and investors.

7.1. Proposed Approach

The Project Kick-off Workshop is structured to ensure complete convergence between the client's strategic goals and the scope of the comprehensive feasibility study. Key objectives of this initial engagement include:

- **Align the Objectives of the Study with the Client's Strategic Vision for the Subject Property:** A detailed discussion will align the study's deliverables—including the optimal development mix, product positioning, and pricing strategy—with the client's commercial objectives for the Majan submarket.
- **Explain the Research Methodologies to be Used:** The structured 7-module approach will be detailed, covering the macroeconomic assessment, site analysis, mixed-use market assessment (Residential, Office, Retail), benchmarking, and the advanced financial viability assessment.



- **Address Any Specific Methodology the Client Prefers or Requires:** This step is crucial for incorporating the client's direct experience, particularly concerning the proposed development concept for the two distinct buildings and preliminary design parameters.

7.2. Data & Information Sources

Establishing the provenance, quality, and accessibility of data is critical for the accuracy of the financial projections (IRR, NPV) and market recommendations. The workshop will focus on:

- **Identification of Required Data Sets and Sources:** This includes identifying sources for key financial inputs (CAPEX, OPEX, cost phasing) and market data required for the Majan submarket, such as current stock, pricing trends, and absorption rates for residential, office, and retail components.
- **Discussion of Data Collection Methods and Tools:** We will outline the use of proprietary real estate databases, local government records, industry reports for benchmarking, and internal financial modeling tools.
- **Outline of Data Quality and Accuracy Standards:** Confirmation of the standards for aggregating and validating disparate data sets (e.g., ensuring consistency between public records and real estate brokerage data) will be reviewed.
- **Confirmation of Data Access and Permissions:** Ensuring the team has timely access to all necessary site-specific information, including the details of the 56,000 sq.ft freehold plot and any existing cost estimates or feasibility models.



7.3. Challenges & Risks

A proactive discussion of potential impediments is essential for developing comprehensive risk mitigation strategies. The workshop will cover:

- **Identification of Potential Challenges (e.g., Data Availability, Market Volatility):** Specific challenges inherent in mixed-use developments will be reviewed, such as the complexity of layered financing (residential stability versus retail turnover risk) and the coordination of disparate design and infrastructure requirements (e.g., HVAC for residential and commercial uses).
- **Discussion of Risks and Their Potential Impact on the Project:** Risks will include local regulatory challenges common to mixed-use projects that combine different land uses, potentially requiring rezoning or negotiation of community concerns (e.g., traffic or density). Market-specific challenges in Majan, such as the current lack of a direct Metro connection, ongoing construction noise/dust, and limited high-end retail options, will also be addressed.
- **Strategies for Risk Mitigation and Management:** Discussion will center on formulating mitigative action plans based on stakeholder feedback.¹ This includes cost management strategies to protect the project's competitive pricing edge in the affordable Majan market against broader macroeconomic risks like inflation and rising construction costs.



7.4. Timeline & Milestones

The final segment of the workshop is dedicated to confirming the project's execution timeline, ensuring all internal and external dependencies are managed effectively to meet the proposed business start date of 12/01/2025.

- **Presentation of the Project Timeline, Including Key Phases and Deadlines:** The overall work schedule for the 7-module professional proposal will be presented, detailing the expected duration for the Macroeconomic Overview, Site Analysis, and Market Assessment.
- **Identification of Critical Milestones and Review Points:** Key milestones include the review of preliminary designs and the development concept for both buildings, as well as critical review points where market and financial assumptions are formally aligned with the client.
- **Discussion of Dependencies and Potential Bottlenecks:** This discussion will clarify dependencies between the various modules, such as ensuring that benchmark-driven pricing recommendations feed directly into the detailed financial modeling and scenario building.

Financial Analysis



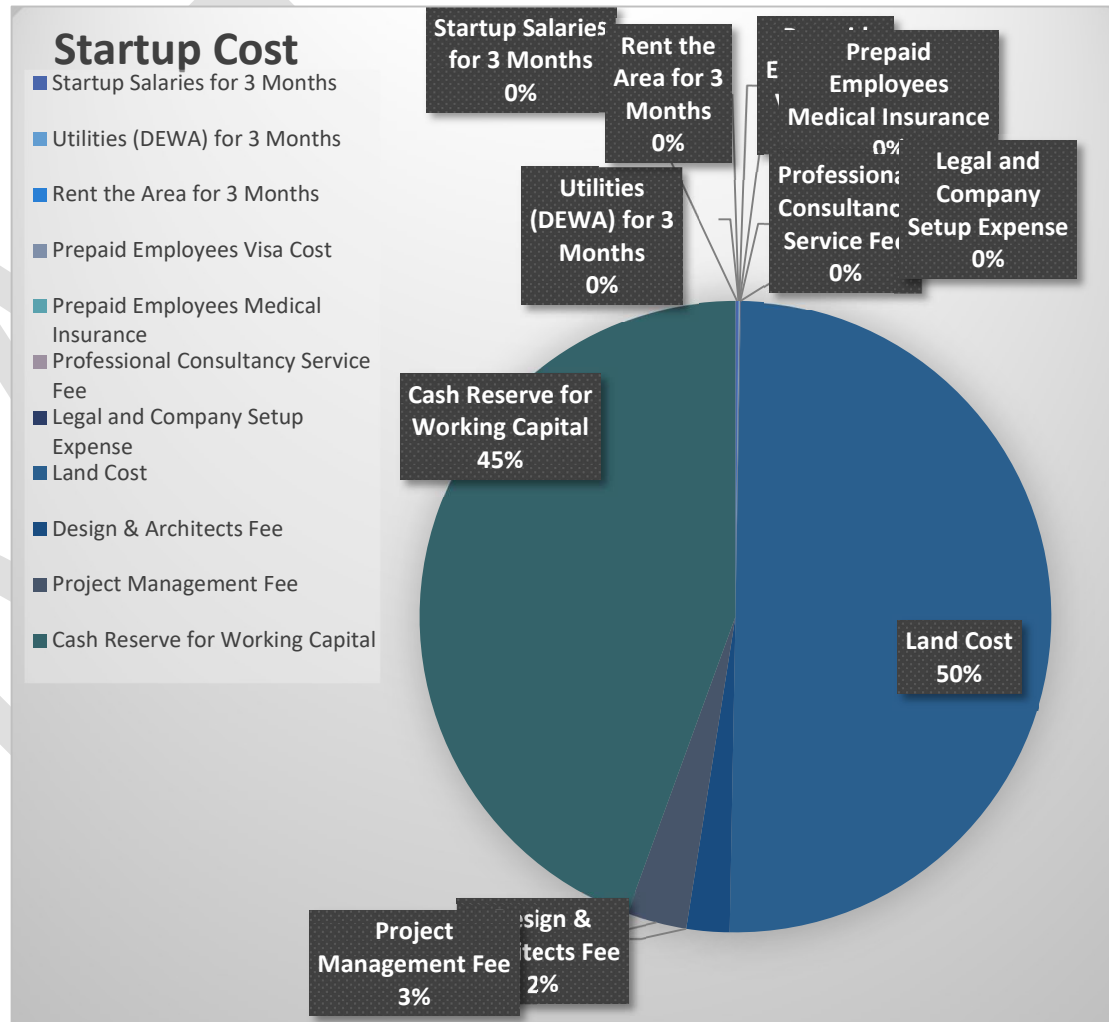


8. Financial Analysis

8.1. Project Financial Highlights

Startup Cost Indicator - Key Performance Indicator (KPI)

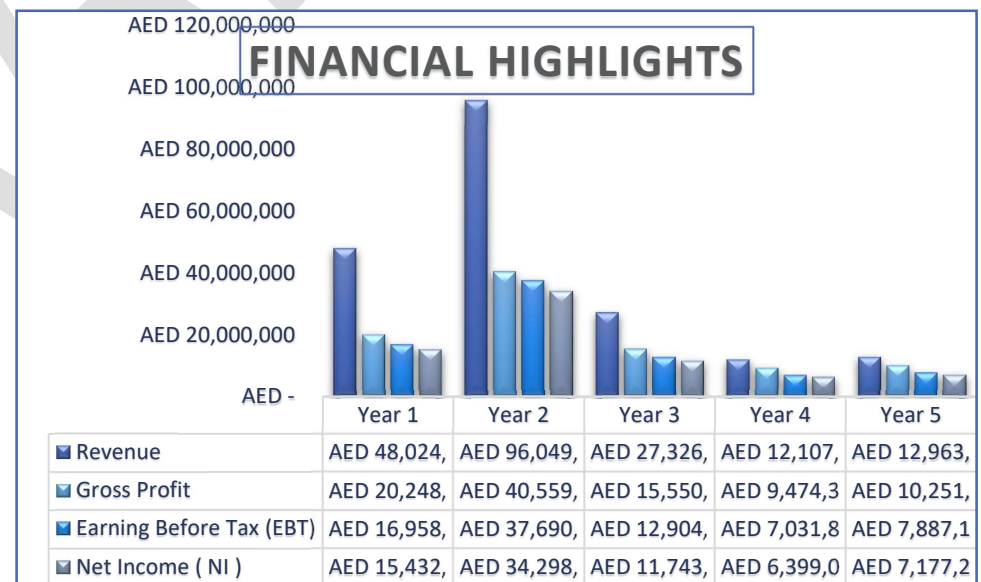
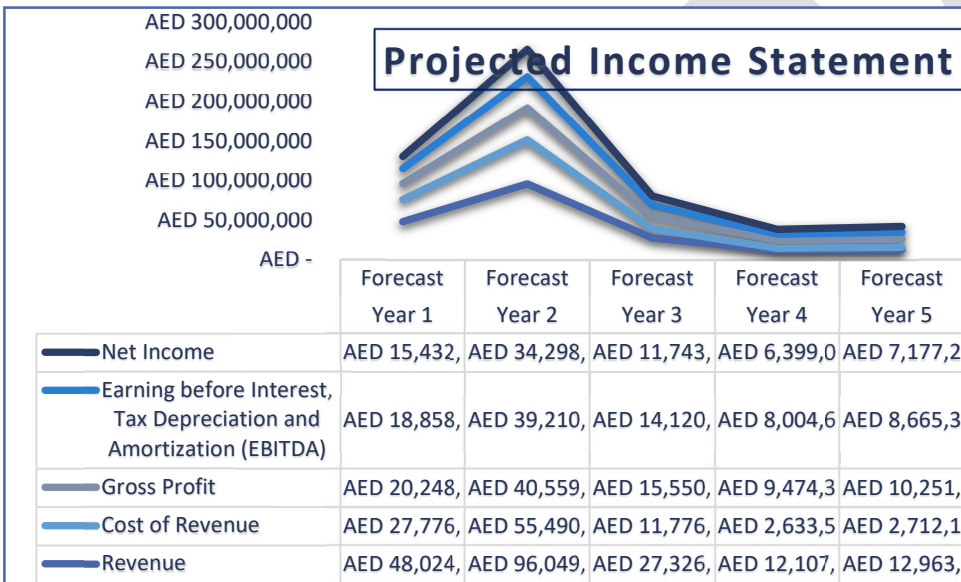
Start-up Expenses	Amount
Startup Salaries for 3 Months	AED 176,400
Utilities (DEWA) for 3 Months	AED 6,000
Utilities (Telephone & Internet) for 3 Months	AED 7,500
Rent the Area for 3 Months	AED 17,500
Business Stationery	AED 5,000
Prepaid Employees Visa Cost	AED 35,000
Prepaid Employees Medical Insurance	AED 25,000
Supplies (Cleaning Material etc.)	AED 2,000
Prepaid Business Insurance	AED -
Startup Branding & Marketing Cost	AED 500,000
Accounting & CRM Software	AED 8,000
Website Development Costs	AED 15,000
Professional Consultancy Service Fee	AED 20,000
Legal and Company Setup Expense	AED 35,000
Total Start-up Expenses	AED 852,400
Start-up Assets	Amount
Land Cost	AED 57,000,000
Design & Architects Fee	AED 2,500,000
Project Management Fee	AED 3,500,000
Legal & Approvals	AED 3,500,000
Government Fees	AED 1,000,000
Infrastructure costs (roads, landscaping)	AED 1,000,000
Cash Reserve for Working Capital	AED 50,647,600
Total Start-up Assets - Capital Outflow	AED 119,147,600
Total Capital Requirement	AED 120,000,000
Project Financing	Amount
Owner's Capital	AED 120,000,000





Projected Income Statement

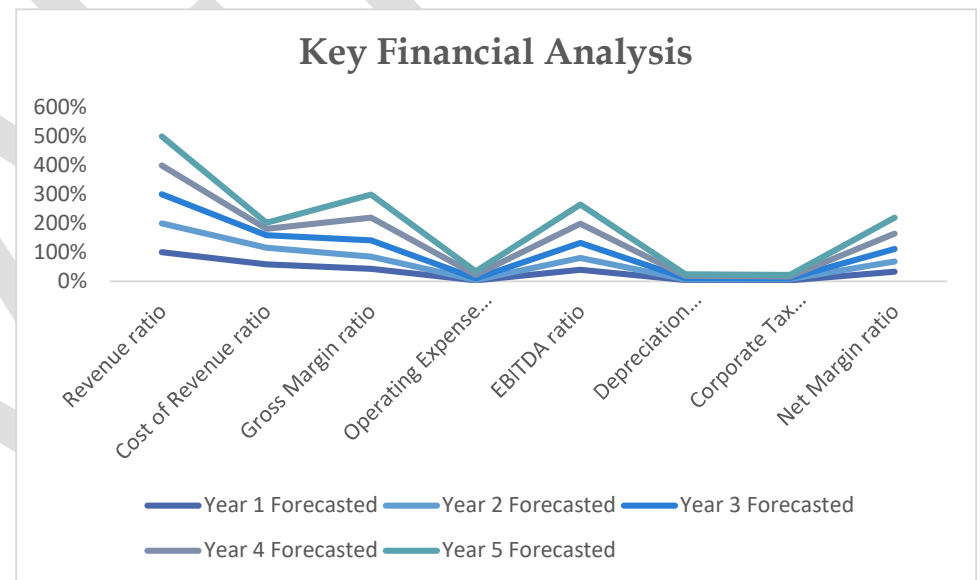
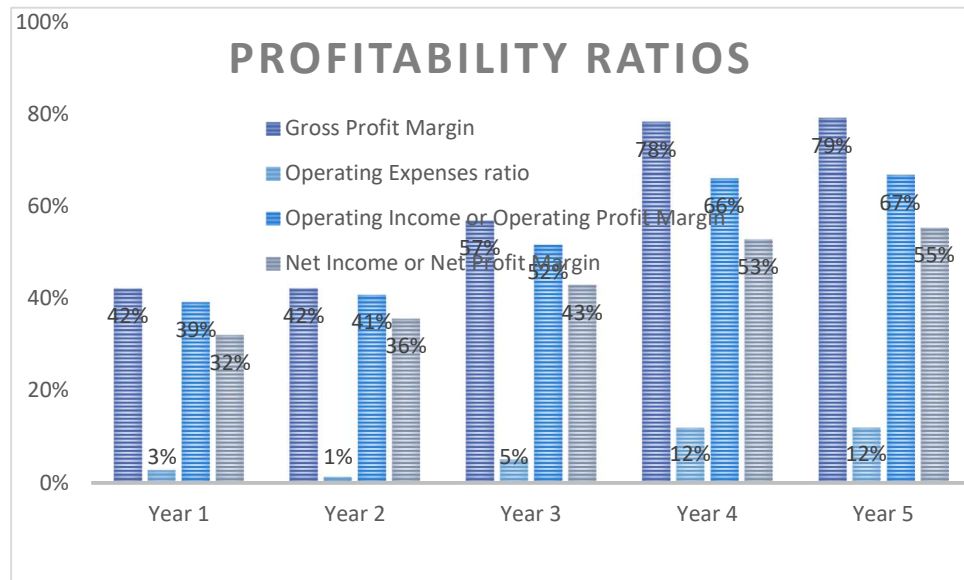
Projected Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235	AED 196,472,557
Less: Cost of Revenue	AED 27,776,127	AED 55,490,046	AED 11,776,071	AED 2,633,548	AED 2,712,189	AED 100,387,982
Gross Profit	AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046	AED 96,084,575
Less: Operating Expenses	AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692	AED 7,224,589
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354	AED 88,859,986
Less: Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240	AED 6,387,040
Earning Before Interest and Tax (EBIT)	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Less: Finance Cost (Bank charges)	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Less: Corporate Tax	AED 1,526,275	AED 3,392,183	AED 1,161,398	AED 632,869	AED 709,840	AED 7,422,565
Net Income (NI)	AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274	AED 75,050,381





Projected Income Statement -Key Performance Indicator (KPI) in % age

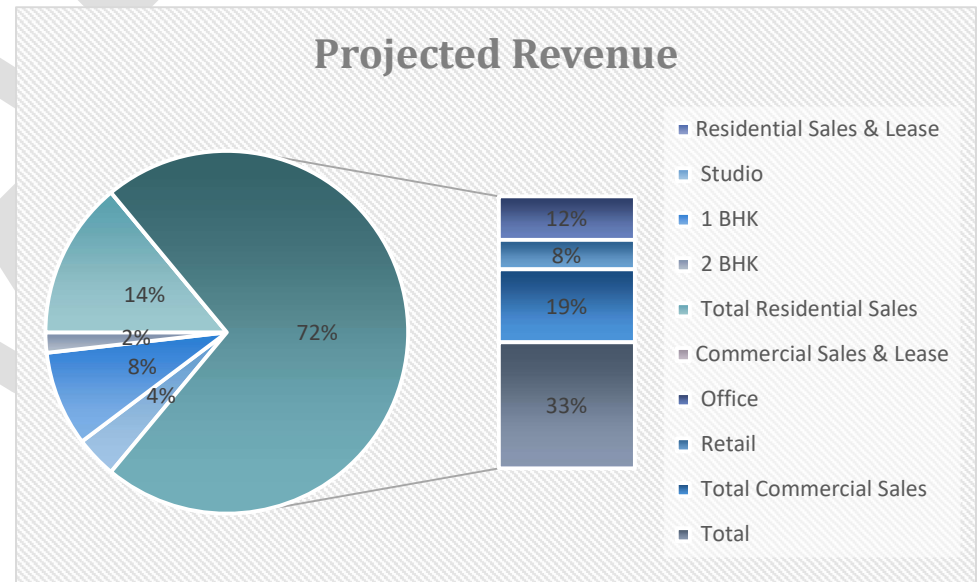
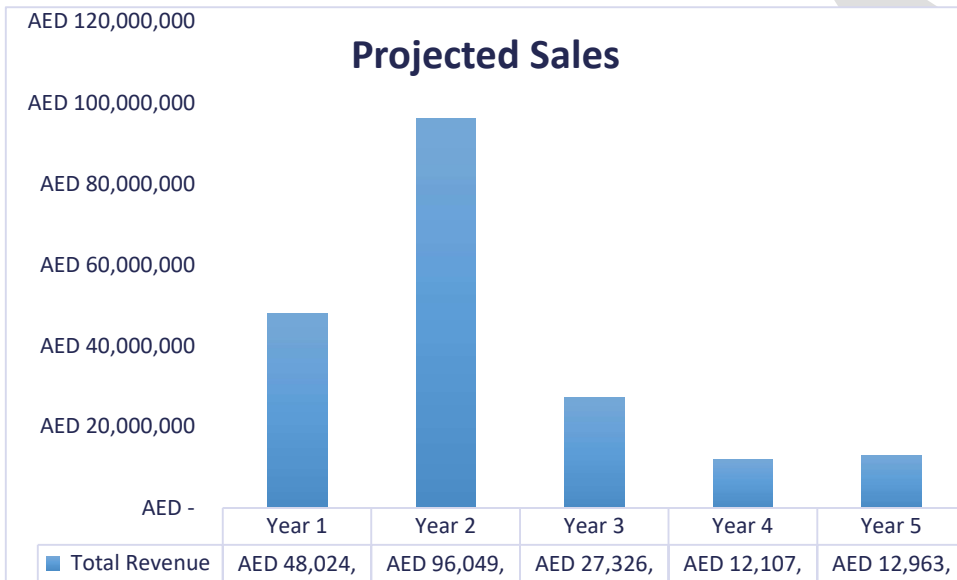
Key Financial Ratios	Year 1	Year 2	Year 3	Year 4	Year 5	Forecasted Average
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Revenue ratio	100%	100%	100%	100%	100%	100%
Cost of Revenue ratio	58%	58%	43%	22%	21%	40%
Gross Margin ratio	42%	42%	57%	78%	79%	60%
Operating Expense ratio	3%	1%	5%	12%	12%	4%
EBITDA ratio	39%	41%	52%	66%	67%	53%
Depreciation Expense ratio	4%	2%	4%	8%	6%	5%
Corporate Tax Expense ratio	3%	4%	4%	5%	5%	4%
Net Margin ratio	32%	36%	43%	53%	55%	38%





Projected Revenue year by year

Projected Revenue by Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Residential Sales & Lease						
Studio	AED 5,344,506	AED 10,689,012	AED 2,523,536	AED 779,136	AED 818,092	AED 20,154,282
1 BHK	AED 12,215,062	AED 24,430,124	AED 5,767,633	AED 1,780,743	AED 1,869,780	AED 46,063,340
2 BHK	AED 2,597,244	AED 5,194,488	AED 1,226,351	AED 378,633	AED 397,564	AED 9,794,279
Total Residential Sales	AED 20,156,812	AED 40,313,623	AED 9,517,519	AED 2,938,511	AED 3,085,436	AED 76,011,901
Commercial Sales & Lease						
Office	AED 16,614,154	AED 33,228,309	AED 9,045,210	AED 3,910,481	AED 4,360,187	AED 67,158,341
Retail	AED 11,253,875	AED 22,507,750	AED 5,241,179	AED 1,579,280	AED 1,674,037	AED 42,256,122
Total Commercial Sales	AED 27,868,030	AED 55,736,059	AED 14,286,388	AED 5,489,762	AED 6,034,224	AED 109,414,463
Total	AED 48,024,841	AED 96,049,682	AED 23,803,908	AED 8,428,273	AED 9,119,660	AED 185,426,364

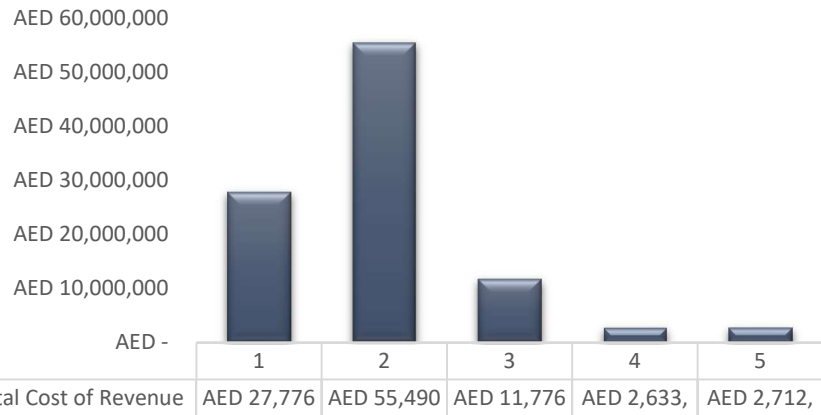




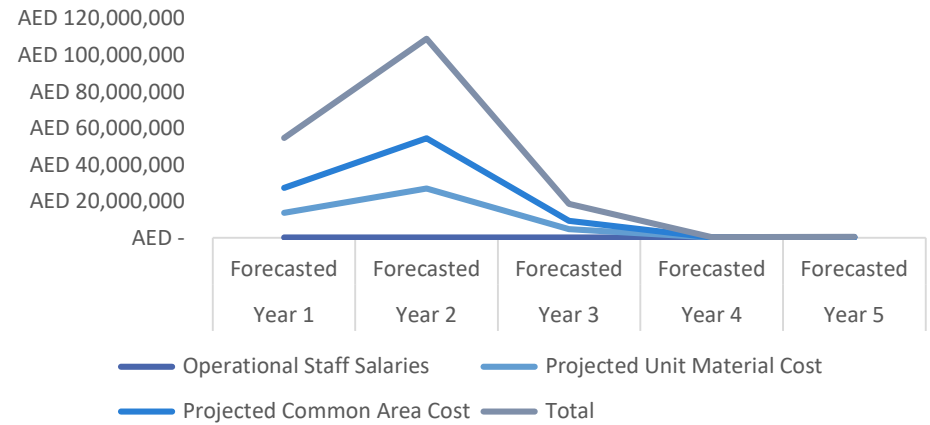
Projected Cost of Revenue

Projected Cost of Revenue by Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Operational Staff Salaries	AED 108,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687	AED 799,148
Projected Unit Material Cost	AED 13,413,329	AED 26,826,659	AED 4,471,110	AED -	AED -	AED 44,711,098
Projected Common Area Cost	AED 13,774,549	AED 27,549,099	AED 4,591,516	AED -	AED -	AED 45,915,164
Total	AED 27,295,879	AED 54,529,549	AED 9,226,876	AED 180,419	AED 192,687	AED 91,425,410

Projected Cost of Revenue



Projected Cost of Revenue



Profitability Ratios	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Gross Profit Margin	> 30%	42%	42%	57%	78%	79%
Operating Expenses ratio	10% - 15%	3%	1%	5%	12%	12%
Operating Income or Operating Profit Margin	> 10%	39%	41%	52%	66%	67%
Net Income or Net Profit Margin	> 5%	32%	36%	43%	53%	55%
Return on Assets (ROA)	> 0.2	0.2	0.5	0.2	0.1	0.1
Return on Investment (ROI)	> 0.2	13%	29%	10%	5%	6%
Return on equity (ROE)	> 0.2	11%	20%	6%	3%	4%
Return on Capital Employed (ROCE)	> 0.2	14%	28%	8%	4%	4%



Return on Invested Capital	> 0.2	13%	29%	10%	5%	6%
EBITDA Margin	>10%	39%	41%	52%	66%	67%
EBIT Margin	>10%	35%	39%	47%	58%	61%
Corporate Tax Ratio	< 5%	3%	4%	4%	5%	5%

Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Industry Standard	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Current Ratio	> 1	34.6	24.7	79.7	154.1	147.7
Quick Ratio	> 1	34.6	24.7	79.7	154.1	147.7

100% Lease Scenario Working

Projected Income Statement

Projected Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	AED 9,222,305	AED 9,854,950	AED 10,546,338	AED 11,302,474	AED 12,130,013	AED 53,056,080
Less: Cost of Revenue	AED 2,497,113	AED 2,505,782	AED 2,574,316	AED 2,630,536	AED 2,702,759	AED 12,910,505
Gross Profit	AED 6,725,192	AED 7,349,169	AED 7,972,022	AED 8,671,938	AED 9,427,254	AED 40,145,575
Less: Operating Expenses	AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692	AED 7,224,589
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	AED 5,335,092	AED 6,000,450	AED 6,541,595	AED 7,202,288	AED 7,841,561	AED 32,920,987
Less: Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240	AED 6,387,040
Earning Before Interest and Tax (EBIT)	AED 3,435,092	AED 4,480,450	AED 5,325,595	AED 6,229,488	AED 7,063,321	AED 26,533,947
Less: Finance Cost (Bank charges)	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)	AED 3,435,092	AED 4,480,450	AED 5,325,595	AED 6,229,488	AED 7,063,321	AED 26,533,947
Less: Corporate Tax	AED 309,158	AED 403,240	AED 479,304	AED 560,654	AED 635,699	AED 2,388,055
Net Income (NI)	AED 3,125,934	AED 4,077,209	AED 4,846,291	AED 5,668,834	AED 6,427,622	AED 24,145,891

Project Economics

Project Financial Feasibility Analysis

Description	Value
Return on Investment (ROI) or ROI	13%
Net Present Value (NPV)	AED 161,454,942



Cost of Capital (WACC) - Discount Rate used for NPV	15%
Project Internal Rate of Return (IRR)	46%
Undiscounted Payback Period (PBP)	1 Year and 4 month approximately
Discounted Payback Period (PBP)	1 Year and 3 month approximately
Projection years	5 Years
Accounting Rate of Return (ARR)	13%
Profitability Index (PI)	2.3

Note : The financial feasibility analysis provides the information regarding projected IRR, NPV and payback period of the study, which is shown in above Table.

Project Financing

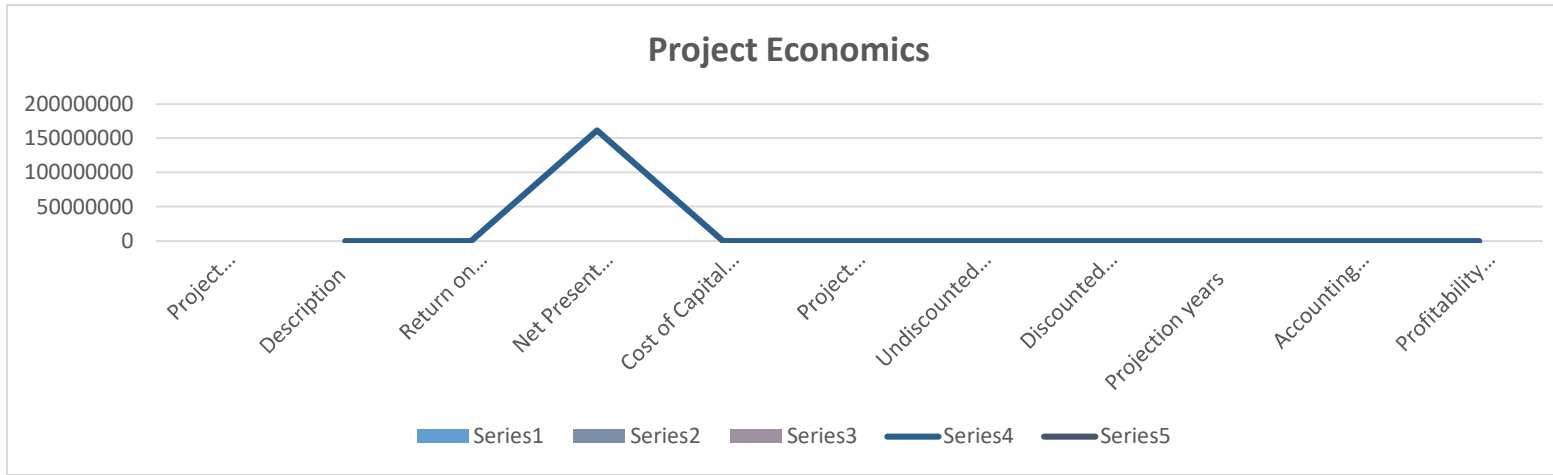
Description	Details
Total Equity (100%)	AED 120,000,000
Bank Loan (0%)	AED -
Annual Markup to the Borrower - Long Term Loan	AED -
Tenure of the Loan (Years)	AED -
Annual Markup to the Borrower - Short Term Debt	AED -

Accounting Rate of Return (ARR)

Accounting Rate of Return	Forecast
Initial Investment	AED 120,000,000
Average Net Income	AED 15,010,076
ARR	13%

Financial Assumptions for Debt: Equity Model

Description	Details
Debt	0%
Equity	100%
Interest Rate on Debt	-
Debt Tenure	-
Debt Payment / Year	-



Projected Bookings-to-Cost (B/C) Ratio on 100% Unit Sale

Bookings-to-Cost (B/C) Ratio	Note	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred
Residential Sales					
Studio		43 Units	26%	AED 29,688,000	AED 35,779,354
1 BHK		49 Units	29%	AED 67,862,400	AED 48,214,551
2 BHK		7 Units	4%	AED 14,428,800	AED 7,923,409
Total Residential Sales		99 Units	59%	AED 111,979,200	AED 91,917,315
Commercial Sales					
Office		36 Units	21%	AED 92,300,000	AED 37,439,998
Retail		33 Units	20%	AED 62,522,400	AED 29,768,949
Total Commercial Sales		69 Units	41%	AED 154,822,400	AED 67,208,947
Grand Total		168 Units	100%	AED 266,801,600	AED 159,126,262

Projected Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue	AED 266,801,600
Total Project Costs Incurred	AED 159,126,262
Projected Bookings-to-Cost (B/C) Ratio	1.68



Projected Booking Percentage on 100% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred	Total Booking Revenue @ WACC 15%
Residential Sales					
Studio	43 Units	26%	AED 29,688,000	AED 35,779,354	AED 22,448,393
1 BHK	49 Units	29%	AED 67,862,400	AED 48,214,551	AED 51,313,724
2 BHK	7 Units	4%	AED 14,428,800	AED 7,923,409	AED 10,910,246
Total Residential Sales	99 Units	59%	AED 111,979,200	AED 91,917,315	AED 84,672,363
Commercial Sales					
Office	36 Units	21%	AED 92,300,000	AED 37,439,998	AED 69,792,060
Retail	33 Units	20%	AED 62,522,400	AED 29,768,949	AED 47,275,917
Total Commercial Sales	69 Units	41%	AED 266,801,600	AED 67,208,947	AED 117,067,977
Grand Total	168 Units	100%	AED 378,780,800	AED 159,126,262	AED 201,740,340

Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue @ WACC 15%	AED 201,740,340
Total Project Costs Incurred	AED 159,126,262
Projected Booking Percentage	79%

Projected Bookings-to-Cost (B/C) Ratio on 60% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Total Booking Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred
Residential Sales					
Studio	43 Units	26 Units	26%	AED 17,815,020	AED 28,766,259
1 BHK	49 Units	29 Units	29%	AED 40,716,873	AED 40,222,885
2 BHK	7 Units	4 Units	4%	AED 8,657,479	AED 6,781,743
Total Residential Sales	99 Units	59 Units	59%	AED 67,189,372	AED 75,770,887



Commercial Sales					
Office	36 Units	22 Units	21%	AED 55,380,514	AED 31,568,570
Retail	33 Units	20 Units	20%	AED 37,512,917	AED 24,386,806
Total Commercial Sales	69 Units	41 Units	41%	AED 92,893,432	AED 55,955,376
Grand Total	168 Units	101 Units	100%	AED 160,082,804	AED 131,726,262

Projected Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue	AED 160,082,804
Total Project Costs Incurred	AED 131,726,262
Projected Bookings-to-Cost (B/C) Ratio	1.22

Projected Booking Percentage on 60% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred	Total Booking Revenue @ WACC 15%
Residential Sales					
Studio	43 Units	26%	AED 17,815,020	AED 28,766,259	AED 13,470,715
1 BHK	49 Units	29%	AED 40,716,873	AED 40,222,885	AED 30,787,805
2 BHK	7 Units	4%	AED 8,657,479	AED 6,781,743	AED 6,546,298
Total Residential Sales	99 Units	59%	AED 67,189,372	AED 75,770,887	AED 50,804,818
Commercial Sales					
Office	36 Units	21%	AED 55,380,514	AED 31,568,570	AED 41,875,625
Retail	33 Units	20%	AED 37,512,917	AED 24,386,806	AED 28,365,155
Total Commercial Sales	69 Units	41%	AED 92,893,432	AED 55,955,376	AED 70,240,780
Grand Total	168 Units	100%	AED 160,082,804	AED 131,726,262	AED 121,045,598

Projected Booking Percentage on 60% Unit Sale

Particulars	Amount
Total Booking Revenue @ WACC 15%	AED 121,045,598
Total Project Costs Incurred	AED 131,726,262

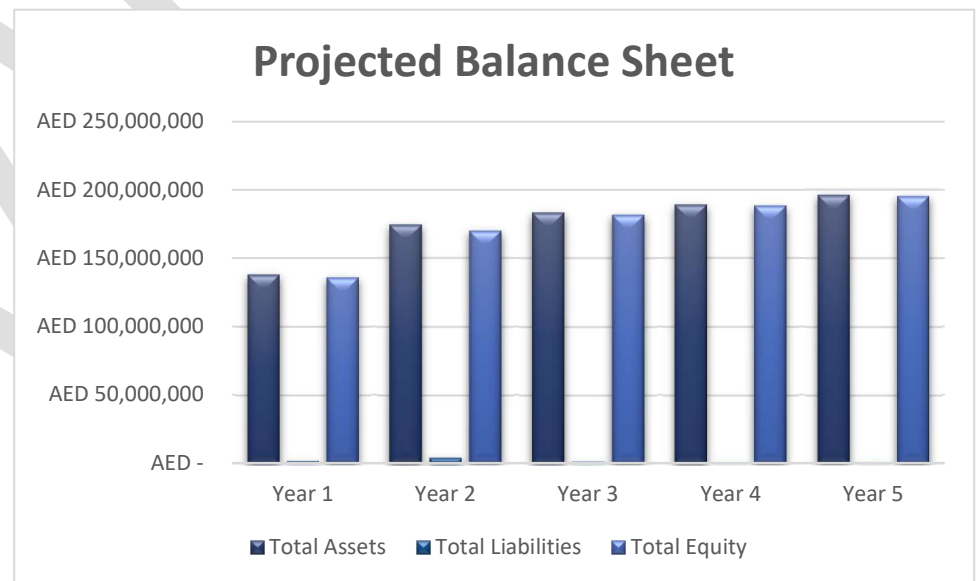
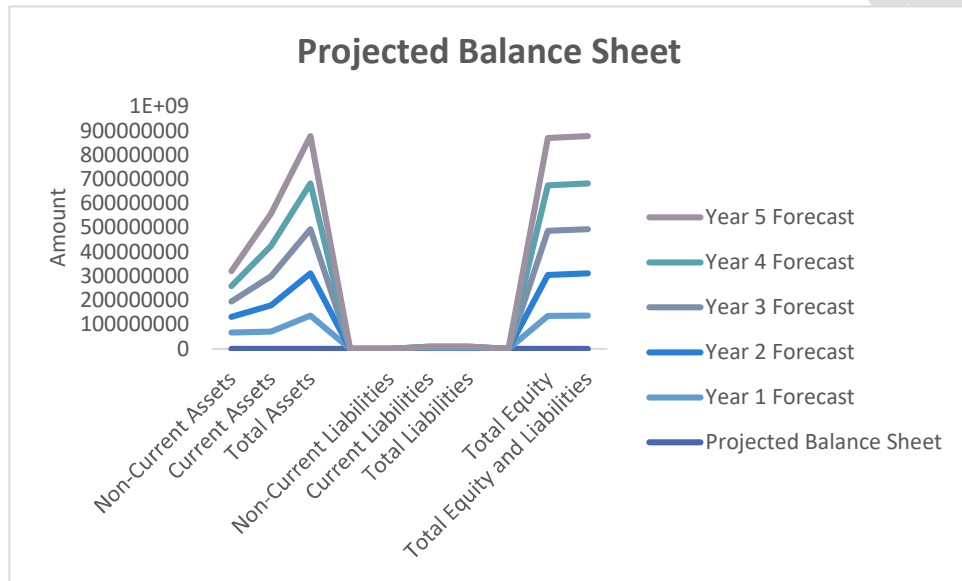


Projected Booking Percentage

109%

Projected Balance Sheet

Projected Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Non-Current Assets	AED 66,617,500	AED 65,080,000	AED 63,864,000	AED 62,891,200	AED 62,112,960
Current Assets	AED 70,860,838	AED 109,059,703	AED 119,103,584	AED 125,798,400	AED 133,843,410
Total Assets	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370
Non-Current Liabilities	AED -	AED -	AED -	AED -	AED -
Current Liabilities	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
Total Liabilities	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
Total Equity	AED 135,432,339	AED 169,731,074	AED 181,474,098	AED 187,873,107	AED 195,050,381
Total Equity and Liabilities	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370

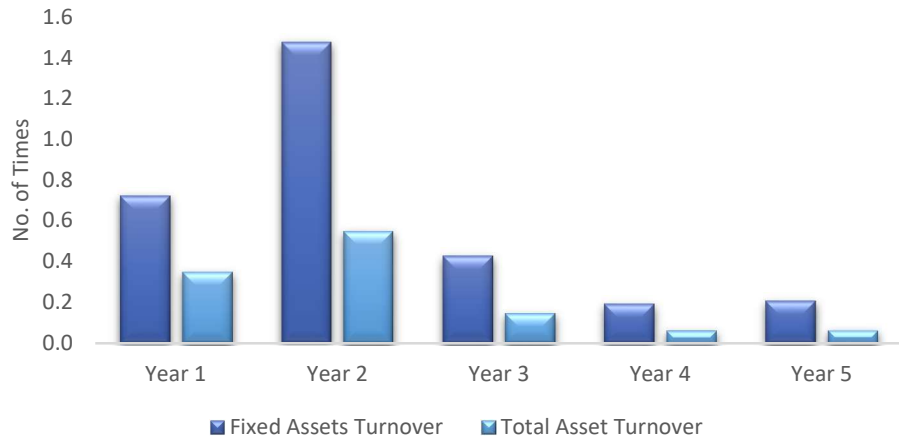




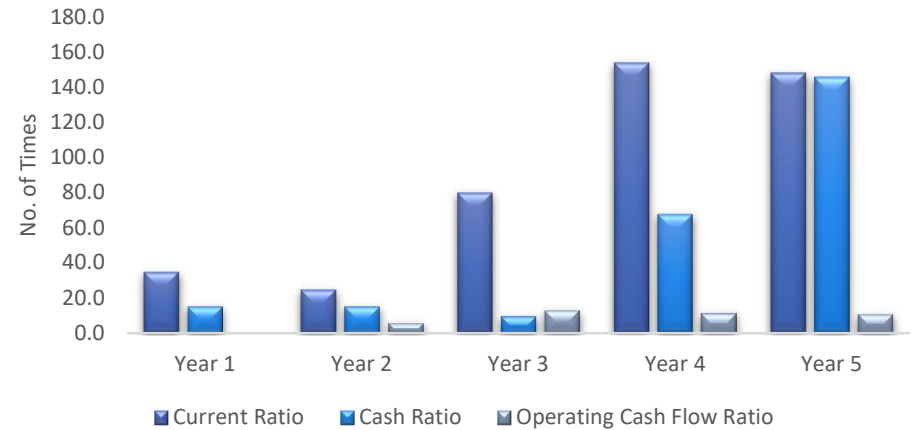
Balance Sheet Ratios - Key Performance Indicator (KPI)

Key Financial Ratios	Year 1	Year 2	Year 3	Year 4	Year 5	Forecasted Average
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
Current Ratio	35	25	80	154	148	88
Quick Ratio	35	25	80	154	148	88
Return on Assets (ROA)	0	1	0	0	0	0
Return on equity (ROE)	11%	20%	6%	3%	4%	9%
Return on Capital Employed (ROCE)	14%	28%	8%	4%	4%	12%

Efficiency Ratios (in times)

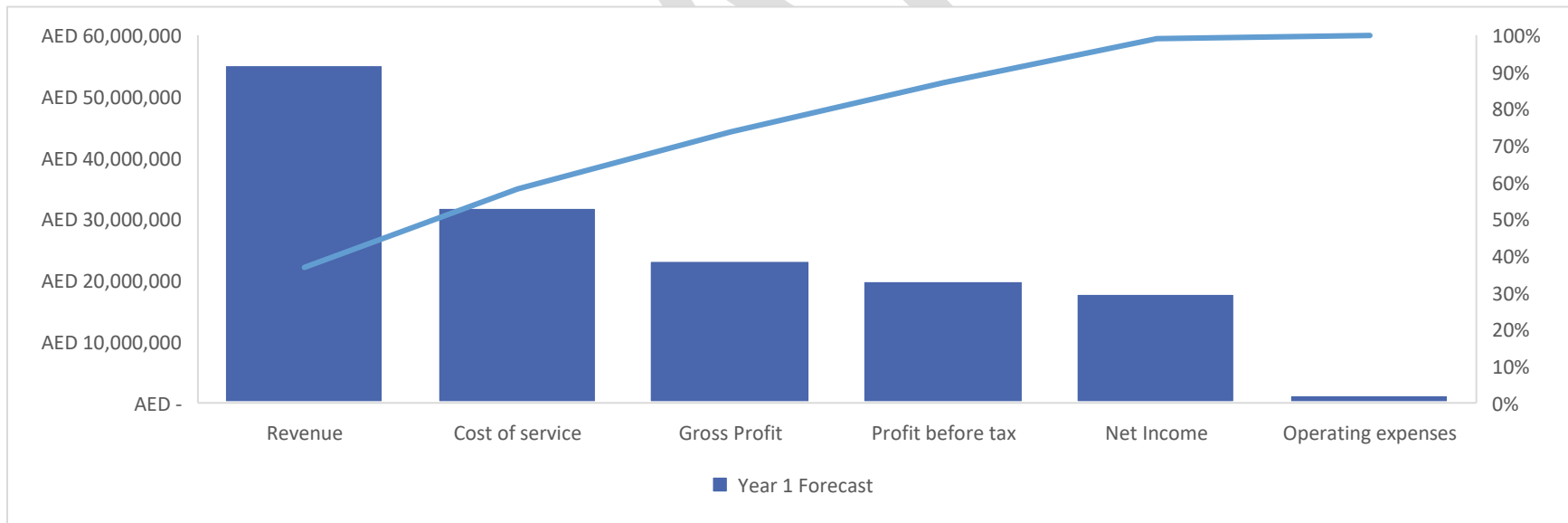
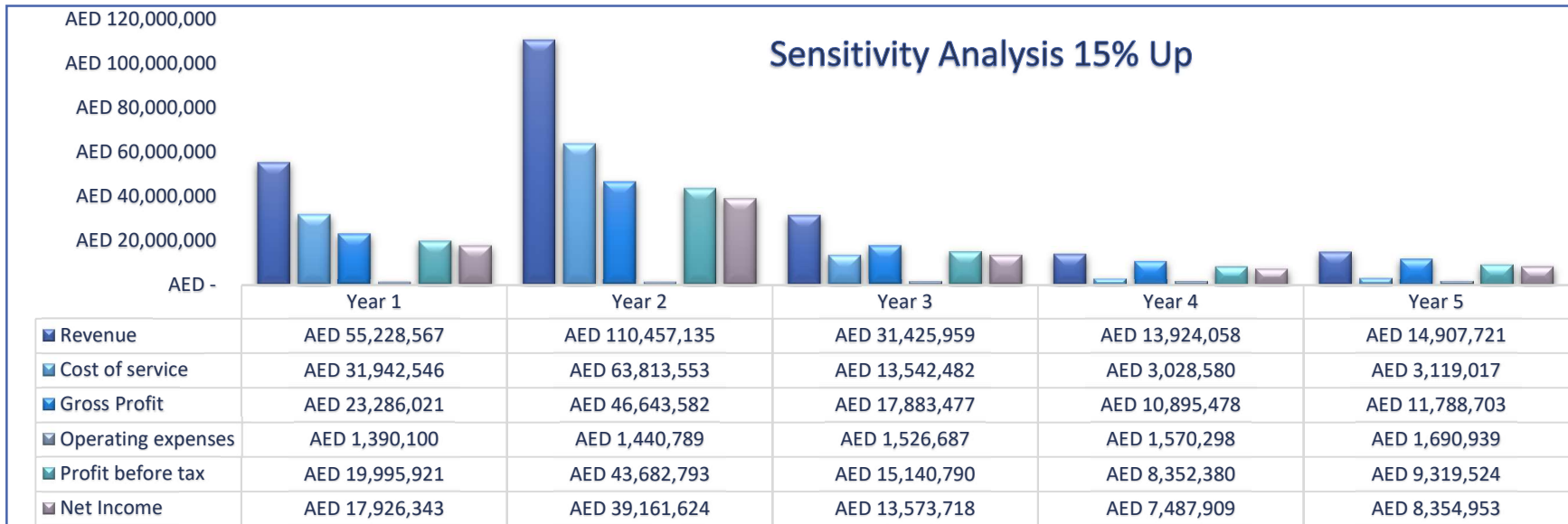


Liquidity Ratios



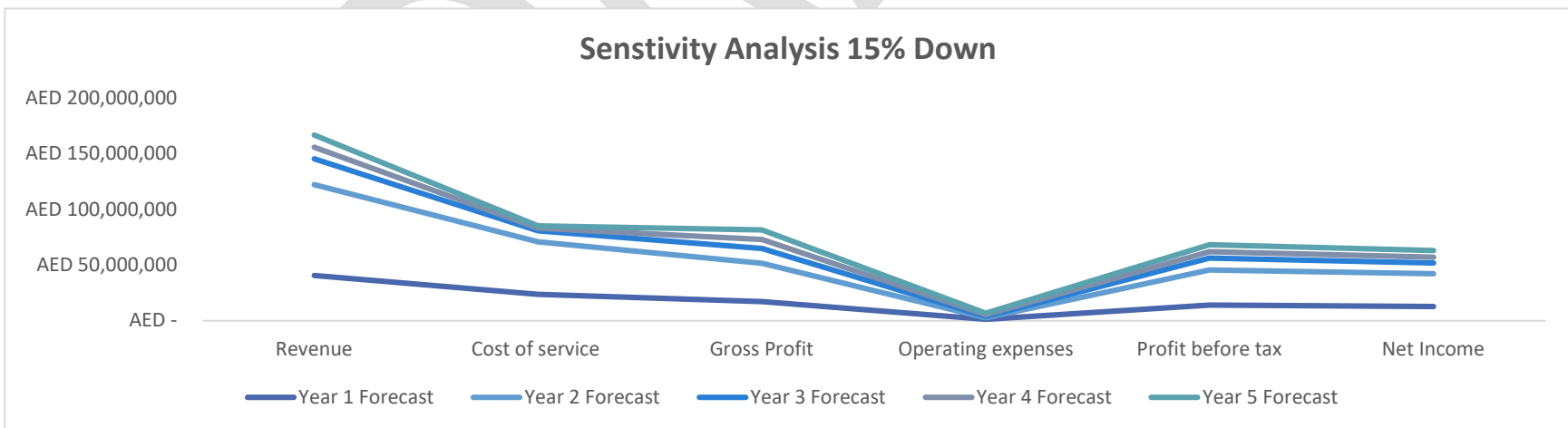
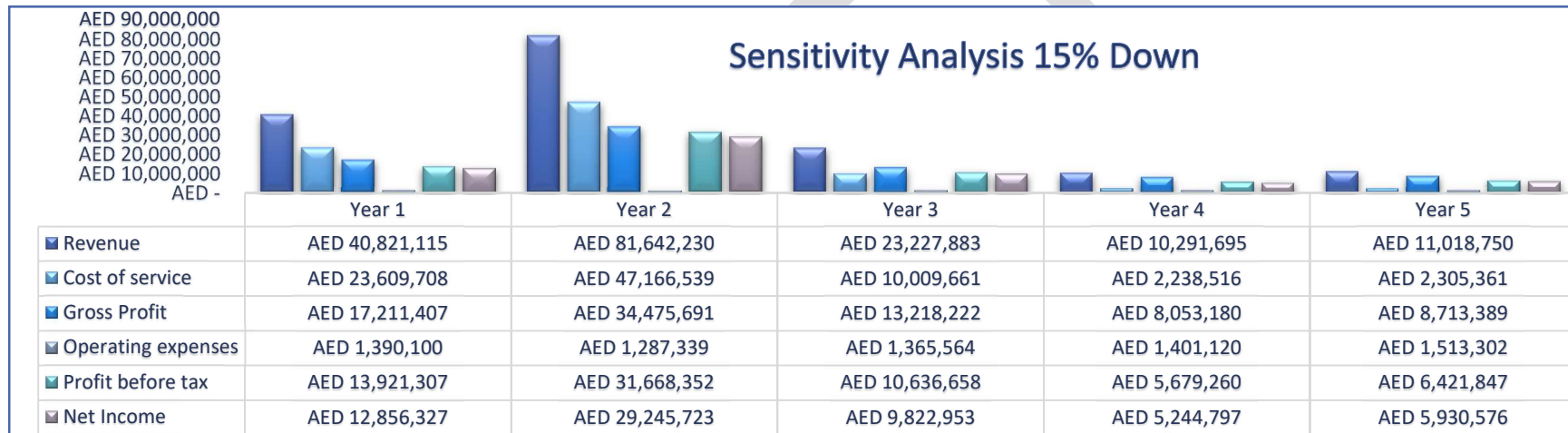
Risk Analysis - Sensitivity Analysis

Sensitivity Analysis 15% Up	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	AED 55,228,567	AED 110,457,135	AED 31,425,959	AED 13,924,058	AED 14,907,721
Cost of service	AED 31,942,546	AED 63,813,553	AED 13,542,482	AED 3,028,580	AED 3,119,017
Gross Profit	AED 23,286,021	AED 46,643,582	AED 17,883,477	AED 10,895,478	AED 11,788,703
Operating expenses	AED 1,390,100	AED 1,440,789	AED 1,526,687	AED 1,570,298	AED 1,690,939
Profit before tax	AED 19,995,921	AED 43,682,793	AED 15,140,790	AED 8,352,380	AED 9,319,524
Net Income	AED 17,926,343	AED 39,161,624	AED 13,573,718	AED 7,487,909	AED 8,354,953





Sensitivity Analysis 15% Down	Year 1		Year 2		Year 3		Year 4		Year 5	
		Forecast		Forecast		Forecast		Forecast		Forecast
Revenue	AED	40,821,115	AED	81,642,230	AED	23,227,883	AED	10,291,695	AED	11,018,750
Cost of service	AED	23,609,708	AED	47,166,539	AED	10,009,661	AED	2,238,516	AED	2,305,361
Gross Profit	AED	17,211,407	AED	34,475,691	AED	13,218,222	AED	8,053,180	AED	8,713,389
Operating expenses	AED	1,390,100	AED	1,287,339	AED	1,365,564	AED	1,401,120	AED	1,513,302
Profit before tax	AED	13,921,307	AED	31,668,352	AED	10,636,658	AED	5,679,260	AED	6,421,847
Net Income	AED	12,856,327	AED	29,245,723	AED	9,822,953	AED	5,244,797	AED	5,930,576

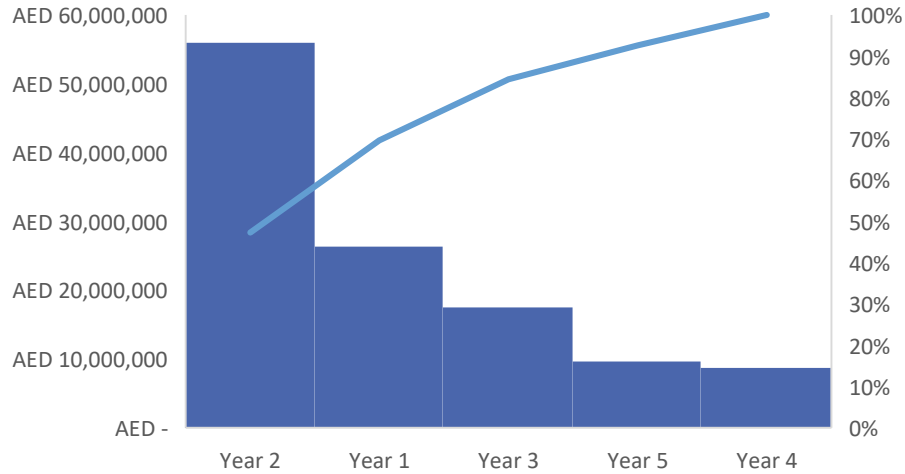




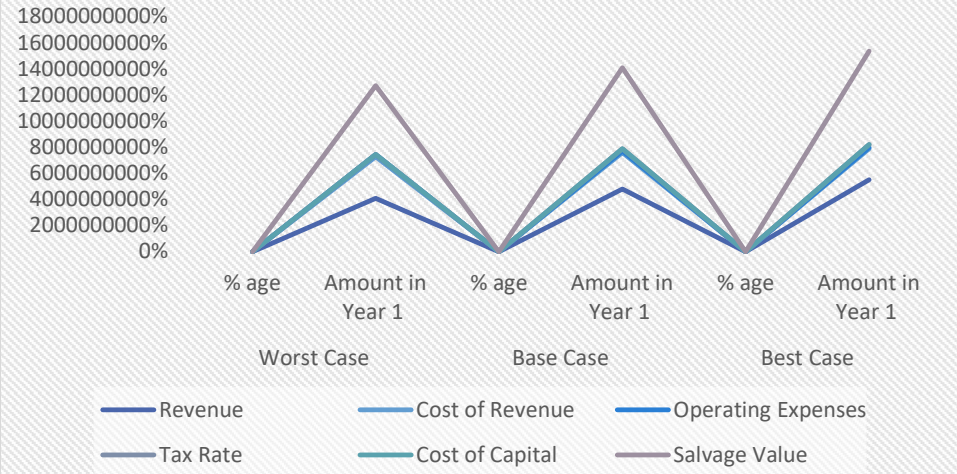
Risk Analysis - Scenario Analysis

Description	Worst Case		Base Case		Best Case	
	% age	Amount in Year 1	% age	Amount in Year 1	% age	Amount in Year 1
Revenue	85%	AED 40,821,115	100%	AED 48,024,841	115%	AED 55,228,567
Cost of Revenue	115%	AED 31,942,546	100%	AED 27,776,127	85%	AED 23,609,708
Operating Expenses	115%	AED 1,598,615	100%	AED 1,390,100	85%	AED 1,181,585
Tax Rate	10%	AED -	9%	AED 1,526,275	8%	AED 2,183,101
Cost of Capital	17%	AED -	15%	AED -	13%	AED -
Salvage Value	85%	AED 52,796,016	100%	AED 62,112,960	115%	AED 71,429,904

Scenario Analysis



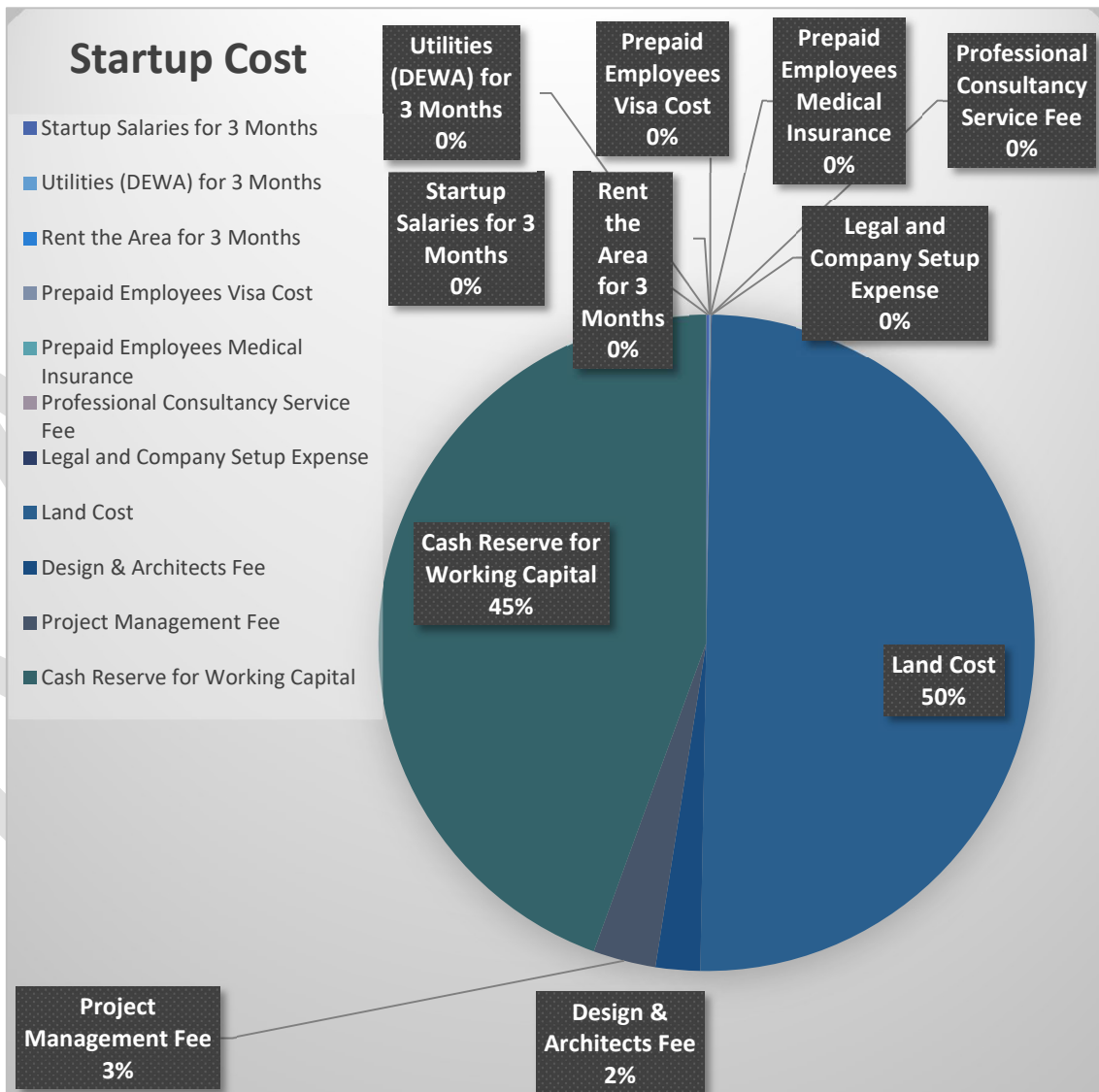
Scenario Analysis





8.2. Project Startup Cost / Pre-Operational Cost

Project Start-up Expenses - Breakup	Note	Amount
Startup Salaries for 3 Months	1	AED 176,400
Utilities (DEWA) for 3 Months	2	AED 6,000
Utilities (Telephone & Internet) for 3 Months	2	AED 7,500
Rent the Area for 3 Months	3	AED 17,500
Business Stationery		AED 5,000
Prepaid Employees Visa Cost	1	AED 35,000
Prepaid Employees Medical Insurance	1	AED 25,000
Supplies (Cleaning Material etc.)		AED 2,000
Prepaid Business Insurance		AED -
Startup Branding & Marketing Cost	4	AED 500,000
Accounting & CRM Software		AED 8,000
Website Development Costs		AED 15,000
Professional Consultancy Service Fee		AED 20,000
Legal and Company Setup Expense	5	AED 35,000
Total Start-up Expenses		AED 852,400
Project Start-up Assets - Breakup		
		Amount
Land Cost	6	AED 57,000,000
Design & Architects Fee		AED 2,500,000
Project Management Fee	7	AED 3,500,000
Legal & Approvals	8	AED 3,500,000
Government Fees		AED 1,000,000
Infrastructure costs (roads, landscaping)		AED 1,000,000
Cash Reserve for Working Capital		AED 50,647,600
Total Start-up Assets - Capital Outflow		AED 119,147,600
Total Capital Requirement		AED 120,000,000
Project Financing		
		Amount
Owner's Capital		AED 120,000,000





Note 1 Salary of 3 months is considered. Salary, Employees Visa and Insurance breakup is shown in below in table.

Designations	Number	Total Salary Per Month	Total Salary for 3 month	Prepaid Employees Visa Cost	Total Prepaid Employees Visa Cost	Prepaid Employee Medical Insurance / Per Employee	Total Prepaid Employee Medical Insurance
Direct Staff / Operational Staff							
Project Manager / Operations Head	1	AED 12,000	AED 36,000	AED 5,000	AED 5,000	AED 5,000	AED 5,000
Sales & Business Development	0	AED -	AED -	AED 5,000	AED -	AED -	AED -
Technical Staff	0	AED -	AED -	AED 5,000	AED -	AED -	AED -
Customer Support	0	AED -	AED -	AED 5,000	AED -	AED -	AED -
Total Operational Staff	1	AED 12,000	AED 36,000		AED 5,000		AED 5,000
Indirect Staff / Non-Operational Staff							
Owner / MD	1	AED 30,000	AED 90,000	AED -	AED -	AED 6,000	AED 6,000
Accountant	1	AED 7,000	AED 21,000	AED 5,000	AED 5,000	AED 4,000	AED 4,000
Security Personnel	4	AED 8,000	AED 24,000	AED 5,000	AED 20,000	AED 2,000	AED 8,000
Cleaning & Janitorial Staff	1	AED 1,800	AED 5,400	AED 5,000	AED 5,000	AED 2,000	AED 2,000
Total Operational Staff	7	AED 46,800	AED 140,400		AED 30,000		AED 20,000
Grand Total	8	AED 58,800	AED 176,400		AED 35,000		AED 25,000

Headcount Table Year Wise

Description	Projected Number of Total Employees					Avg. Monthly salary per employee	Total Salary Per Month
Direct Staff / Operational Staff							
Project Manager / Operations Head	1	1	0	0	0	AED 12,000	AED 12,000
Sales & Business Development	0	0	0	1	1	AED 5,000	AED -
Technical Staff	0	0	2	2	2	AED 3,000	AED -
Customer Support	0	0	2	2	2	AED 3,000	AED -
Total Operational Staff	1	1	4	5	5		AED 12,000



Indirect Staff / Non-Operational Staff								
Owner / MD	1	1	1	1	1	AED	30,000	AED 30,000
Accountant	1	1	1	1	1	AED	7,000	AED 7,000
Security Personnel	4	4	0	0	0	AED	2,000	AED 8,000
Cleaning & Janitorial Staff	1	1	1	1	1	AED	1,800	AED 1,800
Total Operational Staff	7	7	3	3	3			AED 46,800
Grand Total	8	8	7	8	8			AED 58,800

Startup Expenses Amortization Break-up

Description	Note	Total Amount	Amount to be Amortized for 1 Month	Monthly Amortization Amount first 3 Months	Monthly Amortization Amount after 3 Months	Total Useful Period
Startup Salaries for 3 Months		AED 176,400	AED 58,800	AED 58,800	AED -	3 Months
Utilities (DEWA) for 3 Months		AED 6,000	AED 2,000	AED 2,000	AED -	3 Months
Utilities (Telephone & Internet) for 3 Months		AED 7,500	AED 2,500	AED 2,500	AED -	3 Months
Rent the Area for 3 Months		AED 17,500	AED 5,833	AED 5,833	AED -	3 Months
Business Stationery		AED 5,000	AED 5,000	AED -	AED -	1 Year
Prepaid Employees Visa Cost		AED 35,000	AED 1,458	AED 1,458	AED 1,458	2 Year
Prepaid Employees Medical Insurance		AED 25,000	AED 2,083	AED 2,083	AED 2,083	1 Year
Supplies (Cleaning Material etc.)		AED 2,000	AED 667	AED 667	AED -	3 Months
Prepaid Business Insurance		AED -	AED -	AED -	AED -	1 Year
Startup Branding & Marketing Cost		AED 500,000	AED 41,667	AED 41,667	AED 41,667	1 Year
Accounting & CRM Software		AED 8,000	AED 667	AED 667	AED 667	1 Year
Website Development Costs		AED 15,000	AED 1,250	AED 1,250	AED 1,250	1 Year
Professional Consultancy Service Fee		AED 20,000	AED 1,667	AED 1,667	AED 1,667	1 Year
Legal and Company Setup Expense		AED 35,000	AED 2,917	AED 2,917	AED 2,917	1 Year
Total Start-up Expenses		AED 852,400	AED 126,508	AED 121,508	AED 51,708	



Note 2 Utilities of 3 months is considered. Utilities include Energy, Water (DEWA), Internet, and Telephone bill. The estimated breakup of utility bill is following.

Average Utilities	Per month	Total 3 Months
Energy & Water Bill (DEWA)*	AED 2,000	AED 6,000
Telephone	AED 1,000	AED 3,000
Internet	AED 1,500	AED 4,500
Total	AED 4,500	AED 13,500

Note 3 Rent for the office area is handled through agents, and the record-keeping place is maintained.

Note 4 Startup Branding & Marketing Cost Expenses - Launch of the pre-opening campaign.

Note 5 Legal and Company Setup Expenses include preliminary costs such as company registration, Articles of Association, license issuance.

The license is valid for one year.

Note 6 57Million for Land Purchase for this Project

Note 7 3.5 Million for Project Management Fee

Note 8 Legal and Company Approval include preliminary costs such as fee and Deposit.

Note 9 The startup inventory cost reflects the expenditure for purchasing materials required for repair and maintenance.

Sources

Legal Cost for Company Setup

<https://www.tetraconsultants.com/blog/how-much-does-it-cost-to-register-a-company-in-dubai/>

Visa Cost

<https://www.applydubaivisa.com/what-is-the-2-year-dubai-visa-cost/>

Website Development Costs

<https://www.itrobes.com/website-design-cost-dubai/>

Prepaid Employee Medical

Insurance

[Understanding UAE Healthcare Costs \(insurancemarket.ae\)](https://www.insurancemarket.ae/understanding-uae-healthcare-costs/)

Office Equipment's

[Office Equipment for sale | eBay](https://www.ebay.com/sch/i.html?from=R40&trksid=p2334524.m570.l1313&nkw=computer+and+laptops&)

Office Furniture & Fixture

<https://officemaster.ae/content/office-furniture-abu-dhabi/>

Computer and Accessories

<https://www.ebay.com/sch/i.html?from=R40&trksid=p2334524.m570.l1313&nkw=computer+and+laptops&>

Accounting Software Cost

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Car

<https://www.byduae.ae/en/new-cars/>

Laptop

<https://uae.microless.com/product/apple-macbook-pro-2024-14-inch-liquid-xdr-retina-display-m4-pro-chip-12-keyboard-space-black-mx2h3ll-a/>



8.3. Project - Financial Feasibility

ROI (Average of 5 years for whole project)	Note 15	13%
Net Present Value (NPV)	Note 16	AED 161,454,942
Cost of Capital (WACC)	Note 17	15%
Project Internal Rate of Return (IRR)	Note 18	46%
Undiscounted Payback Period (PBP)	Note 19	1 Year and 4 month approximately
Discounted Payback Period (PBP)	Note 20	1 Year and 3 month approximately
Accounting Rate of Return (ARR)	Note 21	13%
Profitability Index (PI)	Note 22	2.3

Return on Investment (ROI)

Years	Year 0		Year 1		Year 2		Year 3		Year 4		Year 5	
	Forecasted		Forecasted		Forecasted		Forecasted		Forecasted		Forecasted	
Investment	AED	120,000,000	AED	120,000,000	AED	120,000,000	AED	120,000,000	AED	120,000,000	AED	120,000,000
Per Year Profit			AED	15,432,339	AED	34,298,735	AED	11,743,024	AED	6,399,010	AED	7,177,274
Per Year ROI				13%		29%		10%		5%		6%

Average ROI	13%
-------------	-----

Net Present Value (NPV)

Particulars	Year 0		Year 1		Year 2		Year 3		Year 4		Year 5	
	Forecasted		Forecasted		Forecasted		Forecasted		Forecasted		Forecasted	
<i>Initial outflow:</i>												
Fixed Asset Investment	AED	(69,352,400)										
Working Capital Investment	AED	(50,647,600)										
Total Investment Value	AED	(120,000,000)										
<i>After-tax Annual Cash flows</i>												



Revenue		AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235
Variable Cost		AED 81,500	AED 675,165	AED 740,294	AED 735,178	AED 803,925
Fixed Cost		AED 29,084,727	AED 56,178,945	AED 12,481,903	AED 3,384,079	AED 3,510,384
Operating Income (EBIT)		AED 77,191,068	AED 152,903,792	AED 40,549,118	AED 16,227,134	AED 17,277,545
Tax at 9%		AED (1,526,275)	AED (3,392,183)	AED (1,161,398)	AED (632,869)	AED (709,840)
Operating Income after tax		AED 75,664,793	AED 149,511,610	AED 39,387,720	AED 15,594,265	AED 16,567,705
Add back Depreciation		AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
Change in Working Capital		AED -	AED (25,751,652)	AED 47,523,228	AED 10,434,542	AED 968,218
After-tax Operating Cash flows		AED 77,564,793	AED 125,279,958	AED 88,126,948	AED 27,001,606	AED 18,314,163
Terminal Cash Flows						
Return of Working Capital						AED 17,473,264
Salvage Value (Book Value at year 5)						AED 62,112,960
Tax on Salvage Value						AED (5,590,166)
Total After-Tax Cash Flows	AED (120,000,000)	AED 77,564,793	AED 125,279,958	AED 88,126,948	AED 27,001,606	AED 92,310,221
Discount Period	0	1	2	3	4	5
Discount Factor @ 28% (WACC)	1.00	0.87	0.76	0.66	0.57	0.50
Present Value	AED (120,000,000)	AED 67,447,646	AED 94,729,647	AED 57,944,899	AED 15,438,256	AED 45,894,494

Net Present Value	AED 161,454,942
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Accounting Rate of Return (ARR)

Particulars	Amount
Initial Investment	AED 120,000,000
Average Net Income	AED 15,010,076
ARR	13%



Internal Rate of Return (IRR)

Years	Cash flows	DF @ 15%	Present value	DF @ 25%	Present value
Year 0	AED (120,000,000)	1.00	AED (120,000,000)	1	AED (120,000,000)
Year 1	AED 77,564,793	0.87	AED 67,447,646	0.80	AED 62,051,834
Year 2	AED 125,279,958	0.76	AED 94,729,647	0.64	AED 80,179,173
Year 3	AED 88,126,948	0.66	AED 57,944,899	0.51	AED 45,120,997
Year 4	AED 27,001,606	0.57	AED 15,438,256	0.41	AED 11,059,858
Year 5	AED 92,310,221	0.50	AED 45,894,494	0.33	AED 30,248,213
			AED 161,454,942		AED 108,660,076
IRR	46%				

Payback Period (PBP)

Years	Undiscounted		Discounted	
	Cash flows	Cumulative cash flows	Cash flows	Cumulative cash flows
Year 0	AED (120,000,000)	AED (120,000,000)	AED (120,000,000)	AED (120,000,000)
Year 1	AED 77,564,793	AED (42,435,207)	AED 67,447,646	AED (52,552,354)
Year 2	AED 125,279,958	AED 82,844,751	AED 94,729,647	AED 42,177,293
Year 3	AED 88,126,948	AED 170,971,698	AED 57,944,899	AED 100,122,191
Year 4	AED 27,001,606	AED 197,973,305	AED 15,438,256	AED 115,560,447
Year 5	AED 92,310,221	AED 290,283,526	AED 45,894,494	AED 161,454,942

Payback Period	Years	
Undiscounted	1.34	1 Year and 4 month approximately
Discounted	1.27	1 Year and 3 month approximately

WACC Calculation

Discount Rate Calculation (WACC)	%
Discount rate for Private Company	12.0%
Lack of Liquidity Discount	2.0%
Lack of Marketability Discount	1.0%
Weighted Average Cost of Capital (WACC)	15%



Recommendations and Conclusion

Based on the above financial indicators, we firmly believe that our business has the potential to become a highly regarded resource in local and regional markets.

We can conclude that this business has an opportunity to gain more profits in the future. This business will also be able to stand strongly and will continuously concentrate on its business strategies, especially in terms of marketing and quality control, to ensure that the business remains competitive and resilient. By focusing on these key areas, the business can improve customer satisfaction, enhance brand reputation, and drive sustainable growth. Furthermore, continuous innovation and adaptation to market trends will be crucial in maintaining its position in the industry and capitalizing on emerging opportunities.

We are confident that we can achieve our conservative financial projections, generating a gross Revenue of AED 48.025 million in year one after the opening of the ABC Properties. With the CAGR of 5% of industry and growth rate of cases we will be able to achieve a turn over of approximately AED 12.963 million within five years.

There will be a 73% increase in Revenue in five years that is from AED 48.025 million in year 1 to AED 12.963 million in year 5 due to increase in service provided per year.

According to our projected financial data, The return on investment is an average 46%, with a Project IRR of 46% and Net Present Value of AED 161,454,942

The investment in this business will be recovered in approximately 1 Year and 3 months (Discounted payback period), which is a very reasonable time period for such investment.

Note 15

ROI is a key performance indicator used to measure the efficiency and profitability of an investment. It is important because it allows investors to determine the profitability of their investments, compare different investments, and make informed decisions about where to allocate their capital.

Note 16

A useful metric for evaluating a project's likelihood of success, defined as a project which increases the overall enterprise's value, is the Net Present Value (NPV).

Net present value is used to determine whether or not an investment, project, or business will be profitable over time. Essentially, the NPV of an investment is the sum of all future cash flows over the investment's lifetime, discounted to the present value.

The NPV of an investment project is the discounted value of the differences over time between monetary costs and benefits in each period of the project.



For this project the investors seeking to determine whether to invest in a project or not, the NPV analysis provides a financial investment basis for determining whether to accept the decision to invest in a project or reject it.

Investors may employ a NPV analysis to evaluate an investment's potential impact on this project's financial profile, as well as on its needs for total available capital and allocation decisions related to utilization of existing capital.

Investors should seek to determine whether the additions to net cash flow generated from the proposed investment over the lifetime of the investment, will be greater than the initial start-up and ongoing expenses of the project after consideration of the enterprise's cost of capital, as well as, the probability of obtaining both a return and a return of the investment capital.

Any positive NPV would suggest that the investment in the proposed projects will add to the enterprise value of the investors investing in the project, i.e., there will be an incremental increase in the perceived value of the investing enterprise.

The NPV analysis calculates the present value, discounted at the appropriate required rate of return for an equally risky investment, of all future net economic benefits, i.e., benefits in excess of the Projected costs, including capital and operating costs, for a project. The Projected initial investment required to undertake the project is then deducted from the calculated present value of the net economic benefits to determine the net present value, which represents the additional value created by the project beyond the return on and return of investment paid to the investors.

The sum of the Discounted Net Cash Flows from the first five years of the discrete projection was then added together with the discounted capitalized value of the terminal/residual period, to calculate an estimate of the value of the total invested capital. From this amount, the total initial investment required for this project is subtracted to determine the net present value of the Project.

Note 17

Company leaders use cost of capital to gauge how much money new endeavors need to generate to offset Prepaid costs and achieve profit. They also use it to analyze the potential risk of future business decisions. Cost of capital is extremely important to investors and analysts.

Note 18

There are some benefits from using the IRR in evaluating projects. First, the IRR of a project is equal to its Projected rate of return, second if the IRR exceeds the cost of funds used to finance the project, then a surplus will remain after paying for capital and this surplus accrues to the project's investors and here the IRR will be a measure of the increase in the investors' wealth. The ultimate goal of IRR is to identify the rate of discount, which makes the present value of the sum of annual nominal cash inflows equal to the initial net cash outlay for the investment. IRR is ideal for analyzing capital budgeting projects to understand and compare potential rates of annual return over time. Internal Rate of Return ("IRR") is the interest rate that equates the present value of the Projected future cash flows, or receipts, to the initial cost outlay. The cash flows include, in the last year, a residual income stream based on the last year's cash flow. The IRR rate is the rate decreased to make the Net Present Value of a



the cash flows zero
Based on the projections and calculations, the project IRR (46%) is higher than the cost of equity (15%) and hence, the project is financially feasible.

Note 19

The Payback Period shows how long it takes for a business to recoup an investment. This type of analysis allows firms to compare alternative investment opportunities and decide on a project that returns its investment in the shortest time if that criteria is important to them.

Note 20

A discounted payback period gives the number of years it takes to break even from undertaking the initial expenditure, by discounting future cash flows and recognizing the time value of money. The metric is used to evaluate the feasibility and profitability of a given project.

Note 21

The accounting rate of return (ARR) is a simple formula that allows investors and managers to determine the profitability of an asset or project. Because of its ease of use and determination of profitability, it is a handy tool in making decisions. The accounting rate of return, also known as the return on investment, gives the annual accounting profits arising from an investment as a percentage of the investment made.

Note 22

The profitability index (PI) is a measure of the attractiveness of a project or investment. It is calculated by dividing the present value of future Projected cash flows by the initial investment amount in the project. The formula for Profitability Index is simple and it is calculated by dividing the present value of all the future cash flows of the project by the initial investment in the project. It can be further expanded as below, Profitability Index = (Net Present value + Initial investment) / Initial investment.

The profitability index is used for comparison and contrast when a company has several investments and projects it is considering undertaking. The PI is especially useful when a company has limited resources and can't pursue all potential projects, as it can be used to prioritize which projects to pursue first. The profitability index rule is a decision-making exercise that helps evaluate whether to proceed with a project. The index itself is a calculation of the potential profit of the proposed project. The rule is that a profitability index or ratio greater than 1 indicates that the project should proceed.

Source

UAE equity risk premiums

https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

UAE GDP

[https://en.wikipedia.org/wiki/Economy_of_the_United_Arab_Emirates#:~:text=%24501.3%20billion%20\(nominal%2C%202022%20est.](https://en.wikipedia.org/wiki/Economy_of_the_United_Arab_Emirates#:~:text=%24501.3%20billion%20(nominal%2C%202022%20est.)

UAE Inflation

<https://www.statista.com/statistics/297779/uae-inflation-rate/>

Risk free rate

<https://www.centralbank.ae/en/forex-eibor/eibor-rates/>

Discount rate for private

[https://www.cfainstitute.org/en/research/cfa-digest/2013/05/private-equity-performance-and-liquidity-risk-digest-](https://www.cfainstitute.org/en/research/cfa-digest/2013/05/private-equity-performance-and-liquidity-risk-digest-summary)

Companies

[summary](https://www.cfainstitute.org/en/research/cfa-digest/2013/05/private-equity-performance-and-liquidity-risk-digest-summary)



8.4. Project - Breakeven Analysis & Booking Percentage

Projected Bookings-to-Cost (B/C) Ratio on 100% Unit Sale

Bookings-to-Cost (B/C) Ratio	Note	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred
Residential Sales					
Studio		43 Units	26%	AED 29,688,000	AED 35,779,354
1 BHK		49 Units	29%	AED 67,862,400	AED 48,214,551
2 BHK		7 Units	4%	AED 14,428,800	AED 7,923,409
Total Residential Sales		99 Units	59%	AED 111,979,200	AED 91,917,315
Commercial Sales					
Office		36 Units	21%	AED 92,300,000	AED 37,439,998
Retail		33 Units	20%	AED 62,522,400	AED 29,768,949
Total Commercial Sales		69 Units	41%	AED 154,822,400	AED 67,208,947
Grand Total		168 Units	100%	AED 266,801,600	AED 159,126,262

Projected Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue	AED 266,801,600
Total Project Costs Incurred	AED 159,126,262
Projected Bookings-to-Cost (B/C) Ratio	1.68

Projected Booking Percentage on 100% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred	Total Booking Revenue @ WACC 15%
Residential Sales					
Studio	43 Units	26%	AED 29,688,000	AED 35,779,354	AED 22,448,393
1 BHK	49 Units	29%	AED 67,862,400	AED 48,214,551	AED 51,313,724



2 BHK	7 Units	4%	AED 14,428,800	AED 7,923,409	AED 10,910,246
Total Residential Sales	99 Units	59%	AED 111,979,200	AED 91,917,315	AED 84,672,363
Commercial Sales					
Office	36 Units	21%	AED 92,300,000	AED 37,439,998	AED 69,792,060
Retail	33 Units	20%	AED 62,522,400	AED 29,768,949	AED 47,275,917
Total Commercial Sales	69 Units	41%	AED 154,822,400	AED 67,208,947	AED 117,067,977
Grand Total	168 Units	100%	AED 266,801,600	AED 159,126,262	AED 201,740,340

Projected Booking Percentage on 100% Unit Sale

Particulars	Amount
Total Booking Revenue @ WACC 15%	AED 201,740,340
Total Project Costs Incurred	AED 159,126,262
Projected Booking Percentage	79%

Projected Bookings-to-Cost (B/C) Ratio on 60% Unit Sale

Bookings-to-Cost (B/C) Ratio	Total Units	Total Booking Units	Unit Mix	Total Booking Revenue	Total Project Costs Incurred
Residential Sales					
Studio	43 Units	26 Units	26%	AED 17,815,020	AED 28,766,259
1 BHK	49 Units	29 Units	29%	AED 40,716,873	AED 40,222,885
2 BHK	7 Units	4 Units	4%	AED 8,657,479	AED 6,781,743
Total Residential Sales	99 Units	59 Units	59%	AED 67,189,372	AED 75,770,887
Commercial Sales					
Office	36 Units	22 Units	21%	AED 55,380,514	AED 31,568,570
Retail	33 Units	20 Units	20%	AED 37,512,917	AED 24,386,806
Total Commercial Sales	69 Units	41 Units	41%	AED 92,893,432	AED 55,955,376
Grand Total	168 Units	101 Units	100%	AED 160,082,804	AED 131,726,262

Projected Bookings-to-Cost (B/C) Ratio

Particulars	Amount
Total Booking Revenue	AED 160,082,804
Total Project Costs Incurred	AED 131,726,262



Projected Bookings-to-Cost (B/C) Ratio

1.22

Projected Summary Sheet of Breakeven Analysis

Description	Contribution Margin		*W/A Contribution Margin		**W/A CM Ratio No's	Breakeven Point in Multiproduct	Breakeven Value
Residential Sales							
Studio	AED	690,212	AED	176,661	0.26	11 Units	AED 3,237,243
1 BHK	AED	1,384,711	AED	403,874	0.29	6 Units	AED 7,398,835
2 BHK	AED	2,061,223	AED	85,884	0.04	0.6 Units	AED 1,573,187
Total Residential Sales	AED	4,136,146	AED	666,420	0.59	17 Units	AED 12,209,265
Commercial Sales							
Office	AED	2,563,716	AED	549,368	0.21	2 Units	AED 10,063,428
Retail	AED	1,894,459	AED	372,126	0.20	3 Units	AED 6,816,631
Total Commercial Sales	AED	4,458,175	AED	460,747	0.41	5 Units	AED 16,880,058
Grand Total	AED	8,594,321	AED	1,127,166	1.00	23 Units	AED 29,089,323

Description	Total Units	Total Sale Unit	Approximately Unit Area	Unit Mix	100% Sell-Out Revenue Projection
Residential Sales					
Studio	43 Units	26 Units	432 m ²	26%	AED 29,688,000
1 BHK	49 Units	29 Units	866 m ²	29%	AED 67,862,400
2 BHK	7 Units	4 Units	1,288 m ²	4%	AED 14,428,800
Total Residential Sales	99 Units	59 Units	2,585 m²	59%	AED 111,979,200
Commercial Sales					
Office	36 Units	22 Units	1,282 m ²	21%	AED 92,300,000
Retail	33 Units	20 Units	789 m ²	20%	AED 62,522,400
Total Commercial Sales	69 Units	41 Units	2,071 m²	41%	AED 154,822,400
Grand Total	168 Units	101 Units	4,657 m²	100%	AED 266,801,600

Variable & Fixed Cost Per Unit	Total Booking	Unit Mix	Per Unit Sale Price	Variable Cost Per Unit	Fixed Cost Per Unit
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Residential Sales	30%					
Studio	AED	5,344,506	26%	AED	690,419	AED 207
1 BHK	AED	12,215,062	29%	AED	1,384,947	AED 236
2 BHK	AED	2,597,244	4%	AED	2,061,257	AED 34
Total Residential Sales	AED	20,156,812	59%	AED	4,136,623	AED 476
Commercial Sales						
Office	AED	16,614,154	21%	AED	2,563,889	AED 173
Retail	AED	11,253,875	20%	AED	1,894,618	AED 159
Total Commercial Sales	AED	27,868,030	41%	AED	4,458,507	AED 332
Grand Total	AED	48,024,841	100%	AED	8,595,130	AED 809

Projected Total Cost	Total Units	Approximately Unit Area	Unit Mix	Total Material Cost	Total Cost
Residential Sales					
Studio	43 Units	432 m ²	26%	AED 6,494,521	AED 2,204,629
1 BHK	49 Units	866 m ²	29%	AED 14,843,462	AED 119,648
2 BHK	7 Units	1,288 m ²	4%	AED 3,156,111	AED 149,561
Total Residential Sales	99 Units		59%	AED 24,494,093	AED 2,473,838
Commercial Sales					
Office	36 Units	1,282 m ²	21%	AED 12,922,463	AED 105,884
Retail	33 Units	789 m ²	20%	AED 7,294,541	AED -
Total Commercial Sales	69 Units		41%	AED 20,217,004	AED 105,884
Grand Total	168 Units		100%	AED 44,711,098	AED 2,579,722

Variable Operating Expenses (V.C)	Year 2	Year 2	Year 3	Year 4	Year 5
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Advertising & Marketing	AED -	AED 511,500	AED 537,075	AED 563,929	AED 592,125
Utilities (DEWA)	AED 18,000	AED 24,552	AED 25,117	AED 25,694	AED 26,285
Utilities (Telephone & Internet)	AED 22,500	AED 30,690	AED 31,396	AED 32,118	AED 32,857
Repair & Maintenance Cost	AED 5,000	AED 5,115	AED 5,233	AED 5,353	AED 5,476
Amortization Employees Visa Cost	AED -	AED -	AED 35,805	AED -	AED 36,629
Amortization Employees Medical Insurance	AED -	AED 25,575	AED 26,163	AED 26,765	AED 27,381



Amortization Business Insurance	AED	-	AED	-	AED	-	AED	-	AED	-
Website Maintenance Cost	AED	-	AED	10,230	AED	10,465	AED	10,706	AED	10,952
Accounting & CRM Software	AED	-	AED	8,184	AED	8,372	AED	8,565	AED	8,762
Supplies (Cleaning Material etc.)	AED	6,000	AED	8,184	AED	8,372	AED	8,565	AED	8,762
Printing and Stationary	AED	15,000	AED	20,460	AED	20,931	AED	21,412	AED	21,904
Legal and Company Setup Expense	AED	-	AED	15,345	AED	15,698	AED	16,059	AED	16,428
Administrative Expenses	AED	5,000	AED	5,100	AED	5,202	AED	5,306	AED	5,412
Miscellaneous Expenses	AED	10,000	AED	10,230	AED	10,465	AED	10,706	AED	10,952
Total Variable Operating Expenses (V.C)	AED	81,500	AED	675,165	AED	740,294	AED	735,178	AED	803,925

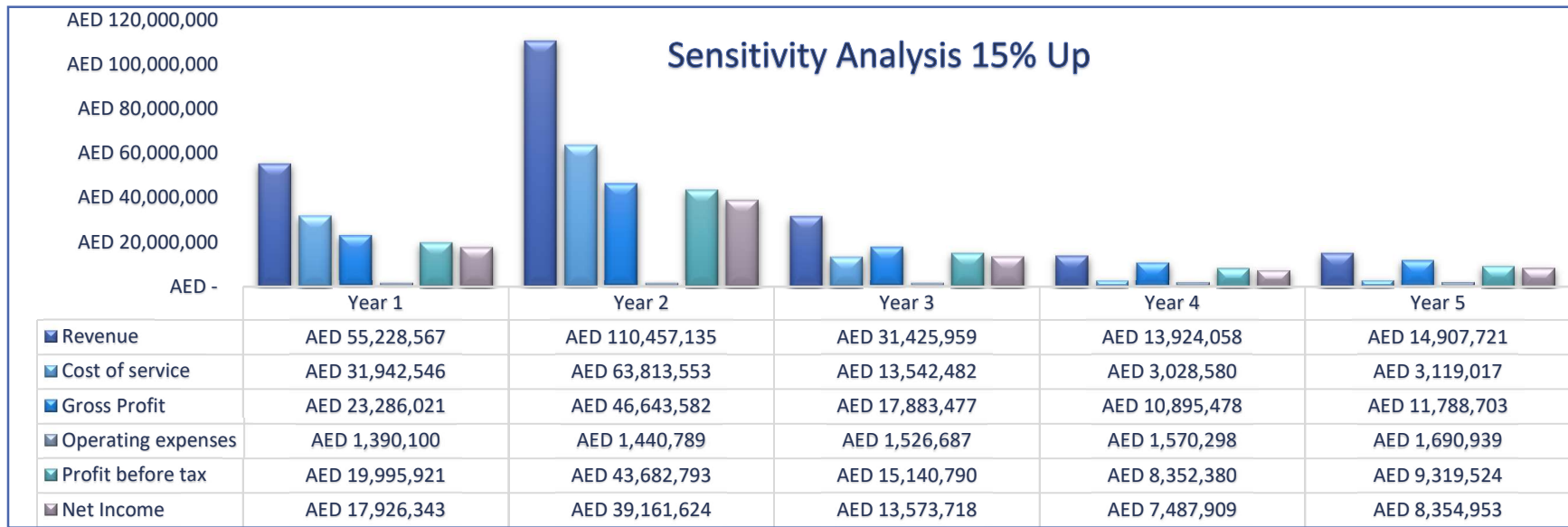
Fixed Expenses (F.C)	Year 2		Year 3		Year 4		Year 5			
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted		
Rent of the Area	AED	52,500	AED	71,610	AED	73,257	AED	74,942	AED	76,666
Startup Expenses	AED	834,900	AED	17,500	AED	-	AED	-	AED	-
Projected Unit Material Cost	AED	13,413,329	AED	26,826,659	AED	4,471,110	AED	-	AED	-
Projected Common Area Cost	AED	13,774,549	AED	27,549,099	AED	4,591,516	AED	-	AED	-
Operational Staff Salaries	AED	108,000	AED	153,792	AED	164,250	AED	180,419	AED	192,687
Agent Commission on Sale & Lease	AED	480,248	AED	960,497	AED	315,995	AED	168,565	AED	182,393
Service & Management Fee Expenses	AED	-	AED	-	AED	2,233,200	AED	2,284,564	AED	2,337,109
Non-Operational Staff Salaries	AED	421,200	AED	599,789	AED	632,574	AED	675,590	AED	721,530
Total Fixed Expenses (F.C)	AED	29,084,727	AED	56,178,945	AED	12,481,903	AED	3,384,079	AED	3,510,384



8.5. Project Sensitivity Analysis Risk Analysis 1

Sensitivity Analysis 15% Up	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	AED 55,228,567	AED 110,457,135	AED 31,425,959	AED 13,924,058	AED 14,907,721
Cost of Revenue	AED 31,942,546	AED 63,813,553	AED 13,542,482	AED 3,028,580	AED 3,119,017
Gross Profit	AED 23,286,021	AED 46,643,582	AED 17,883,477	AED 10,895,478	AED 11,788,703
% of Revenue	42%	42%	57%	78%	79%
Operating expenses	AED 1,390,100	AED 1,440,789	AED 1,526,687	AED 1,570,298	AED 1,690,939
% of Revenue	3%	1%	5%	11%	11%
Operating Income	AED 21,895,921	AED 45,202,793	AED 16,356,790	AED 9,325,180	AED 10,097,764
Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
Finance cost	AED -	AED -	AED -	AED -	AED -
Profit Before Tax	AED 19,995,921	AED 43,682,793	AED 15,140,790	AED 8,352,380	AED 9,319,524
Provision for taxation	AED 2,069,578	AED 4,521,169	AED 1,567,072	AED 864,471	AED 964,571
Net Profit / Income	AED 17,926,343	AED 39,161,624	AED 13,573,718	AED 7,487,909	AED 8,354,953
% of Revenue	32%	35%	43%	54%	56%

Revenue	AED 55,228,567	AED 110,457,135	AED 31,425,959	AED 13,924,058	AED 14,907,721
Cost of service	AED 31,942,546	AED 63,813,553	AED 13,542,482	AED 3,028,580	AED 3,119,017
Gross Profit	AED 23,286,021	AED 46,643,582	AED 17,883,477	AED 10,895,478	AED 11,788,703
Operating expenses	AED 1,390,100	AED 1,440,789	AED 1,526,687	AED 1,570,298	AED 1,690,939
Profit before tax	AED 19,995,921	AED 43,682,793	AED 15,140,790	AED 8,352,380	AED 9,319,524
Net Income	AED 17,926,343	AED 39,161,624	AED 13,573,718	AED 7,487,909	AED 8,354,953

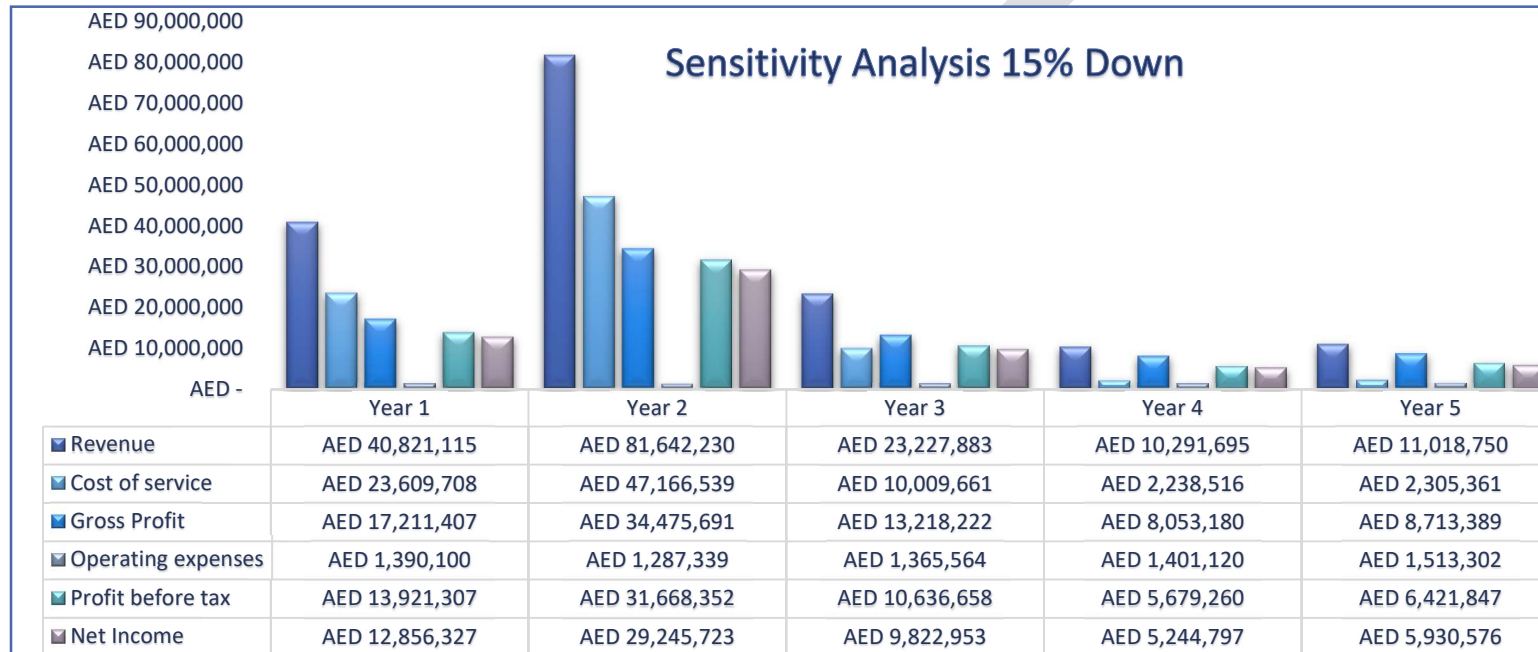


Sensitivity Analysis 15% Down	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	AED 40,821,115	AED 81,642,230	AED 23,227,883	AED 10,291,695	AED 11,018,750
Cost of Revenue	AED 23,609,708	AED 47,166,539	AED 10,009,661	AED 2,238,516	AED 2,305,361
Gross Profit	AED 17,211,407	AED 34,475,691	AED 13,218,222	AED 8,053,180	AED 8,713,389
% of Revenue	42%	42%	57%	78%	79%
Operating expenses	AED 1,390,100	AED 1,287,339	AED 1,365,564	AED 1,401,120	AED 1,513,302
% of Revenue	3%	2%	6%	14%	14%
Operating Income	AED 15,821,307	AED 33,188,352	AED 11,852,658	AED 6,652,060	AED 7,200,087
Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
Finance cost	AED -	AED -	AED -	AED -	AED -
Profit Before Tax	AED 13,921,307	AED 31,668,352	AED 10,636,658	AED 5,679,260	AED 6,421,847
Provision for taxation	AED 1,064,980	AED 2,422,629	AED 813,704	AED 434,463	AED 491,271
Net Profit / Income	AED 12,856,327	AED 29,245,723	AED 9,822,953	AED 5,244,797	AED 5,930,576
% of Revenue	31%	36%	42%	51%	54%

Revenue	AED 40,821,115	AED 81,642,230	AED 23,227,883	AED 10,291,695	AED 11,018,750
Cost of service	AED 23,609,708	AED 47,166,539	AED 10,009,661	AED 2,238,516	AED 2,305,361
Gross Profit	AED 17,211,407	AED 34,475,691	AED 13,218,222	AED 8,053,180	AED 8,713,389



Operating expenses	AED 1,390,100	AED 1,287,339	AED 1,365,564	AED 1,401,120	AED 1,513,302
Profit before tax	AED 13,921,307	AED 31,668,352	AED 10,636,658	AED 5,679,260	AED 6,421,847
Net Income	AED 12,856,327	AED 29,245,723	AED 9,822,953	AED 5,244,797	AED 5,930,576





8.6. Project Scenario Analysis Risk Analysis 2

Description	Worst Case		Base Case		Best Case	
	%age	Amount in Year 1	%age	Amount in Year 1	%age	Amount in Year 1
Revenue	85%	AED 40,821,115	100%	AED 48,024,841	115%	AED 55,228,567
Cost of Revenue	115%	AED 31,942,546	100%	AED 27,776,127	85%	AED 23,609,708
Operating Expenses	115%	-	100%	-	85%	-
Non-Operational Staff Salaries	115%	AED 484,380	100%	AED 421,200	85%	AED 358,020
Startup Expenses	115%	AED 960,135	100%	AED 834,900	85%	AED 709,665
Advertising & Marketing	115%	AED -	100%	AED -	85%	AED -
Utilities (DEWA)	115%	AED 20,700	100%	AED 18,000	85%	AED 15,300
Utilities (Telephone & Internet)	115%	AED 60,375	100%	AED 52,500	85%	AED 44,625
Rent of the Area	115%	AED 5,750	100%	AED 5,000	85%	AED 4,250
Repair & Maintenance Cost	115%	AED -	100%	AED -	85%	AED -
Amortization Employees Visa Cost	115%	AED -	100%	AED -	85%	AED -
Amortization Business Insurance	115%	AED -	100%	AED -	85%	AED -
Website Maintenance Cost	115%	AED -	100%	AED -	85%	AED -
Accounting & CRM Software	115%	AED -	100%	AED -	85%	AED -
Supplies (Cleaning Material etc.)	115%	AED 6,900	100%	AED 6,000	85%	AED 5,100
Printing and Stationary	115%	AED -	100%	AED -	85%	AED -
Legal and Company Setup Expense	115%	AED -	100%	AED -	85%	AED -
Administrative Expenses	115%	AED 5,750	100%	AED 5,000	85%	AED 4,250
Miscellaneous Expenses	115%	AED 11,500	100%	AED 10,000	85%	AED 8,500
Tax rate	10%	AED -	9%	AED 1,526,275	8%	AED 2,183,101

Earning After Tax in each Scenario

Scenario	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Best Case	AED 26,354,173	AED 55,986,434	AED 17,532,126	AED 8,739,579	AED 9,674,846
Base Case	AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274
Worst Case	AED 5,379,954	AED 14,757,650	AED 6,824,409	AED 4,124,095	AED 4,749,609

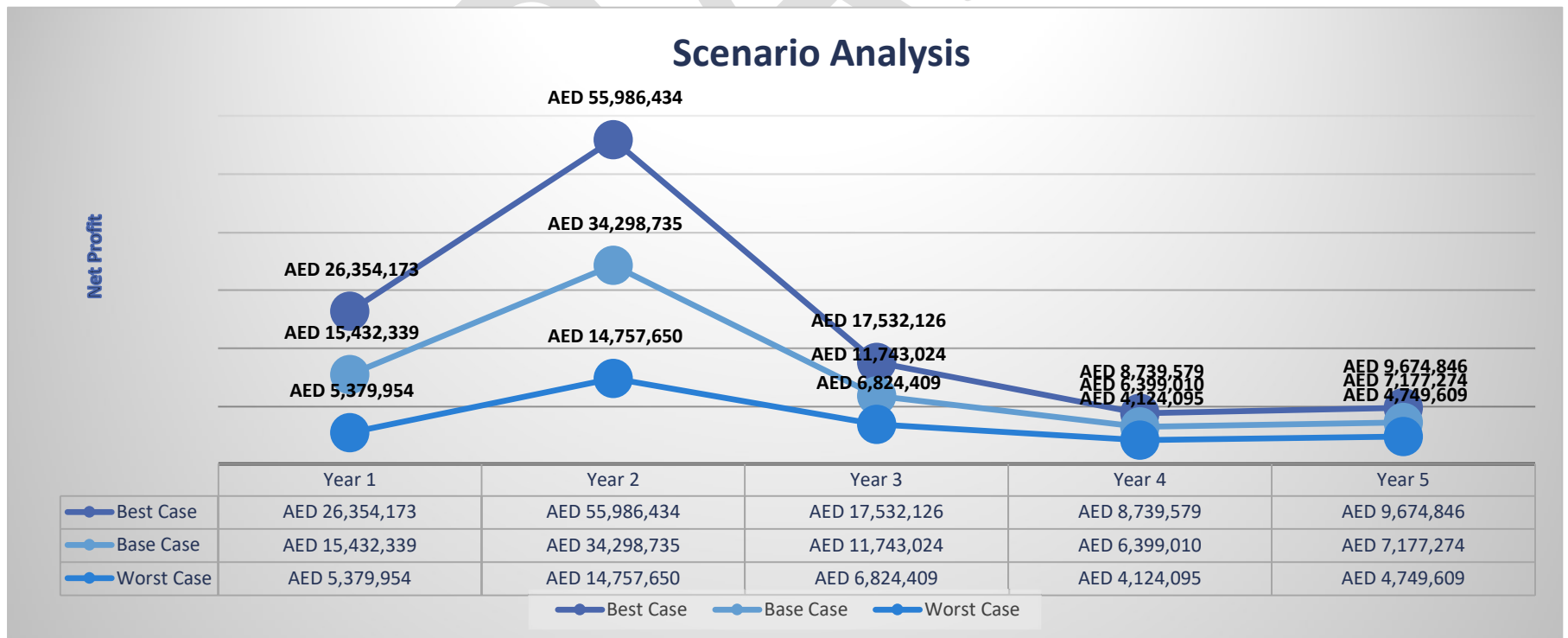


Worst Case	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	AED 40,821,115	AED 81,642,230	AED 23,227,883	AED 10,291,695	AED 11,018,750
Cost of Revenue	AED (31,942,546)	AED (63,813,553)	AED (13,542,482)	AED (3,028,580)	AED (3,119,017)
Gross Profit	AED 8,878,569	AED 17,828,677	AED 9,685,401	AED 7,263,115	AED 7,899,733
% of Revenue	22%	22%	42%	71%	72%
Operating expenses	AED (1,598,615)	AED (1,551,027)	AED (1,644,992)	AED (1,690,098)	AED (1,823,546)
% of Revenue	4%	2%	7%	16%	17%
Operating Income	AED 7,279,954	AED 16,277,650	AED 8,040,409	AED 5,573,018	AED 6,076,186
Depreciation	AED (1,900,000)	AED (1,520,000)	AED (1,216,000)	AED (972,800)	AED (778,240)
Finance cost	AED -	AED -	AED -	AED -	AED -
Earning Before Tax	AED 5,379,954	AED 14,757,650	AED 6,824,409	AED 4,600,218	AED 5,297,946
Provision for taxation	AED -	AED -	AED -	AED (476,123)	AED (548,337)
Earning After Tax	AED 5,379,954	AED 14,757,650	AED 6,824,409	AED 4,124,095	AED 4,749,609
% of Revenue	13%	18%	29%	40%	43%

Base Case	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235
Cost of Revenue	AED (27,776,127)	AED (55,490,046)	AED (11,776,071)	AED (2,633,548)	AED (2,712,189)
Gross Profit	AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046
% of Revenue	42%	42%	57%	78%	79%
Operating expenses	AED (1,390,100)	AED (1,348,719)	AED (1,430,428)	AED (1,469,650)	AED (1,585,692)
% of Revenue	3%	1%	5%	12%	12%
Operating Income	AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354
Depreciation	AED (1,900,000)	AED (1,520,000)	AED (1,216,000)	AED (972,800)	AED (778,240)
Finance cost	AED -	AED -	AED -	AED -	AED -
Earning Before Tax	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114
Provision for taxation	AED (1,526,275)	AED (3,392,183)	AED (1,161,398)	AED (632,869)	AED (709,840)
Earning After Tax	AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274
% of Revenue	32%	36%	43%	53%	55%



Best Case	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	AED 55,228,567	AED 110,457,135	AED 31,425,959	AED 13,924,058	AED 14,907,721
Cost of Revenue	AED (23,609,708)	AED (47,166,539)	AED (10,009,661)	AED (2,238,516)	AED (2,305,361)
Gross Profit	AED 31,618,859	AED 63,290,596	AED 21,416,298	AED 11,685,543	AED 12,602,360
% of Revenue	57%	57%	68%	84%	85%
Operating expenses	AED (1,181,585)	AED (1,146,411)	AED (1,215,863)	AED (1,249,203)	AED (1,347,838)
% of Revenue	2%	1%	4%	9%	9%
Operating Income	AED 30,437,274	AED 62,144,185	AED 20,200,435	AED 10,436,340	AED 11,254,522
Depreciation	AED (1,900,000)	AED (1,520,000)	AED (1,216,000)	AED (972,800)	AED (778,240)
Finance cost	AED -	AED -	AED -	AED -	AED -
Earning Before Tax	AED 28,537,274	AED 60,624,185	AED 18,984,435	AED 9,463,540	AED 10,476,282
Provision for taxation	AED (2,183,101)	AED (4,637,750)	AED (1,452,309)	AED (723,961)	AED (801,436)
Earning After Tax	AED 26,354,173	AED 55,986,434	AED 17,532,126	AED 8,739,579	AED 9,674,846
% of Revenue	48%	51%	56%	63%	65%





8.7. Projected Balance Sheet

Description	Note	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets							
<i>Non-Current Assets</i>							
Land Cost		AED 57,000,000	AED 57,000,000	AED 57,000,000	AED 57,000,000	AED 57,000,000	AED 57,000,000
Design & Architects Fee	8	AED 2,500,000	AED 2,000,000	AED 1,600,000	AED 1,280,000	AED 1,024,000	AED 819,200
Project Management Fee		AED 3,500,000	AED 2,800,000	AED 2,240,000	AED 1,792,000	AED 1,433,600	AED 1,146,880
Legal & Approvals		AED 3,500,000	AED 2,800,000	AED 2,240,000	AED 1,792,000	AED 1,433,600	AED 1,146,880
Government Fees		AED 1,000,000	AED 1,000,000	AED 1,000,000	AED 1,000,000	AED 1,000,000	AED 1,000,000
Infrastructure costs (roads, landscaping)		AED 1,000,000	AED 1,000,000	AED 1,000,000	AED 1,000,000	AED 1,000,000	AED 1,000,000
Major Preliminary Expenses	11	AED 852,400	AED 17,500	AED -	AED -	AED -	AED -
Total Non-Current Assets		AED 69,352,400	AED 66,617,500	AED 65,080,000	AED 63,864,000	AED 62,891,200	AED 62,112,960
<i>Current Assets</i>							
CWIP Inventory		AED -	AED 38,687,879	AED 63,975,757	AED 17,142,626	AED 6,864,000	AED 5,891,200
Trade Receivables		AED -	AED 960,497	AED 1,920,994	AED 546,538	AED 242,158	AED 259,265
Cash and cash equivalents		AED 50,647,600	AED 31,212,462	AED 43,162,952	AED 101,414,419	AED 118,692,242	AED 127,692,945
Total Current Assets		AED 50,647,600	AED 70,860,838	AED 109,059,703	AED 119,103,584	AED 125,798,400	AED 133,843,410
Total Assets		AED 120,000,000	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370
<i>Liabilities</i>							
<i>Current Liability</i>							
Income tax payable	9	AED -	AED 1,526,275	AED 3,392,183	AED 1,161,398	AED 632,869	AED 709,840
Trade Payable		AED -	AED 480,248	AED 960,497	AED 273,269	AED 121,079	AED 129,632
Accrued liabilities		AED -	AED 39,475	AED 55,950	AED 58,819	AED 62,544	AED 66,516
Zakat Deduction		AED -	AED -	AED -	AED -	AED -	AED -
Total Current Liabilities		AED -	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
<i>Non Current Liability</i>							
Bank Loan		AED -	AED -	AED -	AED -	AED -	AED -
Total Liabilities		AED -	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
<i>Equity</i>							



Capital	10	AED 120,000,000	AED 120,000,000	AED 120,000,000	AED 120,000,000	AED 120,000,000	AED 120,000,000
Accumulated profits		AED -	AED 15,432,339	AED 49,731,074	AED 61,474,098	AED 67,873,107	AED 75,050,381
Total Equity		AED 120,000,000	AED 135,432,339	AED 169,731,074	AED 181,474,098	AED 187,873,107	AED 195,050,381
Total Liabilities and Equity		AED 120,000,000	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370

Note 7 57Million Worth will be purchase land for this project.

Note 8 Tools and equipment include professional tools, and storage units, all designed to promote a conducive working environment.

Note 9 It include tax expense at each year end.

Note 10 The project is financed through owner equity of amounting to AED 120,000,000

Note 11: Major Preliminary Expenses Break-up:

Description	Note	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Startup Salaries for 3 Months		AED 176,400	AED -	AED -	AED -	AED -	AED -
Utilities (DEWA) for 3 Months		AED 6,000	AED -	AED -	AED -	AED -	AED -
Utilities (Telephone & Internet) for 3 Months		AED 7,500	AED -	AED -	AED -	AED -	AED -
Rent the Area for 3 Months		AED 17,500	AED -	AED -	AED -	AED -	AED -
Business Stationery		AED 5,000	AED -	AED -	AED -	AED -	AED -
Prepaid Employees Visa Cost		AED 35,000	AED 17,500	AED -	AED -	AED -	AED -
Prepaid Employees Medical Insurance		AED 25,000	AED -	AED -	AED -	AED -	AED -
Supplies (Cleaning Material etc.)		AED 2,000	AED -	AED -	AED -	AED -	AED -
Prepaid Business Insurance		AED -	AED -	AED -	AED -	AED -	AED -
Startup Branding & Marketing Cost		AED 500,000	AED -	AED -	AED -	AED -	AED -
Accounting & CRM Software		AED 8,000	AED -	AED -	AED -	AED -	AED -
Website Development Costs		AED 15,000	AED -	AED -	AED -	AED -	AED -
Professional Consultancy Service Fee		AED 20,000	AED -	AED -	AED -	AED -	AED -
Legal and Company Setup Expense		AED 35,000	AED -	AED -	AED -	AED -	AED -
Total		AED 852,400	AED 17,500	AED -	AED -	AED -	AED -



8.8. Projected Income Statement

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
		Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	Appendix 1	AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235	AED 196,472,557
Less: Cost of Revenue	Appendix 2	AED (27,776,127)	AED (55,490,046)	AED (11,776,071)	AED (2,633,548)	AED (2,712,189)	AED (100,387,982)
Gross Profit		AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046	AED 96,084,575
Gross Margin %		42%	42%	57%	78%	79%	49%
Less: Operating expenses							
Non-Operational Staff Salaries	Appendix 3	AED 421,200	AED 599,789	AED 632,574	AED 675,590	AED 721,530	AED 3,050,682
Startup Expenses		AED 834,900	AED 17,500	AED -	AED -	AED -	AED 852,400
Advertising & Marketing		AED -	AED 511,500	AED 537,075	AED 563,929	AED 592,125	AED 2,204,629
Utilities (DEWA)		AED 18,000	AED 24,552	AED 25,117	AED 25,694	AED 26,285	AED 119,648
Utilities (Telephone & Internet)		AED 22,500	AED 30,690	AED 31,396	AED 32,118	AED 32,857	AED 149,561
Rent of the Area		AED 52,500	AED 71,610	AED 73,257	AED 74,942	AED 76,666	AED 348,975
Repair & Maintenance Cost		AED 5,000	AED 5,115	AED 5,233	AED 5,353	AED 5,476	AED 26,177
Amortization Employees Visa Cost		AED -	AED -	AED 35,805	AED -	AED 36,629	AED 72,434
Amortization Employees Medical Insurance		AED -	AED 25,575	AED 26,163	AED 26,765	AED 27,381	AED 105,884
Amortization Business Insurance		AED -	AED -	AED -	AED -	AED -	AED -
Website Maintenance Cost		AED -	AED 10,230	AED 10,465	AED 10,706	AED 10,952	AED 42,354
Accounting & CRM Software		AED -	AED 8,184	AED 8,372	AED 8,565	AED 8,762	AED 33,883
Supplies (Cleaning Material etc.)		AED 6,000	AED 8,184	AED 8,372	AED 8,565	AED 8,762	AED 39,883
Printing and Stationary	AED 15,000	AED 20,460	AED 20,931	AED 21,412	AED 21,904	AED 99,707	
Administrative Expenses	AED 5,000	AED 5,100	AED 5,202	AED 5,306	AED 5,412	AED 26,020	



Miscellaneous Expenses		AED 10,000	AED 10,230	AED 10,465	AED 10,706	AED 10,952	AED 52,354
Total Operating expenses	12	AED (1,390,100)	AED (1,348,719)	AED (1,430,428)	AED (1,469,650)	AED (1,585,692)	AED (7,224,589)
EBITDA		AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354	AED 88,859,986
Depreciation & Amortization		AED (1,900,000)	AED (1,520,000)	AED (1,216,000)	AED (972,800)	AED (778,240)	AED (6,387,040)
Operating Income (EBIT)		AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Less: Finance cost		AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)		AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Provision for taxation 9%	13	AED (1,526,275)	AED (3,392,183)	AED (1,161,398)	AED (632,869)	AED (709,840)	AED (7,422,565)
Net Income(NI)		AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274	AED 75,050,381

Short Financial Summary

Description	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235	AED 196,472,557
Cost of Revenue	AED 27,776,127	AED 55,490,046	AED 11,776,071	AED 2,633,548	AED 2,712,189	AED 100,387,982
Gross Profit	AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046	AED 96,084,575
Operating expenses	AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692	AED 7,224,589
Earning before Interest, Tax Depreciation and Amortization (EBITDA)	AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354	AED 88,859,986
Earning before Interest and Tax (EBIT)	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114	AED 82,472,946
Net Income	AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274	AED 75,050,381

Note 12 It includes all General, Administration and Marketing expenses. These expenses are projected as per the growth rate mentioned in Key Assumptions.

Note 13 The 9% Tax in UAE, A 9% threshold for taxable profits up to and including AED 375,000. which is incorporated in the Financials.

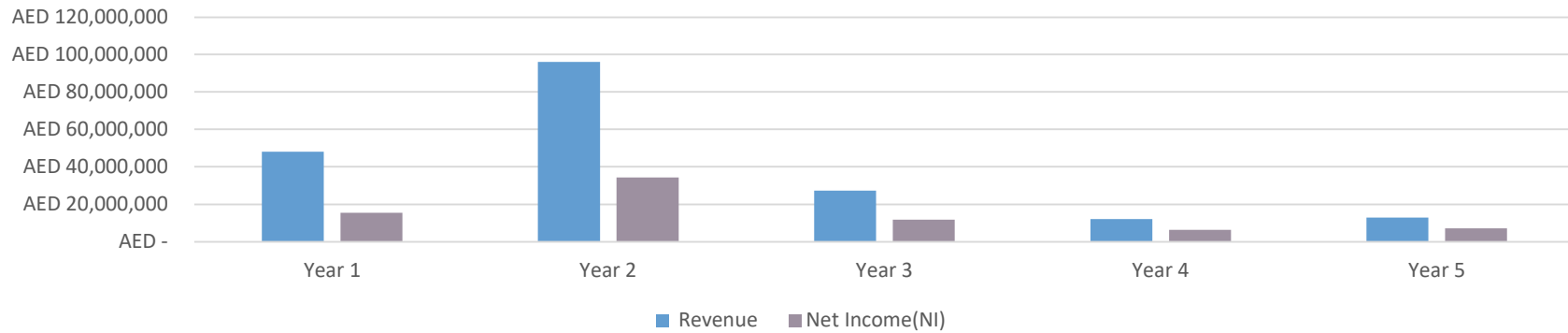


Projected Income Statement

AED 120,000,000
 AED 100,000,000
 AED 80,000,000
 AED 60,000,000
 AED 40,000,000
 AED 20,000,000
 AED -

	Forecast Year 1	Forecast Year 2	Forecast Year 3	Forecast Year 4	Forecast Year 5
Revenue	AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235
Cost of Revenue	AED 27,776,127	AED 55,490,046	AED 11,776,071	AED 2,633,548	AED 2,712,189
Gross Profit	AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046
Earning before Interest, Tax Depreciation and Amortization (EBITDA)	AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354
Net Income	AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274

Revenue vs Net Income



Sources

Tax provision

<https://kpmg.com/sa/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html#:~:text=In%20general%2C%20the%20corporation%20tax,public%20and%20private%20limited%20companies.>



8.9. 100% Lease Scenario Working

Projected Income Statement

Projected Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	AED 9,222,305	AED 9,854,950	AED 10,546,338	AED 11,302,474	AED 12,130,013	AED 53,056,080
Less: Cost of Revenue	AED 2,497,113	AED 2,505,782	AED 2,574,316	AED 2,630,536	AED 2,702,759	AED 12,910,505
Gross Profit	AED 6,725,192	AED 7,349,169	AED 7,972,022	AED 8,671,938	AED 9,427,254	AED 40,145,575
Less: Operating Expenses	AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692	AED 7,224,589
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	AED 5,335,092	AED 6,000,450	AED 6,541,595	AED 7,202,288	AED 7,841,561	AED 32,920,987
Less: Depreciation & Amortization	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240	AED 6,387,040
Earning Before Interest and Tax (EBIT)	AED 3,435,092	AED 4,480,450	AED 5,325,595	AED 6,229,488	AED 7,063,321	AED 26,533,947
Less: Finance Cost (Bank charges)	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)	AED 3,435,092	AED 4,480,450	AED 5,325,595	AED 6,229,488	AED 7,063,321	AED 26,533,947
Less: Corporate Tax	AED 309,158	AED 403,240	AED 479,304	AED 560,654	AED 635,699	AED 2,388,055
Net Income (NI)	AED 3,125,934	AED 4,077,209	AED 4,846,291	AED 5,668,834	AED 6,427,622	AED 24,145,891

Lease Revenue Year on Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Lease Revenue	1					
Studio		AED 742,034	AED 779,136	AED 818,092	AED 858,997	AED 901,947
1 BHK		AED 1,695,945	AED 1,780,743	AED 1,869,780	AED 1,963,269	AED 2,061,432
2 BHK		AED 360,603	AED 378,633	AED 397,564	AED 417,443	AED 438,315
Total Residential Lease Revenue		AED 2,798,582	AED 2,938,511	AED 3,085,436	AED 3,239,708	AED 3,401,694
Commercial Lease Revenue						
Office		AED 3,507,158	AED 3,910,481	AED 4,360,187	AED 4,861,608	AED 5,420,693
Retail		AED 1,489,887	AED 1,579,280	AED 1,674,037	AED 1,774,479	AED 1,880,948
Total Commercial Lease Revenue		AED 4,997,045	AED 5,489,762	AED 6,034,224	AED 6,636,088	AED 7,301,641
Service & Management Fee						
Leased Unit Service & Management Fee	AED 1,426,678	AED 1,426,678	AED 1,426,678	AED 1,426,678	AED 1,426,678	
Total Service & Management Fee	AED 1,426,678	AED 1,426,678	AED 1,426,678	AED 1,426,678	AED 1,426,678	
Total Revenue		AED 9,222,305	AED 9,854,950	AED 10,546,338	AED 11,302,474	AED 12,130,013

Note 1

Projected 100% Lease Unit Lease Revenue Year on Year Basis



Description	Unsold Lease Unit	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Lease Sales						
Studio	17 Units	AED 742,034	AED 779,136	AED 818,092	AED 858,997	AED 901,947
1 BHK	20 Units	AED 1,695,945	AED 1,780,743	AED 1,869,780	AED 1,963,269	AED 2,061,432
2 BHK	3 Units	AED 360,603	AED 378,633	AED 397,564	AED 417,443	AED 438,315
Total Residential Lease Sales	40 Units	AED 2,798,582	AED 2,938,511	AED 3,085,436	AED 3,239,708	AED 3,401,694
Commercial Lease Sales						
Office	14 Units	AED 3,507,158	AED 3,910,481	AED 4,360,187	AED 4,861,608	AED 5,420,693
Retail	13 Units	AED 1,489,887	AED 1,579,280	AED 1,674,037	AED 1,774,479	AED 1,880,948
Total Commercial Lease Sales	28 Units	AED 4,997,045	AED 5,489,762	AED 6,034,224	AED 6,636,088	AED 7,301,641
Grand Total	67 Units	AED 7,795,627	AED 8,428,273	AED 9,119,660	AED 9,875,796	AED 10,703,335

Projected Lease Unit Unit Service/Mgmt Fee Revenue Year on Year Basis

Description	Service/Mgmt Fee per ft ²	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Lease Unit Service/Mgmt Fee						
Studio	AED 25	AED 186,198	AED 186,198	AED 186,198	AED 186,198	AED 186,198
1 BHK	AED 25	AED 425,562	AED 425,562	AED 425,562	AED 425,562	AED 425,562
2 BHK	AED 25	AED 90,486	AED 90,486	AED 90,486	AED 90,486	AED 90,486
Total Residential Lease Unit Service/Mgmt Fee		AED 702,246	AED 702,246	AED 702,246	AED 702,246	AED 702,246
Commercial Lease Unit Service/Mgmt Fee						
Office	AED 25	AED 463,048	AED 463,048	AED 463,048	AED 463,048	AED 463,048
Retail	AED 25	AED 261,384	AED 261,384	AED 261,384	AED 261,384	AED 261,384
Total Commercial Lease Unit Service/Mgmt Fee		AED 724,431	AED 724,431	AED 724,431	AED 724,431	AED 724,431
Grand Total Lease Unit Service/Mgmt Fee		AED 1,426,678	AED 1,426,678	AED 1,426,678	AED 1,426,678	AED 1,426,678

Projected Revenue After Project Completion - (Unsold Lease Unit Lease Revenue)

Description	Total Units	(Unsold Lease Unit) Probability	Unsold Lease Unit	Avg. Unsold Lease Unit Area	Lease Rate per ft ²	Unsold Lease Unit Revenue Per Year
Residential Sales						
Studio	43 Units	40%	17 Units	432 ft ²	AED 100	AED 742,034
1 BHK	49 Units	40%	20 Units	866 ft ²	AED 100	AED 1,695,945



2 BHK	7 Units	40%	3 Units	1,288 ft ²	AED	100	AED	360,603
Total Residential Sales	99 Units		40 Units	2,585 ft²			AED	2,798,582
Commercial Sales								
Office	36 Units	40%	14 Units	1,282 ft ²	AED	190	AED	3,507,158
Retail	33 Units	40%	13 Units	789 ft ²	AED	143	AED	1,489,887
Total Commercial Sales	69 Units		28 Units	2,071 ft²			AED	4,997,045
Grand Total	168 Units		67 Units				AED	7,795,627

Projected Unsold Lease Unit Lease Rate per Year

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales						
Studio		AED 100	AED 105	AED 110	AED 116	AED 122
1 BHK		AED 100	AED 105	AED 110	AED 116	AED 122
2 BHK		AED 100	AED 105	AED 110	AED 116	AED 122
Commercial Sales						
Office		AED 190	AED 212	AED 236	AED 263	AED 294
Retail		AED 143	AED 152	AED 161	AED 170	AED 181

Projected Cost of Revenue

Projected Cost of Revenue by Year	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Operational Staff Salaries	2	AED 108,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687
Agent Commission on Sale & Lease	3	AED 155,913	AED 67,426	AED 72,957	AED 59,255	AED 64,220
Service & Management Fee Expenses		AED 2,233,200	AED 2,284,564	AED 2,337,109	AED 2,390,862	AED 2,445,852
Total Cost of Revenue		AED 2,497,113	AED 2,505,782	AED 2,574,316	AED 2,630,536	AED 2,702,759

Note 2

Direct Attributable Staff Salaries Detail as per following

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Direct Staff / Operational Staff						
Project Manager / Operations Head		AED 144,000	AED 153,792	AED 152,250	AED 162,603	AED 173,660
Sales & Business Development		AED -	AED -	AED -	AED 5,000	AED 5,340
Technical Staff		AED -	AED -	AED 6,000	AED 6,408	AED 6,844
Customer Support		AED -	AED -	AED 6,000	AED 6,408	AED 6,844
Total Operational Staff Salaries		AED 144,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687



Note 3

Agent Commission on Sale Unit and Lease Unit

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Agent Commission on Sale & Lease						
Agent Commission on Lease Unit		AED 155,913	AED 67,426	AED 72,957	AED 59,255	AED 64,220
Total Operational Staff Salaries		AED 155,913	AED 67,426	AED 72,957	AED 59,255	AED 64,220

Service & Management Fee Expenses Year on Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Service & Management Fee Expenses						
Property management fees		AED 193,358	AED 197,805	AED 202,355	AED 207,009	AED 211,770
Security & maintenance cost		AED 997,459	AED 1,020,401	AED 1,043,870	AED 1,067,879	AED 1,092,440
Utilities & common area electricity		AED 564,298	AED 577,277	AED 590,554	AED 604,137	AED 618,032
Insurance		AED 83,284	AED 85,200	AED 87,159	AED 89,164	AED 91,215
Admin overheads		AED 394,801	AED 403,881	AED 413,171	AED 422,674	AED 432,395
Total Service & Management Fee Expenses		AED 2,233,200	AED 2,284,564	AED 2,337,109	AED 2,390,862	AED 2,445,852



8.10. Projected Cash Flows Statement

Description	Note	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flow from Operating Activities							
Loss/ Profit Before Tax		AED -	AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114
Adjustment for:							
Depreciation/ Amortization		AED -	AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
Finance cost		AED -	AED -	AED -	AED -	AED -	AED -
Operating (loss)/ gain before working capital changes		AED -	AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354
Change in Current Assets		AED -	AED (39,648,375)	AED (26,248,375)	AED 48,207,586	AED 10,583,007	AED 955,693
Change in Current Liabilities		AED -	AED 519,723	AED 496,723	AED (684,358)	AED (148,465)	AED 12,526
Cash used/ generated in operations		AED -	AED (20,270,038)	AED 13,459,265	AED 61,643,650	AED 18,439,221	AED 9,633,572
Finance cost paid		AED -	AED -	AED -	AED -	AED -	AED -
Tax paid		AED -	AED -	AED (1,526,275)	AED (3,392,183)	AED (1,161,398)	AED (632,869)
Zakat Expense		AED -	AED -	AED -	AED -	AED -	AED -
Net Cash (Outflows)/ Inflows for Operating Activities		AED -	AED (20,270,038)	AED 11,932,990	AED 58,251,467	AED 17,277,823	AED 9,000,703
Cash Flow from Investing Activities	14						
Land & Building		AED -	AED -	AED -	AED -	AED -	AED -
Land Cost		AED (57,000,000)	AED -	AED -	AED -	AED -	AED -
Design & Architects Fee		AED (2,500,000)	AED -	AED -	AED -	AED -	AED -



Project Management Fee		AED (3,500,000)	AED -	AED -	AED -	AED -	AED -
Legal & Approvals		AED (3,500,000)	AED -	AED -	AED -	AED -	AED -
Government Fees		AED (1,000,000)	AED -	AED -	AED -	AED -	AED -
Infrastructure costs (roads, landscaping)		AED (1,000,000)	AED -	AED -	AED -	AED -	AED -
Major Preliminary Expenses		AED (852,400)	AED 834,900	AED 17,500	AED -	AED -	AED -
Net Cash (Outflows)/Inflows from Investing Activities		AED (69,352,400)	AED 834,900	AED 17,500	AED -	AED -	AED -
Cash Flow from Financing Activities							
Proceed from Equity	15	AED 120,000,000	AED -	AED -	AED -	AED -	AED -
Proceeds from borrowings		AED -	AED -	AED -	AED -	AED -	AED -
Repayment of Borrowing		AED -	AED -	AED -	AED -	AED -	AED -
Net Cash Inflows from Financial Activities		AED 120,000,000	AED -	AED -	AED -	AED -	AED -
Net Increase in Cash Flows during the Month / Year		AED 50,647,600	AED (19,435,138)	AED 11,950,490	AED 58,251,467	AED 17,277,823	AED 9,000,703
Cash and Bank at Start of the Month / Year		AED -	AED 50,647,600	AED 31,212,462	AED 43,162,952	AED 101,414,419	AED 118,692,242
Cash and Bank at End of the Month / Year		AED 50,647,600	AED 31,212,462	AED 43,162,952	AED 101,414,419	AED 118,692,242	AED 127,692,945

Note 14

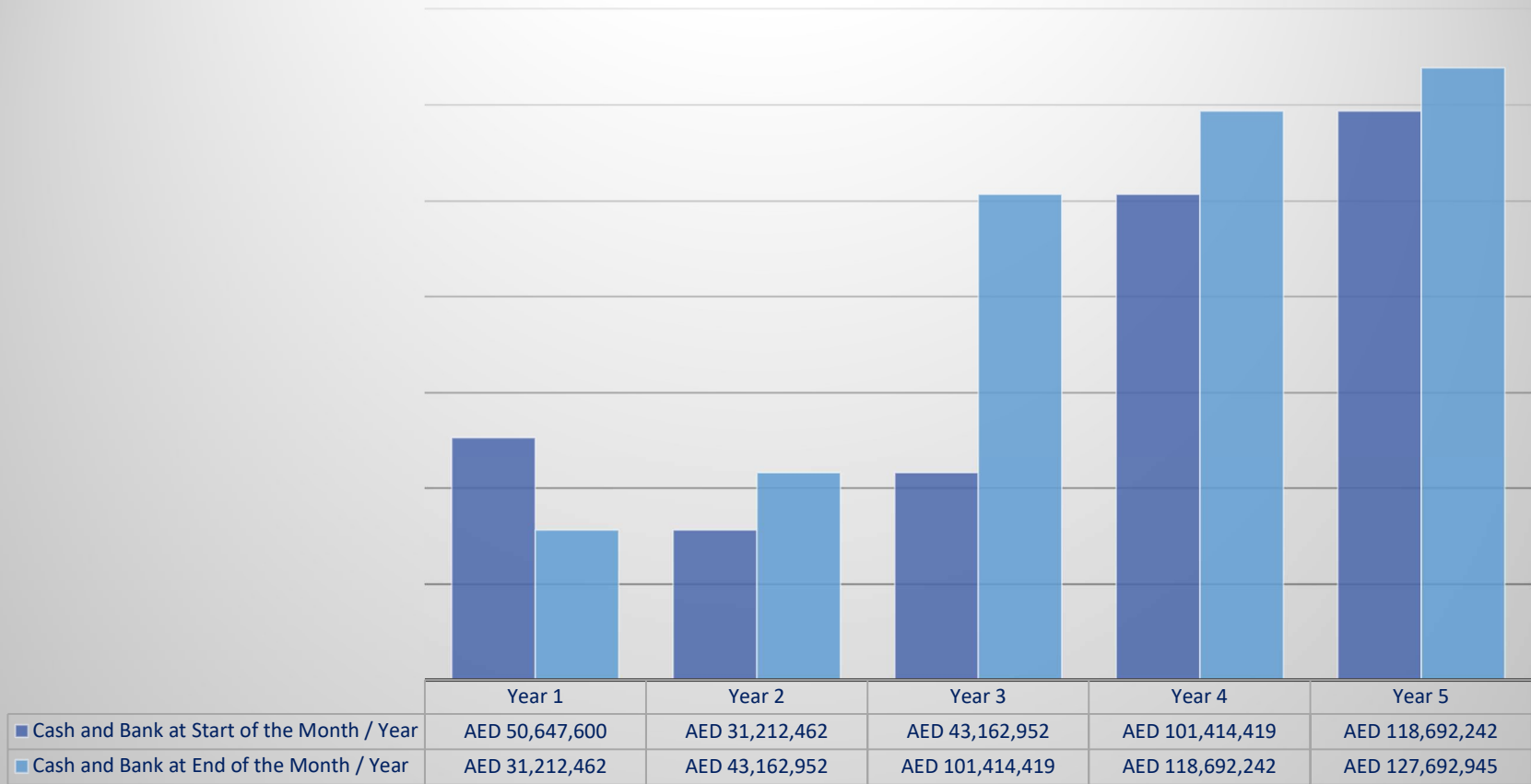
The company purchased Fixed Asset amounting to AED 68.5 Million at startup.

Note 15

The project is financed through owner equity of amounting to AED 120,000,000



Cash At The Start And End Of The Period





8.11. Project Financial Analysis

Projected Income Statement	Notes	Year 1 Forecast	Year 2 Forecast	Year 3 Forecast	Year 4 Forecast	Year 5 Forecast
Revenue		AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235
Less: Cost of Revenue		AED 27,776,127	AED 55,490,046	AED 11,776,071	AED 2,633,548	AED 2,712,189
Gross Profit		AED 20,248,714	AED 40,559,636	AED 15,550,849	AED 9,474,329	AED 10,251,046
Less: Operating Expenses		AED 1,390,100	AED 1,348,719	AED 1,430,428	AED 1,469,650	AED 1,585,692
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)		AED 18,858,614	AED 39,210,917	AED 14,120,422	AED 8,004,679	AED 8,665,354
Less: Depreciation & Amortization		AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
Earning Before Interest and Tax (EBIT)		AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114
Less: Finance Cost (Bank charges)		AED -	AED -	AED -	AED -	AED -
Earning Before Tax (EBT)		AED 16,958,614	AED 37,690,917	AED 12,904,422	AED 7,031,879	AED 7,887,114
Less: Corporate Tax		AED 1,526,275	AED 3,392,183	AED 1,161,398	AED 632,869	AED 709,840
Net Income (NI)		AED 15,432,339	AED 34,298,735	AED 11,743,024	AED 6,399,010	AED 7,177,274

Description	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
Profitability Ratios						
Gross Profit Margin	> 30%	42%	42%	57%	78%	79%
Operating Expenses ratio	10% - 15%	3%	1%	5%	12%	12%
Operating Income or Operating Profit Margin	> 10%	39%	41%	52%	66%	67%
Net Income or Net Profit Margin	> 5%	32%	36%	43%	53%	55%
Return on Assets (ROA)	> 0.2	0.2	0.5	0.2	0.1	0.1
Return on Investment (ROI)	> 0.2	13%	29%	10%	5%	6%
Return on equity (ROE)	> 0.2	11%	20%	6%	3%	4%
Return on Capital Employed (ROCE)	> 0.2	14%	28%	8%	4%	4%
Return on Invested Capital	> 0.2	13%	29%	10%	5%	6%
EBITDA Margin	>10%	39%	41%	52%	66%	67%
EBIT Margin	>10%	35%	39%	47%	58%	61%
Corporate Tax Ratio	< 5%	3%	4%	4%	5%	5%

	Year 1	Year 2	Year 3	Year 4	Year 5
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Projected Balance Sheet	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Non-Current Assets	AED 66,617,500	AED 65,080,000	AED 63,864,000	AED 62,891,200	AED 62,112,960
Current Assets	AED 70,860,838	AED 109,059,703	AED 119,103,584	AED 125,798,400	AED 133,843,410
Total Assets	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370
Non-Current Liabilities	AED -	AED -	AED -	AED -	AED -
Current Liabilities	AED 2,045,999	AED 4,408,629	AED 1,493,486	AED 816,492	AED 905,989
Total Equity	AED 135,432,339	AED 169,731,074	AED 181,474,098	AED 187,873,107	AED 195,050,381
Total Equity and Liabilities	AED 137,478,338	AED 174,139,703	AED 182,967,584	AED 188,689,600	AED 195,956,370

Description	Industry Standard	Year 1 Forecasted	Year 2 Forecasted	Year 3 Forecasted	Year 4 Forecasted	Year 5 Forecasted
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Efficiency Ratios						
Fixed Assets Turnover	> 1	0.7	1.5	0.4	0.2	0.2
Total Asset Turnover	> 1	0.3	0.6	0.1	0.1	0.1
Inventory Turnover	N/A	N/A	N/A	N/A	N/A	N/A
Accounts Receivable Turnover	N/A	N/A	N/A	N/A	N/A	N/A
Accounts Payable Turnover	N/A	N/A	N/A	N/A	N/A	N/A

Liquidity Ratios						
Current Ratio	> 1	34.6	24.7	79.7	154.1	147.7
Quick Ratio / Acid Test Ratio	> 1	34.6	24.7	79.7	154.1	147.7
Working Capital Ratio	> 1	34.6	24.7	79.7	154.1	147.7
Cash Ratio	> 1	15.3	15.3	9.8	67.9	145.4
Cash return on Assets		-0.1	0.1	0.3	0.1	0.0
Operating Cash Flow Ratio	> 1	#DIV/0!	5.8	13.2	11.6	11.0

Solvency Ratios						
Debt to Equity ratio	> 1	#DIV/0!	0	0	0	0
Total Assets to Debt ratio	> 1	N/A	N/A	N/A	N/A	N/A
Debt to Asset Ratio	> 1	N/A	N/A	N/A	N/A	N/A
Financial Leverage Ratio	> 1	N/A	N/A	N/A	N/A	N/A
Fixed Charge Ratio		N/A	N/A	N/A	N/A	N/A
Interest Coverage Ratio	> 1	N/A	N/A	N/A	N/A	N/A



Financial Ratios List

1 Current ratio = Current assets ÷ Current liabilities

2 Quick ratio = (Cash + Short-term marketable investments + Receivables) ÷ Current liabilities

3 Cash ratio = (Cash + Short-term marketable investments) ÷ Current liabilities

4 Defensive interval ratio = (Cash + Short-term marketable investments + Receivables) ÷ Daily cash expenditures

5 **Receivables turnover ratio = Total Revenue ÷ Average receivables**

6 **Days of Revenue outstanding (DSO) = Number of days in period ÷ Receivables turnover ratio**

7 Inventory turnover ratio = Cost of goods sold ÷ Average inventory

8 Days of inventory on hand (DOH) = Number of days in period ÷ Inventory turnover ratio

9 Payables turnover ratio = Purchases ÷ Average trade payables

10 Number of days of payables = Number of days in period ÷ Payables turnover ratio

11 Cash conversion cycle (net operating cycle) = DOH + DSO - Number of days of payables

12 **Working capital turnover ratio = Total Revenue ÷ Average working capital**

13 **Fixed asset turnover ratio = Total Revenue ÷ Average net fixed assets**

14 **Total asset turnover ratio = Total Revenue ÷ Average total assets**

15 **Gross profit margin = Gross profit ÷ Total Revenue**

1. Gross Profit (GP) = Revenues / Revenue - Cost of Revenue (COGS)

2. **Operating Expenses** = Selling , General & Administrative expenses (Operating Expenses)

3. **Non-Operating Expenses** = Depreciation & Amortization

16 **Operating profit margin = Operating profit ÷ Total Revenue**

1. **Operating Income** = Gross Profit - Selling , General & Administrative expenses (Operating expenses) - Depreciation & Amortization (Non - Operating

2. **Operating Income or Operating Profit** = Gross Profit - Operating Expenses - Depreciation & Amortization (Non-operating expenses)

3. Operating Profit or (EBIT) or Earning Before Interest & Tax or Operating Income = Revenue/ Revenue - Cost of Revenue - Operating Expenses - Non-O

17 **Pretax margin = Earnings before tax but after interest ÷ Total Revenue**

1. **Earning before Tax (EBT)** = Operating Income or Operating Profit (EBIT) - Interest on loan

2. Earning Before Interest & Tax (EBIT) = Revenue / Revenue - Cost of Revenue (COGS) - Operating Expenses - Non Operating expenses

3. **Earning Before Interest & Tax (EBIT)** = Net Income + Interest + Taxes

4. **Earning Before Interest & Tax (EBIT)** or Operating Profit

18 **Net profit margin = Net income ÷ Total Revenue**

1. **Net Profit or Net Income** = Earning Before Tax (EBT) - Tax on profit

19 Operating return on assets = Operating income ÷ Average total assets

20 Return on assets = Net income ÷ Average total assets



- 21 Return on equity = Net income ÷ Average shareholders' equity
- 22 Return on total capital = Earnings before interest and taxes ÷ (Interest bearing debt + Shareholders' equity)
- 23 Return on common equity = (Net income - Preferred dividends) ÷ Average common shareholders' equity
- 24 Tax burden = Net income ÷ Earnings before taxes
- 25 Interest burden = Earnings before taxes ÷ Earnings before interest and taxes
- 26 **EBIT margin = Earnings before interest and taxes ÷ Total Revenue**
- 27 Financial leverage ratio (equity multiplier) = Average total assets ÷ Average shareholders' equity
- 28 Total debt = The total of interest-bearing short-term and long-term debt, excluding liabilities such as accrued expenses and accounts payable
- 29 Debt-to-assets ratio = Total debt ÷ Total assets
- 30 Debt-to-equity ratio = Total debt ÷ Total shareholders' equity
- 31 Debt-to-capital ratio = Total debt ÷ (Total debt + Total shareholders' equity)
- 32 Interest coverage ratio = Earnings before interest and taxes ÷ Interest payments
- 33 Fixed charge coverage ratio = (Earnings before interest and taxes + Lease payments) ÷ (Interest payments + Lease payments)
- 34 Dividend payout ratio = Common share dividends ÷ Net income attributable to common shares
- 35 Retention rate = (Net income attributable to common shares - Common share dividends) ÷ Net income attributable to common shares = 1 - Payout ratio
- 36 Sustainable growth rate = Retention rate × Return on equity
- 37 Earnings per share = (Net income - Preferred dividends) ÷ Weighted average number of ordinary shares outstanding
- 38 Book value per share = Common stockholders' equity ÷ Total number of common shares outstanding
- 39 Free cash flow to equity (FCFE) = Cash flow from operating activities - Investment in fixed capital + Net borrowing
- 40 Free cash flow to the firm (FCFF) = Cash flow from operating activities + Interest expense × (1 - Tax rate) - Investment in fixed capital (*Interest expense should be determined by* determining cash flow from operating activities.
- This may not be the case for companies electing an alternative treatment under IFRS.)
41. **Capital Employed = Total Assets - Current Liabilities**
42. **ROA(Return on Assets) is usually expressed as a percentage.** A higher ROA means the company has more earnings per dollar invested in assets.
- The average value varies from industry to industry, but generally, any number lower than 10% is considered bad.
43. **ROE -What is a good return on equity(ROE)? While average ratios, as well as those considered "good" and "bad",**
can vary substantially from sector to sector, a return on equity ratio of 15% to 20% is usually considered good.

44. Return on Investment



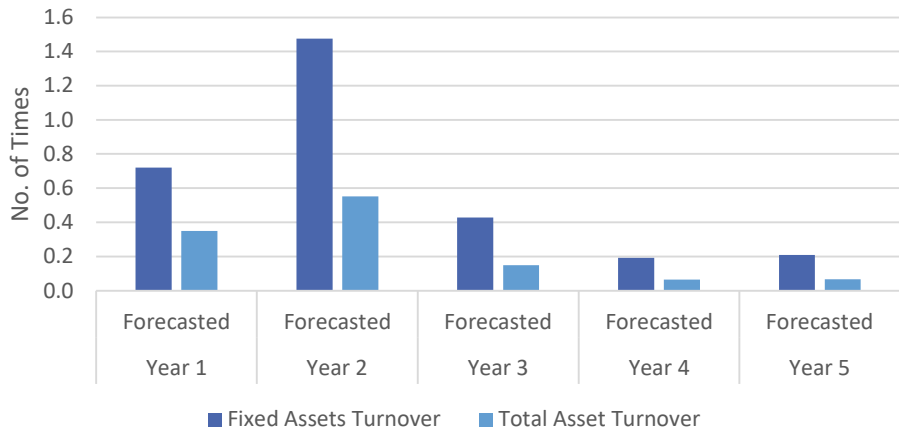
Return on investment (ROI) is calculated by dividing the profit earned on an investment by the cost of that investment or Original Investment or Initial Investment.

For instance, an investment with a profit of \$100 and a cost of \$100 would have an ROI of 1, or 100% when expressed as a percentage.

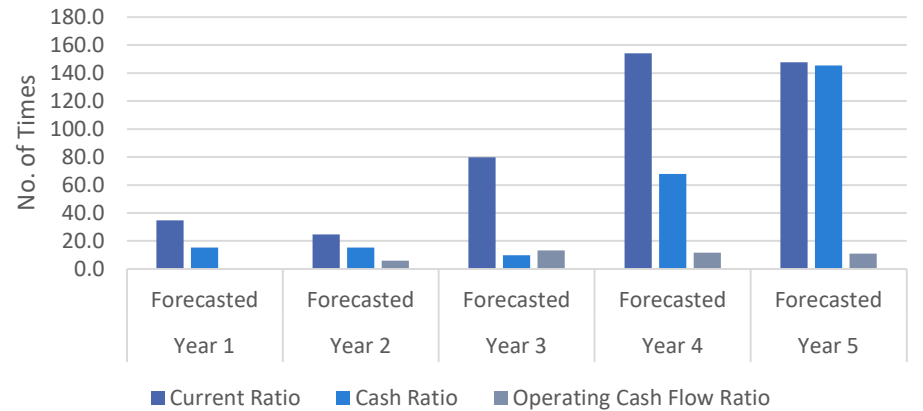
Profitability ratios assess a company's ability to earn profits from its Revenue or operations, balance sheet assets, or shareholders' equity.

They indicate how efficiently a company generates profit and value for shareholders. Profitability ratios include margin ratios and return ratios.

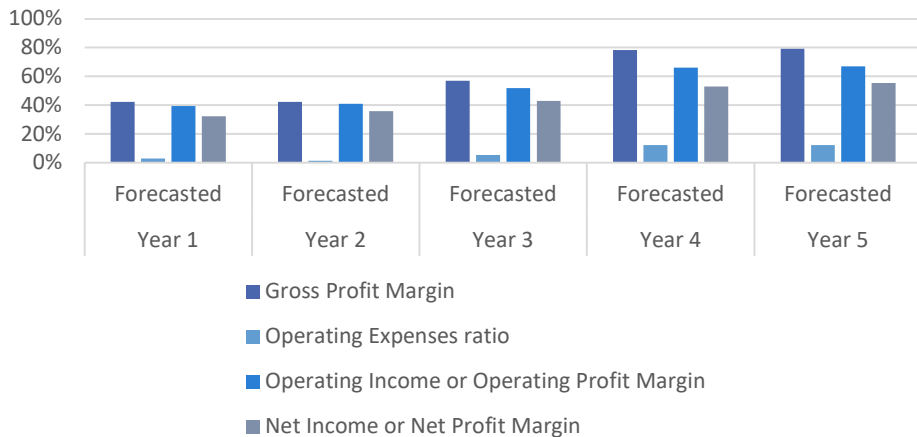
Efficiency Ratios (In Times)



Liquidity Ratios



Profitability Ratios





8.12. Projected Revenue Appendix 1

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales & Lease	16					
Studio		AED 5,344,506	AED 10,689,012	AED 2,523,536	AED 779,136	AED 818,092
1 BHK		AED 12,215,062	AED 24,430,124	AED 5,767,633	AED 1,780,743	AED 1,869,780
2 BHK		AED 2,597,244	AED 5,194,488	AED 1,226,351	AED 378,633	AED 397,564
Total Residential Sales		AED 20,156,812	AED 40,313,623	AED 9,517,519	AED 2,938,511	AED 3,085,436
Commercial Sales & Lease						
Office		AED 16,614,154	AED 33,228,309	AED 9,045,210	AED 3,910,481	AED 4,360,187
Retail		AED 11,253,875	AED 22,507,750	AED 5,241,179	AED 1,579,280	AED 1,674,037
Total Commercial Sales		AED 27,868,030	AED 55,736,059	AED 14,286,388	AED 5,489,762	AED 6,034,224
Service & Management Fee						
Sales Unit Service & Management Fee	AED -	AED -	AED 2,798,582	AED 2,938,511	AED 3,085,436	
Leased Unit Service & Management Fee	AED -	AED -	AED 724,431	AED 741,093	AED 758,139	
Total Service & Management Fee	AED -	AED -	AED 3,523,013	AED 3,679,604	AED 3,843,575	
Total Revenue		AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235



Note 16

Projected Total Revenue Year on Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales & Lease						
Studio		AED 5,344,506	AED 10,689,012	AED 2,523,536	AED 779,136	AED 818,092
1 BHK		AED 12,215,062	AED 24,430,124	AED 5,767,633	AED 1,780,743	AED 1,869,780
2 BHK		AED 2,597,244	AED 5,194,488	AED 1,226,351	AED 378,633	AED 397,564
Total Residential Sales		AED 20,156,812	AED 40,313,623	AED 9,517,519	AED 2,938,511	AED 3,085,436
Commercial Sales & Lease						
Office		AED 16,614,154	AED 33,228,309	AED 9,045,210	AED 3,910,481	AED 4,360,187
Retail		AED 11,253,875	AED 22,507,750	AED 5,241,179	AED 1,579,280	AED 1,674,037
Total Commercial Sales		AED 27,868,030	AED 55,736,059	AED 14,286,388	AED 5,489,762	AED 6,034,224
Service & Management Fee						
Sales Unit Service & Management Fee		AED -	AED -	AED 2,798,582	AED 2,938,511	AED 3,085,436
Leased Unit Service & Management Fee		AED -	AED -	AED 724,431	AED 741,093	AED 758,139
Total Service & Management Fee		AED -	AED -	AED 3,523,013	AED 3,679,604	AED 3,843,575
Grand Total		AED 48,024,841	AED 96,049,682	AED 27,326,921	AED 12,107,877	AED 12,963,235

Projected Unit Sale Revenue Year on Year Basis

Description	Sold Units	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales						



Studio	26 Units	AED 5,344,506	AED 10,689,012	AED 1,781,502	AED -	AED -
1 BHK	29 Units	AED 12,215,062	AED 24,430,124	AED 4,071,687	AED -	AED -
2 BHK	4 Units	AED 2,597,244	AED 5,194,488	AED 865,748	AED -	AED -
Total Residential Sales	59 Units	AED 20,156,812	AED 40,313,623	AED 6,718,937	AED -	AED -
Commercial Sales						
Office	22 Units	AED 16,614,154	AED 33,228,309	AED 5,538,051	AED -	AED -
Retail	20 Units	AED 11,253,875	AED 22,507,750	AED 3,751,292	AED -	AED -
Total Commercial Sales	41 Units	AED 27,868,030	AED 55,736,059	AED 9,289,343	AED -	AED -
Grand Total	101 Units	AED 48,024,841	AED 96,049,682	AED 16,008,280	AED -	AED -

Projected Unsold Lease Unit Lease Revenue Year on Year Basis

Description	Unsold Lease Unit	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Lease Sales						
Studio	17 Units	AED -	AED -	AED 742,034	AED 779,136	AED 818,092
1 BHK	20 Units	AED -	AED -	AED 1,695,945	AED 1,780,743	AED 1,869,780
2 BHK	3 Units	AED -	AED -	AED 360,603	AED 378,633	AED 397,564
Total Residential Lease Sales	40 Units	AED -	AED -	AED 2,798,582	AED 2,938,511	AED 3,085,436
Commercial Lease Sales						
Office	14 Units	AED -	AED -	AED 3,507,158	AED 3,910,481	AED 4,360,187
Retail	13 Units	AED -	AED -	AED 1,489,887	AED 1,579,280	AED 1,674,037
Total Commercial Lease Sales	28 Units	AED -	AED -	AED 4,997,045	AED 5,489,762	AED 6,034,224
Grand Total	67 Units	AED -	AED -	AED 7,795,627	AED 8,428,273	AED 9,119,660



Projected Sales Unit & Lease Unit Unit Service/Mgmt Fee Revenue Year on Year Basis

Description	Service/Mgmt Fee per ft ²	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales Unit Service/Mgmt Fee						
Studio	AED 270	AED -	AED -	AED 279,297	AED 285,721	AED 292,293
1 BHK	AED 270	AED -	AED -	AED 638,344	AED 653,026	AED 668,045
2 BHK	AED 270	AED -	AED -	AED 135,729	AED 138,850	AED 142,044
Total Residential Sales Unit Service/Mgmt Fee		AED -	AED -	AED 1,053,370	AED 1,077,597	AED 1,102,382
Commercial Sales Unit Service/Mgmt Fee						
Office	AED 270	AED -	AED -	AED 694,572	AED 710,547	AED 726,889
Retail	AED 270	AED -	AED -	AED 392,076	AED 401,093	AED 410,318
Total Commercial Sales Unit Service/Mgmt Fee		AED -	AED -	AED 1,086,647	AED 1,111,640	AED 1,137,208
Residential Lease Unit Service/Mgmt Fee						
Studio	AED 270	AED -	AED -	AED 186,198	AED 190,481	AED 194,862
1 BHK	AED 270	AED -	AED -	AED 425,562	AED 435,350	AED 445,363
2 BHK	AED 270	AED -	AED -	AED 90,486	AED 92,567	AED 94,696
Total Residential Lease Unit Service/Mgmt Fee		AED -	AED -	AED 702,246	AED 718,398	AED 734,921
Commercial Lease Unit Service/Mgmt Fee						
Office	AED 270	AED -	AED -	AED 463,048	AED 473,698	AED 484,593
Retail	AED 270	AED -	AED -	AED 261,384	AED 267,396	AED 273,546
Total Commercial Lease Unit Service/Mgmt Fee		AED -	AED -	AED 724,431	AED 741,093	AED 758,139
Grand Total Service/Mgmt Fee		AED -	AED -	AED 3,566,695	AED 3,648,729	AED 3,732,649



Projected Revenue - Assumptions Unit Sale Revenue

Description	Total Units	Unit Sales Probability	Sales Units	Approximatly Sale Area	Sale Rate per ft ²	Projected Revenue
Residential Sales						
Studio	43 Units	60%	26 Units	432 ft ²	AED 1,600	AED 17,815,020
1 BHK	49 Units	60%	29 Units	866 ft ²	AED 1,600	AED 40,716,873
2 BHK	7 Units	60%	4 Units	1,288 ft ²	AED 1,600	AED 8,657,479
Total Residential Sales	99 Units		59 Units	2,585 ft²		AED 67,189,372
Commercial Sales						
Office	36 Units	60%	22 Units	1,282 ft ²	AED 2,000	AED 55,380,514
Retail	33 Units	60%	20 Units	789 ft ²	AED 2,400	AED 37,512,917
Total Commercial Sales	69 Units		41 Units	2,071 ft²		AED 92,893,432
Grand Total	168 Units		101 Units			AED 160,082,804

Projected Revenue After Project Completion - (Unsold Lease Unit Lease Revenue)

Description	Total Units	(Unsold Lease Unit) Probability	Unsold Lease Unit	Approximatly Unsold Lease Unit Area	Lease Rate per ft ²	Unsold Lease Unit Revenue Per Year
Residential Sales						
Studio	43 Units	40%	17 Units	432 ft ²	AED 100	AED 742,034
1 BHK	49 Units	40%	20 Units	866 ft ²	AED 100	AED 1,695,945
2 BHK	7 Units	40%	3 Units	1,288 ft ²	AED 100	AED 360,603
Total Residential Sales	99 Units		40 Units	2,585 ft²		AED 2,798,582
Commercial Sales						
Office	36 Units	40%	14 Units	1,282 ft ²	AED 190	AED 3,507,158
Retail	33 Units	40%	13 Units	789 ft ²	AED 143	AED 1,489,887
Total Commercial Sales	69 Units		28 Units	2,071 ft²		AED 4,997,045
Grand Total	168 Units		67 Units			AED 7,795,627

Projected Unsold Lease Unit Lease Rate per Year

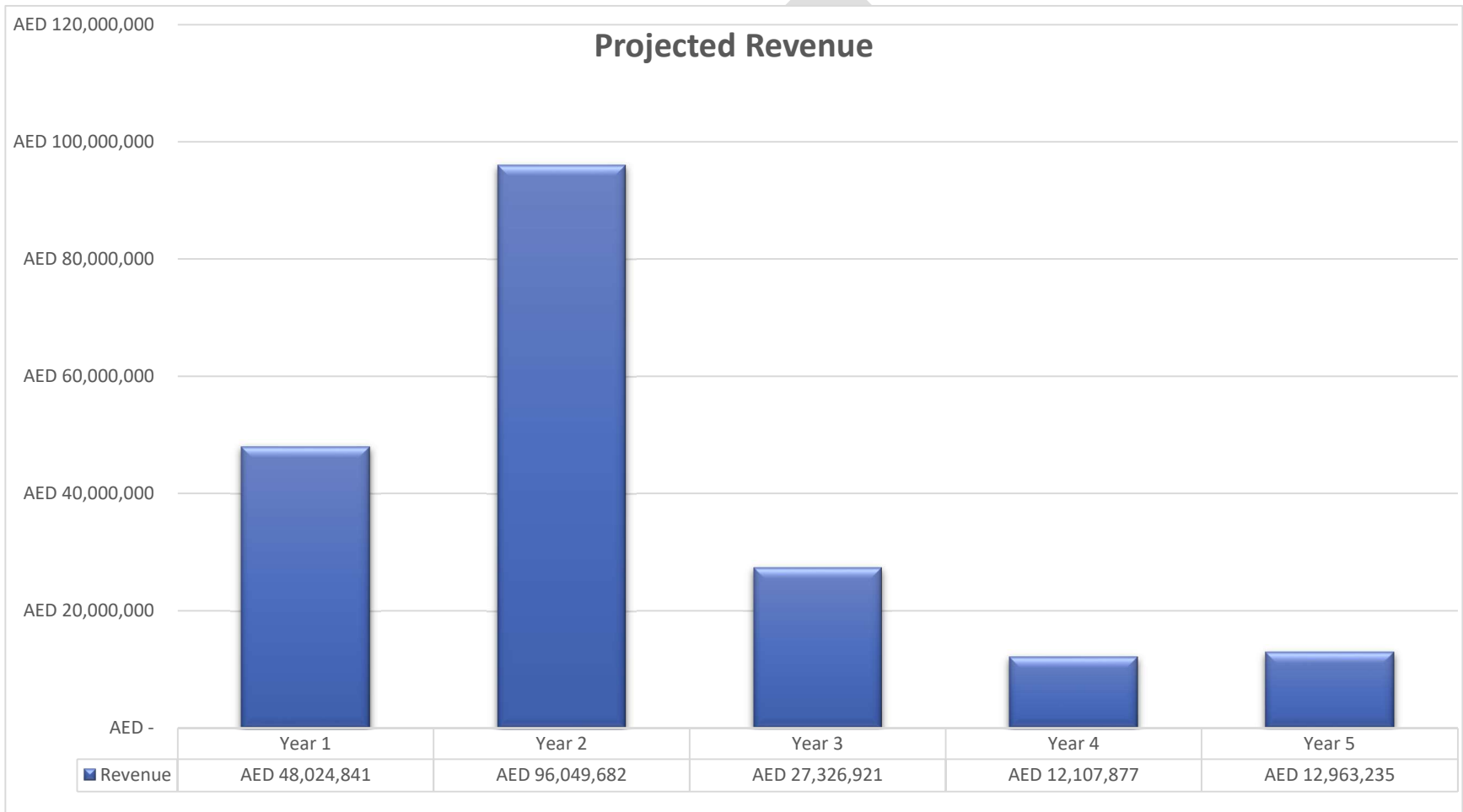
Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5



	Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales					
Studio	AED -	AED -	AED 100	AED 105	AED 110
1 BHK	AED -	AED -	AED 100	AED 105	AED 110
2 BHK	AED -	AED -	AED 100	AED 105	AED 110
Commercial Sales					
Office	AED -	AED -	AED 190	AED 212	AED 236
Retail	AED -	AED -	AED 143	AED 152	AED 161

Projected Revenue - Assumptions

Description	Total Units	Sold Units	Unsold Lease Units	Approximatly Sale Area	Sale Rate per ft ²	100% Sell-Out Revenue Projection
Residential Sales		60%	40%			
Studio	43 Units	26 Units	17 Units	432 ft ²	AED 1,600	AED 29,688,000
1 BHK	49 Units	29 Units	20 Units	866 ft ²	AED 1,600	AED 67,862,400
2 BHK	7 Units	4 Units	3 Units	1,288 ft ²	AED 1,600	AED 14,428,800
Total Residential Sales	99 Units	59 Units	40 Units	2,585 ft²		AED 111,979,200
Commercial Sales						
Office	36 Units	22 Units	14 Units	1,282 ft ²	AED 2,000	AED 92,300,000
Retail	33 Units	20 Units	13 Units	789 ft ²	AED 2,400	AED 62,522,400
Total Commercial Sales	69 Units	41 Units	28 Units	2,071 ft²		AED 154,822,400
Grand Total	168 Units	101 Units	67 Units			AED 266,801,600





8.13. Projected Cost of Revenue Appendix 2

Projected Cost of Revenue by Year	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Projected Unit Material Cost	17	AED 13,413,329	AED 26,826,659	AED 4,471,110	AED -	AED -
Projected Common Area Cost	17	AED 13,774,549	AED 27,549,099	AED 4,591,516	AED -	AED -
Operational Staff Salaries	18	AED 108,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687
Agent Commission on Sale & Lease	19	AED 480,248	AED 960,497	AED 315,995	AED 168,565	AED 182,393
Service & Management Fee Expenses		AED -	AED -	AED 2,233,200	AED 2,284,564	AED 2,337,109
Total Cost of Revenue		AED 27,776,127	AED 55,490,046	AED 11,776,071	AED 2,633,548	AED 2,712,189

Note 17 Projected Unit Material Cost

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Units Material Cost		30%	60%	10%		
Studio		AED 1,948,356	AED 3,896,712	AED 649,452	AED -	AED -
1 BHK		AED 4,453,039	AED 8,906,077	AED 1,484,346	AED -	AED -
2 BHK		AED 946,833	AED 1,893,667	AED 315,611	AED -	AED -
Total Residential Units Material Cost		AED 7,348,228	AED 14,696,456	AED 2,449,409	AED -	AED -
Commercial Units Material Cost						
Office		AED 3,876,739	AED 7,753,478	AED 1,292,246	AED -	AED -
Retail		AED 2,188,362	AED 4,376,725	AED 729,454	AED -	AED -
Total Commercial Units Material Cost		AED 6,065,101	AED 12,130,203	AED 2,021,700	AED -	AED -
Total Projected Unit Material Cost		AED 13,413,329	AED 26,826,659	AED 4,471,110	AED -	AED -

Projected Common Area Cost

Description	Total Area ft ²	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Common Area Construction Cost		30%	60%	10%		
Service Area	141,070 m ²	AED 11,850,282	AED 23,700,564	AED 3,950,094	AED -	AED -
Circulation Area	22,907 m ²	AED 1,924,267	AED 3,848,535	AED 641,422	AED -	AED -
Total Projected Common Area Cost	163,977 m²	AED 13,774,549	AED 27,549,099	AED 4,591,516	AED -	AED -



Note 18

Direct Attributable Staff Salaries Detail as per following

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Direct Staff / Operational Staff						
Project Manager / Operations Head		AED 144,000	AED 153,792	AED 152,250	AED 162,603	AED 173,660
Sales & Business Development		AED -	AED -	AED -	AED 5,000	AED 5,340
Technical Staff		AED -	AED -	AED 6,000	AED 6,408	AED 6,844
Customer Support		AED -	AED -	AED 6,000	AED 6,408	AED 6,844
Total Operational Staff Salaries		AED 144,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687

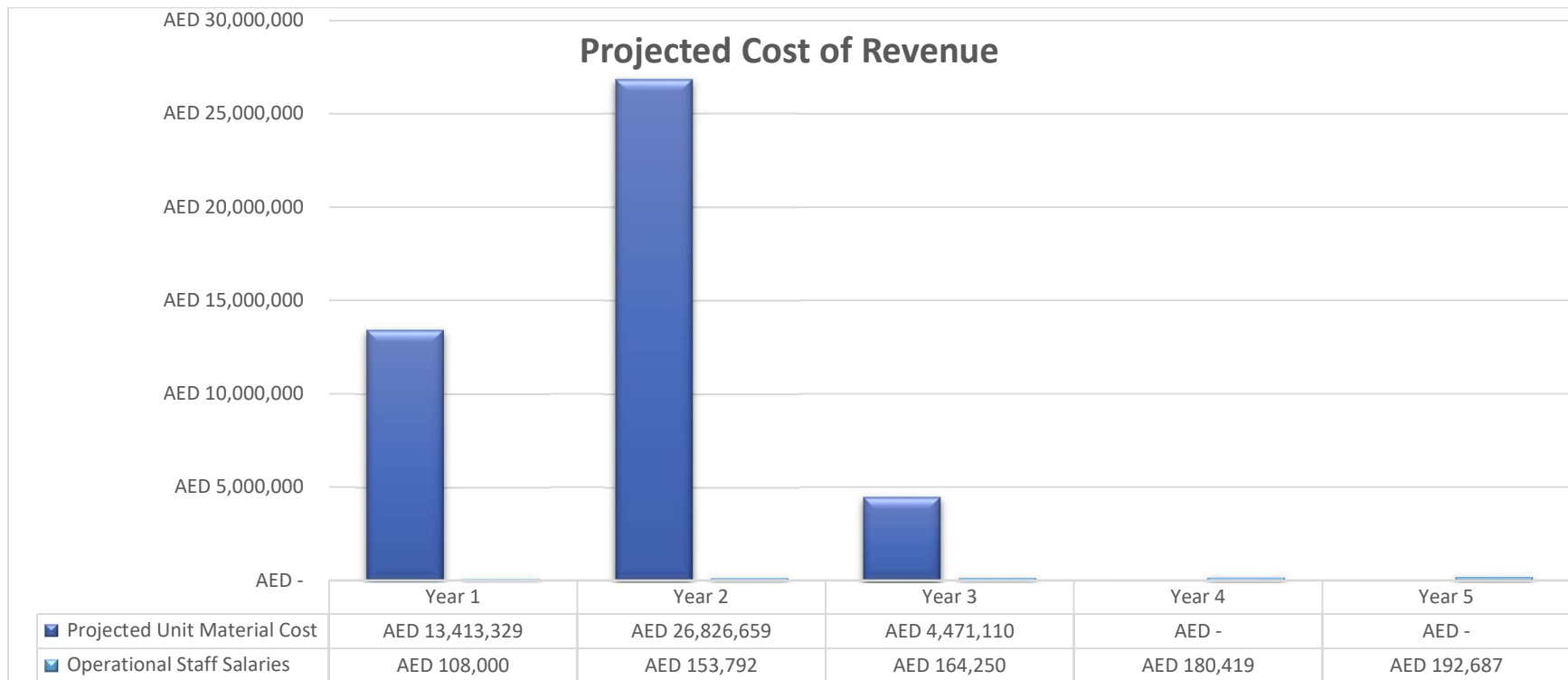
Note 19

Agent Commission on Sale Unit and Lease Unit

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Agent Commission on Sale & Lease						
Agent Commission on Sale Unit		AED 480,248	AED 960,497	AED 160,083	AED -	AED -
Agent Commission on Lease Unit		AED -	AED -	AED 155,913	AED 168,565	AED 182,393
Total Agent Commission		AED 480,248	AED 960,497	AED 315,995	AED 168,565	AED 182,393

Service & Management Fee Expenses Year on Year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Service & Management Fee Expenses						
Property management fees		AED -	AED -	AED 193,358	AED 197,805	AED 202,355
Security & maintenance cost		AED -	AED -	AED 997,459	AED 1,020,401	AED 1,043,870
Utilities & common area electricity		AED -	AED -	AED 564,298	AED 577,277	AED 590,554
Insurance		AED -	AED -	AED 83,284	AED 85,200	AED 87,159
Admin overheads		AED -	AED -	AED 394,801	AED 403,881	AED 413,171
Total Service & Management Fee Expenses		AED -	AED -	AED 2,233,200	AED 2,284,564	AED 2,337,109





8.14. Projected Operating Expenses

Projected Operating Expense	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Non-Operational Staff Salaries	20	AED 421,200	AED 599,789	AED 632,574	AED 675,590	AED 721,530
Startup Expenses	21	AED 834,900	AED 17,500	AED -	AED -	AED -
Advertising & Marketing	22	AED -	AED 511,500	AED 537,075	AED 563,929	AED 592,125
Utilities (DEWA)	23	AED 18,000	AED 24,552	AED 25,117	AED 25,694	AED 26,285
Utilities (Telephone & Internet)	23	AED 22,500	AED 30,690	AED 31,396	AED 32,118	AED 32,857
Rent of the Area		AED 52,500	AED 71,610	AED 73,257	AED 74,942	AED 76,666
Repair & Maintenance Cost		AED 5,000	AED 5,115	AED 5,233	AED 5,353	AED 5,476
Amortization Employees Visa Cost		AED -	AED -	AED 35,805	AED -	AED 36,629
Amortization Employees Medical Insurance		AED -	AED 25,575	AED 26,163	AED 26,765	AED 27,381
Amortization Business Insurance		AED -	AED -	AED -	AED -	AED -
Website Maintenance Cost		AED -	AED 10,230	AED 10,465	AED 10,706	AED 10,952
Accounting & CRM Software		AED -	AED 8,184	AED 8,372	AED 8,565	AED 8,762
Supplies (Cleaning Material etc.)		AED 6,000	AED 8,184	AED 8,372	AED 8,565	AED 8,762
Printing and Stationary		AED 15,000	AED 20,460	AED 20,931	AED 21,412	AED 21,904
Legal and Company Setup Expense		AED -	AED 15,345	AED 15,698	AED 16,059	AED 16,428
Administrative Expenses		AED 5,000	AED 5,100	AED 5,202	AED 5,306	AED 5,412
Miscellaneous Expenses		AED 10,000	AED 10,230	AED 10,465	AED 10,706	AED 10,952
Total		AED 1,390,100	AED 1,364,064	AED 1,446,125	AED 1,485,709	AED 1,602,121

Note 20

Operational staff include the salaries of the Accountant, Project Manager, Cleaning Staff, and Security Staff for Office. These costs are calculated in the table below based on the number of employees. These costs are calculated in the table below based on the number of employees.



Headcount Table Year Wise

Description	Projected Number of Total Employees					Avg. Monthly salary per employee
	Year 1	Year 2	Year 3	Year 4	Year 5	
Direct Staff / Operational Staff						
Project Manager / Operations Head	1	1	0	0	0	AED 12,000
Sales & Business Development	0	0	0	1	1	AED 5,000
Technical Staff	0	0	2	2	2	AED 3,000
Customer Support	0	0	2	2	2	AED 3,000
Total Operational Staff Salaries	1	1	4	5	5	
Indirect Staff / Non-Operational Staff						
Owner / MD	1	1	1	1	1	AED 30,000
Accountant	1	1	1	1	1	AED 7,000
Security Personnel	4	4	0	0	0	AED 2,000
Cleaning & Janitorial Staff	1	1	1	1	1	AED 1,800
Total Non-Operational Staff Salaries	7	7	3	3	3	
Grand Total	8	8	7	8	8	

Calculation of Total Staff Yearly Salaries

Description	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Direct Staff / Operational Staff					
Project Manager / Operations Head	AED 144,000	AED 153,792	AED 152,250	AED 162,603	AED 173,660
Sales & Business Development	AED -	AED -	AED -	AED 5,000	AED 5,340
Technical Staff	AED -	AED -	AED 6,000	AED 6,408	AED 6,844
Customer Support	AED -	AED -	AED 6,000	AED 6,408	AED 6,844
Total Operational Staff Salaries	AED 144,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687
Indirect Staff / Non-Operational Staff					
Owner / MD	AED 360,000	AED 384,480	AED 410,625	AED 438,547	AED 468,368
Accountant	AED 84,000	AED 89,712	AED 95,812	AED 102,328	AED 109,286
Security Personnel	AED 96,000	AED 102,528	AED 101,500	AED 108,402	AED 115,773
Cleaning & Janitorial Staff	AED 21,600	AED 23,069	AED 24,637	AED 26,313	AED 28,102
Total Operational Staff	AED 561,600	AED 599,789	AED 632,574	AED 675,590	AED 721,530
Grand Total	AED 705,600	AED 753,581	AED 796,824	AED 856,008	AED 914,217



Note 21

Startup Expenses Amortization Break-up

Description	Total Amount	Amount to be Amortized for 1 Month	Monthly Amortization Amount First 3 Months	Monthly Amortization Amount after 3 Months	Total Useful Tenure
Startup Salaries for 3 Months	AED 176,400	AED 58,800	AED 58,800	AED -	3 Months
Operational Staff Salaries	AED 36,000	AED 12,000	AED 12,000	AED -	3 Months
Non-Operational Staff Salaries	AED 140,400	AED 46,800	AED 46,800	AED -	3 Months
Utilities (DEWA) for 3 Months	AED 6,000	AED 2,000	AED 2,000	AED -	3 Months
Utilities (Telephone & Internet) for 3 Months	AED 7,500	AED 2,500	AED 2,500	AED -	3 Months
Rent the Area for 3 Months	AED 17,500	AED 5,833	AED 5,833	AED -	3 Months
Business Stationery	AED 5,000	AED 5,000	AED -	AED -	1 Year
Prepaid Employees Visa Cost	AED 35,000	AED 1,458	AED 1,458	AED 1,458	2 Year
Prepaid Employees Medical Insurance	AED 25,000	AED 2,083	AED 2,083	AED 2,083	1 Year
Supplies (Cleaning Material etc.)	AED 2,000	AED 667	AED 667		3 Months
Prepaid Business Insurance	AED -	AED -	AED -	AED -	1 Year
Startup Branding & Marketing Cost	AED 500,000	AED 41,667	AED 41,667	AED 41,667	1 Year
Accounting & CRM Software	AED 8,000	AED 667	AED 667	AED 667	1 Year
Website Development Costs	AED 15,000	AED 1,250	AED 1,250	AED 1,250	1 Year
Professional Consultancy Service Fee	AED 20,000	AED 1,667	AED 1,667	AED 1,667	1 Year
Legal and Company Setup Expense	AED 35,000	AED 2,917	AED 2,917	AED 2,917	1 Year
Total Start-up Expenses	AED 852,400	AED 185,308	AED 180,308	AED 51,708	

Note 23

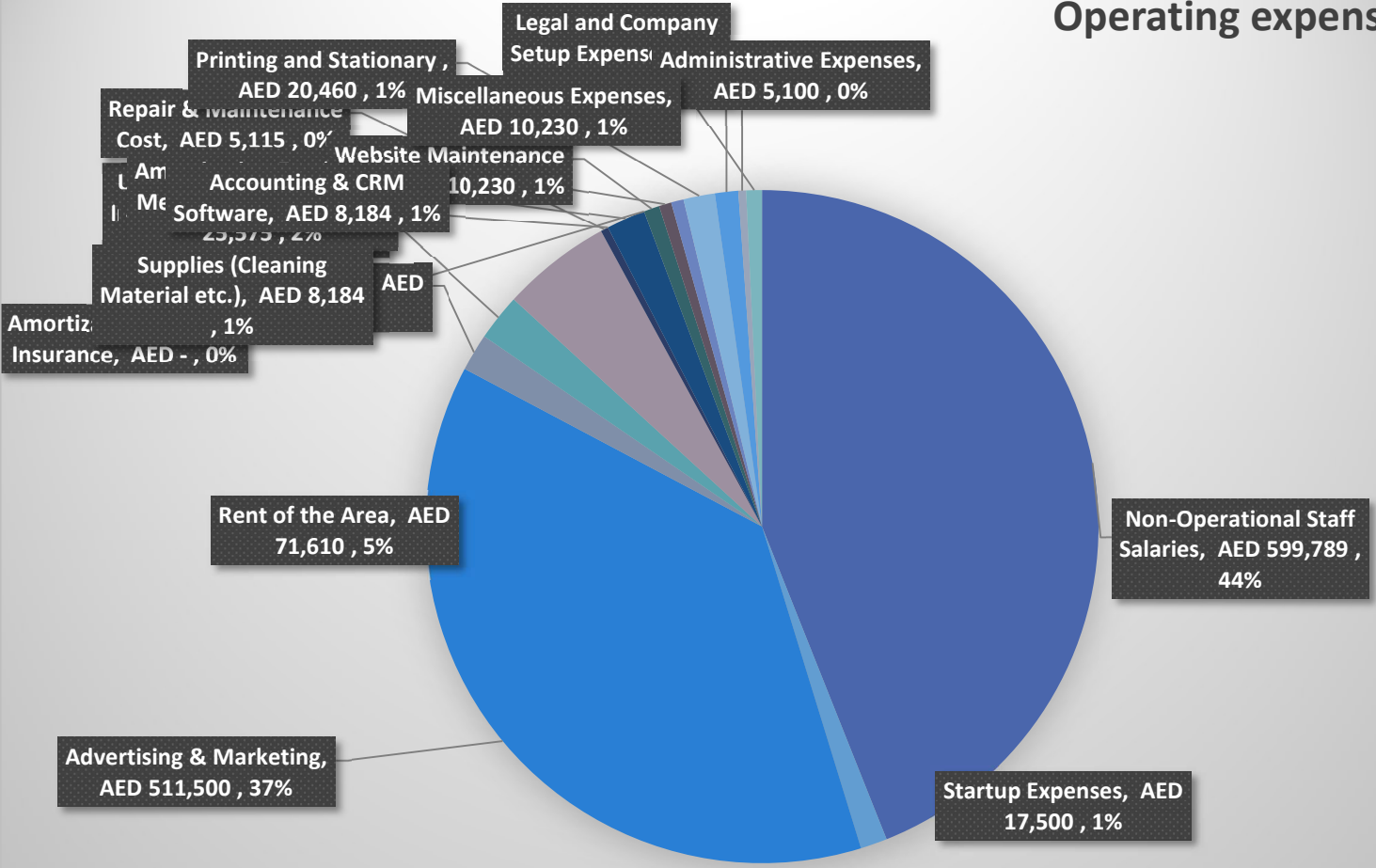
Utilities include the expenses of Energy, Telephone & Internet. It is calculated in the table below.

Calculation of Total Yearly Utilities

Average Utilities	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast
Energy & Water Bill (DEWA)*	AED 24,000	AED 24,552	AED 25,117	AED 25,694	AED 26,285
Telephone	AED 12,000	AED 12,276	AED 12,558	AED 12,847	AED 13,143
Internet	AED 18,000	AED 18,414	AED 18,838	AED 19,271	AED 19,714
Total	AED 54,000	AED 55,242	AED 56,513	AED 57,812	AED 59,142



Operating expense





8.15. Fixed Asset Schedule Appendix 4

Description	Land Cost	Design & Architects Fee	Project Management Fee	Legal & Approvals	Total
Opening	-	-	-	-	-
Addition	AED 57,000,000	AED 2,500,000	AED 3,500,000	AED 3,500,000	AED 63,000,000
Amortization / Depreciation	AED -	AED (500,000)	AED (700,000)	AED (700,000)	AED (1,900,000)
Net Book Value as at Year 1	AED 57,000,000	AED 2,000,000	AED 2,800,000	AED 2,800,000	AED 61,800,000
Addition	AED -	AED -	AED -	AED -	AED -
Amortization / Depreciation	AED -	AED (400,000)	AED (560,000)	AED (560,000)	AED (1,520,000)
Net Book Value as at Year 2	AED 57,000,000	AED 1,600,000	AED 2,240,000	AED 2,240,000	AED 60,840,000
Addition	AED -	AED -	AED -	AED -	AED -
Amortization / Depreciation	AED -	AED (320,000)	AED (448,000)	AED (448,000)	AED (1,216,000)
Net Book Value as at Year 3	AED 57,000,000	AED 1,280,000	AED 1,792,000	AED 1,792,000	AED 60,072,000
Addition	AED -	AED -	AED -	AED -	AED -
Amortization / Depreciation	AED -	AED (256,000)	AED (358,400)	AED (358,400)	AED (972,800)
Net Book Value as at Year 4	AED 57,000,000	AED 1,024,000	AED 1,433,600	AED 1,433,600	AED 59,457,600
Addition	AED -	AED -	AED -	AED -	AED -
Amortization / Depreciation	AED -	AED (204,800)	AED (286,720)	AED (286,720)	AED (778,240)
Net Book Value as at Year 5	AED 57,000,000	AED 819,200	AED 1,146,880	AED 1,146,880	AED 58,966,080
Depreciation Rate	0%	20%	20%	20%	



8.16. Project Scenario Analysis (Working) Appendix 5

Description	Worst Case		Base Case		Best Case	
	%age	Amount In Year 1	%age	Amount In Year 1	%age	Amount In Year 1
Revenue	85%	AED 40,821,115	100%	AED 48,024,841	115%	AED 55,228,567
Cost of Revenue	115%	AED 31,942,546	100%	AED 27,776,127	85%	AED 23,609,708
Operating Expenses	115%	-	100%	-	85%	-
Non-Operational Staff Salaries	115%	AED 484,380	100%	AED 421,200	85%	AED 358,020
Startup Expenses	115%	AED 960,135	100%	AED 834,900	85%	AED 709,665
Advertising & Marketing	115%	AED -	100%	AED -	85%	AED -
Utilities (DEWA)	115%	AED 20,700	100%	AED 18,000	85%	AED 15,300
Utilities (Telephone & Internet)	115%	AED 25,875	100%	AED 22,500	85%	AED 19,125
Rent of the Area	115%	AED 60,375	100%	AED 52,500	85%	AED 44,625
Repair & Maintenance Cost	115%	AED 5,750	100%	AED 5,000	85%	AED 4,250
Amortization Employees Visa Cost	115%	AED -	100%	AED -	85%	AED -
Amortization Employees Medical Insurance	115%	AED -	100%	AED -	85%	AED -
Amortization Business Insurance	115%	AED -	100%	AED -	85%	AED -
Website Maintenance Cost	115%	AED -	100%	AED -	85%	AED -
Accounting & CRM Software	115%	AED -	100%	AED -	85%	AED -
Supplies (Cleaning Material etc.)	115%	AED 6,900	100%	AED 6,000	85%	AED 5,100
Printing and Stationary	115%	AED 17,250	100%	AED 15,000	85%	AED 12,750
Legal and Company Setup Expense	115%	AED -	100%	AED -	85%	AED -
Administrative Expenses	115%	AED 5,750	100%	AED 5,000	85%	AED 4,250
Miscellaneous Expenses	115%	AED 11,500	100%	AED 10,000	85%	AED 8,500
Tax rate	10%	AED -	9%	AED 1,526,275	8%	AED 2,183,101
Cost of Capital	17%	-	15%	-	13%	-
Salvage Value	85%	AED 52,796,016	100%	AED 62,112,960	115%	AED 71,429,904

Description	Year 1			Year 2			Year 3		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	AED 40,821,115	AED 48,024,841	AED 55,228,567	AED 81,642,230	AED 96,049,682	AED 110,457,135	AED 23,227,883	AED 27,326,921	AED 31,425,959
Cost of Revenue	AED (31,942,546)	AED (27,776,127)	AED (23,609,708)	AED (63,813,553)	AED (55,490,046)	AED (47,166,539)	AED (13,542,482)	AED (11,776,071)	AED (10,009,661)
Gross Profit	AED 8,878,569	AED 20,248,714	AED 31,618,859	AED 17,828,677	AED 40,559,636	AED 63,290,596	AED 9,685,401	AED 15,550,849	AED 21,416,298
% of Revenue	22%	42%	57%	22%	42%	57%	42%	57%	68%
Operating expenses									



Non-Operational Staff Salaries	AED 484,380	AED 421,200	AED 358,020	AED 689,757	AED 599,789	AED 509,820	AED 727,461	AED 632,574	AED 537,688
Startup Expenses	AED 960,135	AED 834,900	AED 709,665	AED 20,125	AED 17,500	AED 14,875	AED -	AED -	AED -
Advertising & Marketing	AED -	AED -	AED -	AED 588,225	AED 511,500	AED 434,775	AED 617,636	AED 537,075	AED 456,514
Utilities (DEWA)	AED 20,700	AED 18,000	AED 15,300	AED 28,235	AED 24,552	AED 20,869	AED 28,884	AED 25,117	AED 21,349
Utilities (Telephone & Internet)	AED 25,875	AED 22,500	AED 19,125	AED 35,294	AED 30,690	AED 26,087	AED 36,105	AED 31,396	AED 26,686
Rent of the Area	AED 60,375	AED 52,500	AED 44,625	AED 82,352	AED 71,610	AED 60,869	AED 84,246	AED 73,257	AED 62,268
Repair & Maintenance Cost	AED 5,750	AED 5,000	AED 4,250	AED 5,882	AED 5,115	AED 4,348	AED 6,018	AED 5,233	AED 4,448
Amortization Employees Visa Cost	AED -	AED -	AED -	AED -	AED -	AED -	AED 41,176	AED 35,805	AED 30,434
Amortization Employees Medical Insurance	AED -	AED -	AED -	AED 29,411	AED 25,575	AED 21,739	AED 30,088	AED 26,163	AED 22,239
Amortization Business Insurance	AED -	AED -	AED -	AED -	AED -	AED -	AED -	AED -	AED -
Website Maintenance Cost	AED -	AED -	AED -	AED 11,765	AED 10,230	AED 8,696	AED 12,035	AED 10,465	AED 8,895
Accounting & CRM Software	AED -	AED -	AED -	AED 9,412	AED 8,184	AED 6,956	AED 9,628	AED 8,372	AED 7,116
Supplies (Cleaning Material etc.)	AED 6,900	AED 6,000	AED 5,100	AED 9,412	AED 8,184	AED 6,956	AED 9,628	AED 8,372	AED 7,116
Printing and Stationary	AED 17,250	AED 15,000	AED 12,750	AED 23,529	AED 20,460	AED 17,391	AED 24,070	AED 20,931	AED 17,791
Legal and Company Setup Expense	AED -	AED -	AED -	AED 17,647	AED 15,345	AED 13,043	AED 18,053	AED 15,698	AED 13,343
Administrative Expenses	AED 5,750	AED 5,000	AED 4,250	AED 5,865	AED 5,100	AED 4,335	AED 5,982	AED 5,202	AED 4,422
Miscellaneous Expenses	AED 11,500	AED 10,000	AED 8,500	AED 11,765	AED 10,230	AED 8,696	AED 12,035	AED 10,465	AED 8,895
Total Operating expenses	AED 1,598,615	AED 1,390,100	AED 1,181,585	AED 1,568,673	AED 1,364,064	AED 1,159,454	AED 1,663,044	AED 1,446,125	AED 1,229,207
% of Revenue	4%	3%	2%	2%	1%	1%	7%	5%	4%
Operating Income	AED 7,279,954	AED 18,858,614	AED 30,437,274	AED 16,260,004	AED 39,195,572	AED 62,131,141	AED 8,022,356	AED 14,104,724	AED 20,187,092
Depreciation	AED (1,900,000)	AED (1,900,000)	AED (1,900,000)	AED (1,520,000)	AED (1,520,000)	AED (1,520,000)	AED (1,216,000)	AED (1,216,000)	AED (1,216,000)
Finance cost	AED -	AED -	AED -	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax	AED 5,379,954	AED 16,958,614	AED 28,537,274	AED 14,740,004	AED 37,675,572	AED 60,611,141	AED 6,806,356	AED 12,888,724	AED 18,971,092
Provision for taxation		AED (1,526,275)	AED (2,183,101)	AED -	AED (3,390,802)	AED (4,636,752)	AED -	AED (1,159,985)	AED (1,451,289)
Net Income (EAT)	AED 5,379,954	AED 15,432,339	AED 26,354,173	AED 14,740,004	AED 34,284,771	AED 55,974,389	AED 6,806,356	AED 11,728,739	AED 17,519,803
% of Revenue	13%	32%	48%	18%	36%	51%	29%	43%	56%



Description	Year 4			Year 5		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	AED 10,291,695	AED 12,107,877	AED 13,924,058	AED 11,018,750	AED 12,963,235	AED 14,907,721
Cost of Revenue	AED (3,028,580)	AED (2,633,548)	AED (2,238,516)	AED (3,119,017)	AED (2,712,189)	AED (2,305,361)
Gross Profit	AED 7,263,115	AED 9,474,329	AED 11,685,543	AED 7,899,733	AED 10,251,046	AED 12,602,360
% of Revenue	71%	78%	84%	72%	79%	85%
Operating expenses						
Non-Operational Staff Salaries	AED 776,928	AED 675,590	AED 574,251	AED 829,759	AED 721,530	AED 613,300
Startup Expenses	AED -	AED -	AED -	AED -	AED -	AED -
Advertising & Marketing	AED 648,518	AED 563,929	AED 479,339	AED 680,944	AED 592,125	AED 503,306
Utilities (DEWA)	AED 29,549	AED 25,694	AED 21,840	AED 30,228	AED 26,285	AED 22,343
Utilities (Telephone & Internet)	AED 36,936	AED 32,118	AED 27,300	AED 37,785	AED 32,857	AED 27,928
Rent of the Area	AED 86,183	AED 74,942	AED 63,701	AED 88,165	AED 76,666	AED 65,166
Repair & Maintenance Cost	AED 6,156	AED 5,353	AED 4,550	AED 6,298	AED 5,476	AED 4,655
Amortization Employees Visa Cost	AED -	AED -	AED -	AED 42,123	AED 36,629	AED 31,134
Amortization Employees Medical Insurance	AED 30,780	AED 26,765	AED 22,750	AED 31,488	AED 27,381	AED 23,273
Amortization Business Insurance	AED -	AED -	AED -	AED -	AED -	AED -
Website Maintenance Cost	AED 12,312	AED 10,706	AED 9,100	AED 12,595	AED 10,952	AED 9,309
Accounting & CRM Software	AED 9,850	AED 8,565	AED 7,280	AED 10,076	AED 8,762	AED 7,448
Supplies (Cleaning Material etc.)	AED 9,850	AED 8,565	AED 7,280	AED 10,076	AED 8,762	AED 7,448
Printing and Stationary	AED 24,624	AED 21,412	AED 18,200	AED 25,190	AED 21,904	AED 18,619
Legal and Company Setup Expense	AED 18,468	AED 16,059	AED 13,650	AED 18,893	AED 16,428	AED 13,964
Administrative Expenses	AED 6,102	AED 5,306	AED 4,510	AED 6,224	AED 5,412	AED 4,600
Miscellaneous Expenses	AED 12,312	AED 10,706	AED 9,100	AED 12,595	AED 10,952	AED 9,309
Total Operating expenses	AED 1,708,565	AED 1,485,709	AED 1,262,853	AED 1,842,439	AED 1,602,121	AED 1,361,803
% of Revenue	17%	12%	9%	17%	12%	9%
Operating Income	AED 5,554,550	AED 7,988,620	AED 10,422,690	AED 6,057,294	AED 8,648,926	AED 11,240,557
Depreciation	AED (972,800)	AED (972,800)	AED (972,800)	AED (778,240)	AED (778,240)	AED (778,240)
Finance cost	AED -	AED -	AED -	AED -	AED -	AED -
Earning Before Tax	AED 4,581,750	AED 7,015,820	AED 9,449,890	AED 5,279,054	AED 7,870,686	AED 10,462,317



Provision for taxation	AED -	AED (631,424)	AED (722,917)	AED -	AED (708,362)	AED (800,367)
Net Income (EAT)	AED 4,581,750	AED 6,384,396	AED 8,726,973	AED 5,279,054	AED 7,162,324	AED 9,661,950
% of Revenue	45%	53%	63%	48%	55%	65%

Effect on NPV

Worst Case

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Initial outflow:</i>						
Total Investment Value	AED (120,000,000)					
Earning After Tax		AED 5,379,954	AED 14,740,004	AED 6,806,356	AED 4,581,750	AED 5,279,054
Add back Depreciation		AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
After-tax Operating Cashflows		AED 7,279,954	AED 16,260,004	AED 8,022,356	AED 5,554,550	AED 6,057,294
Return on WC						AED 17,473,264
Salvage Value (Book Value at year 5)						AED 52,796,016
Tax on Salvage Value						AED (5,464,388)
Net Cash flows	AED (120,000,000)	AED 7,279,954	AED 16,260,004	AED 8,022,356	AED 5,554,550	AED 70,862,186
Discount Period	0	1	2	3	4	5
Discount Factor @ 32% (WACC)	1.00	0.85	0.73	0.62	0.53	0.45
Present Value	AED (120,000,000)	AED 6,208,916	AED 11,827,554	AED 4,976,951	AED 2,938,986	AED 31,977,926
Net Present Value	AED (62,069,667)					



Best Case

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Initial outflow:</i>						
Total Investment Value	AED (120,000,000)					
Earning After Tax		AED 26,354,173	AED 55,974,389	AED 17,519,803	AED 8,726,973	AED 9,661,950
Add back Depreciation		AED 1,900,000	AED 1,520,000	AED 1,216,000	AED 972,800	AED 778,240
After-tax Operating Cashflows		AED 28,254,173	AED 57,494,389	AED 18,735,803	AED 9,699,773	AED 10,440,190
Return on WC						AED 17,473,264
Salvage Value (Book Value at year 5)						AED 71,429,904
Tax on Salvage Value						AED (5,464,388)
Net Cash flows	AED (120,000,000)	AED 28,254,173	AED 57,494,389	AED 18,735,803	AED 9,699,773	AED 93,878,971
Discount Period	0	1	2	3	4	5
Discount Factor @ 24% (WACC)	1.00	0.89	0.79	0.70	0.62	0.55
Present Value	AED (120,000,000)	AED 25,059,133	AED 45,226,436	AED 13,071,417	AED 6,001,992	AED 51,521,152
Net Present Value	AED 20,880,130					



Worst Case Internal Rate of Return (IRR)

Years	Cash flows	DF @ 10%	Present value	DF @ 32%	Present value
Year 0	AED (120,000,000)	1.00	AED (120,000,000)	1	AED (120,000,000)
Year 1	AED 7,279,954	0.91	AED 6,618,140	0.76	AED 5,515,117
Year 2	AED 16,260,004	0.83	AED 13,438,020	0.57	AED 9,331,958
Year 3	AED 8,022,356	0.75	AED 6,027,315	0.43	AED 3,488,030
Year 4	AED 5,554,550	0.68	AED 3,793,832	0.33	AED 1,829,587
Year 5	AED 70,862,186	0.62	AED 43,999,842	0.25	AED 17,682,550
			AED (46,122,851)		AED (82,152,759)
IRR	60%				

Best Case Internal Rate of Return (IRR)

Years	Cash flows	DF @ 19%	Present value	DF @ 29%	Present value
Year 0	AED (120,000,000)	1.00	AED (120,000,000)	1	AED (120,000,000)
Year 1	AED 28,254,173	0.84	AED 23,743,002	0.78	AED 21,902,460
Year 2	AED 57,494,389	0.71	AED 40,600,515	0.60	AED 34,549,840
Year 3	AED 18,735,803	0.59	AED 11,118,122	0.47	AED 8,727,768
Year 4	AED 9,699,773	0.50	AED 4,836,974	0.36	AED 3,502,698
Year 5	AED 93,878,971	0.42	AED 39,339,924	0.28	AED 26,279,661
			AED (361,463)		AED (25,037,573)
IRR	19%				



Project Scenario Analysis Summary

Description	Year 1			Year 2			Year 3		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	AED 40,821,115	AED 48,024,841	AED 55,228,567	AED 81,642,230	AED 96,049,682	AED 110,457,135	AED 23,227,883	AED 27,326,921	AED 31,425,959
Cost of Revenue	AED 31,942,546	AED 27,776,127	AED 23,609,708	AED 63,813,553	AED 55,490,046	AED 47,166,539	AED 13,542,482	AED 11,776,071	AED 10,009,661
Operating expenses	AED 1,598,615	AED 1,390,100	AED 1,181,585	AED 1,568,673	AED 1,364,064	AED 1,159,454	AED 1,663,044	AED 1,446,125	AED 1,229,207
Net Income	AED 5,379,954	AED 15,432,339	AED 26,354,173	AED 14,740,004	AED 34,284,771	AED 55,974,389	AED 6,806,356	AED 11,728,739	AED 17,519,803

Project Scenario Analysis Summary

Description	Year 4			Year 5		
	Worst Case	Base Case	Best Case	Worst Case	Base Case	Best Case
Revenue	AED 10,291,695	AED 12,107,877	AED 13,924,058	AED 11,018,750	AED 12,963,235	AED 14,907,721
Cost of Revenue	AED 3,028,580	AED 2,633,548	AED 2,238,516	AED 3,119,017	AED 2,712,189	AED 2,305,361
Operating expenses	AED 1,708,565	AED 1,485,709	AED 1,262,853	AED 1,842,439	AED 1,602,121	AED 1,361,803
Net Income	AED 4,581,750	AED 6,384,396	AED 8,726,973	AED 5,279,054	AED 7,162,324	AED 9,661,950



8.17. General Key Assumptions

Country Level - Assumptions

Description	Note	Market	Forecast
Industry Growth Rate		Residential	Annual Lease Rent Escalation (Residential)
		Offices	Annual Lease Rent Escalation (Offices)
		Retail shops	Annual Lease Rent Escalation (Retail shops)
Inflation Rate	2	UAE	2.30%
		Total	24.80%
Salary Increment		UAE	4.50%
Total change in Salaries (Increment + Inflation)	4		6.80%
Tax Rate in UAE	10		9.00%

Projected Revenue - 100% Sale Units Assumptions

Description	Total Units	Avg. Sale Area Per Unit	Sale Rate per ft ²	Total Saleable Area in ft ²	100% Sell-Out Revenue Projection
Residential Sales					
Studio	43 Units	432 ft ²	AED 1,600	18,555 ft ²	AED 29,688,000
1 BHK	49 Units	866 ft ²	AED 1,600	42,414 ft ²	AED 67,862,400
2 BHK	7 Units	1,288 ft ²	AED 1,600	9,018 ft ²	AED 14,428,800
Total Residential Sales	99 Units			69,987 ft²	AED 111,979,200
Commercial Sales					
Office	36 Units	1,282 ft ²	AED 2,000	46,150 ft ²	AED 92,300,000
Retail	33 Units	789 ft ²	AED 2,400	26,051 ft ²	AED 62,522,400
Total Commercial Sales	69 Units			72,201 ft²	AED 154,822,400
Grand Total	168 Units			142,188 ft²	AED 266,801,600

Projected Revenue - Assumptions 60% Unit Sale Revenue

Description	Total Units	Unit Sales Probability	Sales Units	Approximately Sale Area	Sale Rate per ft ²	Projected Revenue
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Residential Sales							
Studio	43 Units	60%	26 Units	432 ft ²	AED	1,600	AED 17,815,020
1 BHK	49 Units	60%	29 Units	866 ft ²	AED	1,600	AED 40,716,873
2 BHK	7 Units	60%	4 Units	1,288 ft ²	AED	1,600	AED 8,657,479
Total Residential Sales	99 Units		59 Units				AED 67,189,372
Commercial Sales							
Office	36 Units	60%	22 Units	1,282 ft ²	AED	2,000	AED 55,380,514
Retail	33 Units	60%	20 Units	789 ft ²	AED	2,400	AED 37,512,917
Total Commercial Sales	69 Units		41 Units				AED 92,893,432
Grand Total	168 Units		101 Units				AED 160,082,804

Projected Revenue After Project Completion - 40% (Unsold Lease Unit Lease Revenue)

Description	Total Units	(Unsold Lease Unit) Probability	Unsold Lease Unit	Approximately Unit Area	Lease Rate per ft ²	Unsold Lease Unit Revenue Per Year
Residential Sales						
Studio	43 Units	40%	17 Units	432 ft ²	AED 100	AED 742,034
1 BHK	49 Units	40%	20 Units	866 ft ²	AED 100	AED 1,695,945
2 BHK	7 Units	40%	3 Units	1,288 ft ²	AED 100	AED 360,603
Total Residential Sales	99 Units		40 Units			AED 2,798,582
Commercial Sales						
Office	36 Units	40%	14 Units	1,282 ft ²	AED 190	AED 3,507,158
Retail	33 Units	40%	13 Units	789 ft ²	AED 143	AED 1,489,887
Total Commercial Sales	69 Units		28 Units			AED 4,997,045
Grand Total	168 Units		67 Units			AED 7,795,627

Projected Unsold Lease Unit Lease Rate per Year

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales						
Studio		AED -	AED -	AED 100	AED 105	AED 110



1 BHK	AED -	AED -	AED 100	AED 105	AED 110
2 BHK	AED -	AED -	AED 100	AED 105	AED 110
Commercial Sales					
Office	AED -	AED -	AED 190	AED 212	AED 236
Retail	AED -	AED -	AED 143	AED 152	AED 161

Projected Unit Sale Revenue Year on Year Basis

Description	Sales Units	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales		30%	60%	10%		
Studio	26 Units	AED 5,344,506	AED 10,689,012	AED 1,781,502	AED -	AED -
1 BHK	29 Units	AED 12,215,062	AED 24,430,124	AED 4,071,687	AED -	AED -
2 BHK	4 Units	AED 2,597,244	AED 5,194,488	AED 865,748	AED -	AED -
Total Residential Sales	59 Units	AED 20,156,812	AED 40,313,623	AED 6,718,937	AED -	AED -
Commercial Sales						
Office	22 Units	AED 16,614,154	AED 33,228,309	AED 5,538,051	AED -	AED -
Retail	20 Units	AED 11,253,875	AED 22,507,750	AED 3,751,292	AED -	AED -
Total Commercial Sales	41 Units	AED 27,868,030	AED 55,736,059	AED 9,289,343	AED -	AED -
Grand Total	101 Units	AED 48,024,841	AED 96,049,682	AED 16,008,280	AED -	AED -

Projected Unsold Lease Unit Lease Revenue Year on Year Basis

Description	Unsold Lease Unit	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales						
Studio	17 Units	AED -	AED -	AED 742,034	AED 779,136	AED 818,092
1 BHK	20 Units	AED -	AED -	AED 1,695,945	AED 1,780,743	AED 1,869,780
2 BHK	3 Units	AED -	AED -	AED 360,603	AED 378,633	AED 397,564
Total Residential Sales	40 Units	AED -	AED -	AED 2,798,582	AED 2,938,511	AED 3,085,436
Commercial Sales						
Office	14 Units	AED -	AED -	AED 3,507,158	AED 3,910,481	AED 4,360,187
Retail	13 Units	AED -	AED -	AED 1,489,887	AED 1,579,280	AED 1,674,037
Total Commercial Sales	28 Units	AED -	AED -	AED 4,997,045	AED 5,489,762	AED 6,034,224
Grand Total	67 Units	AED -	AED -	AED 7,795,627	AED 8,428,273	AED 9,119,660

Projection of Service/Management Fee Revenues for Units Sold & Units Leased



Description	Service/Mgmt Fee per ft ²		Year 1	Year 2	Year 3	Year 4	Year 5
			Forecast	Forecast	Forecast	Forecast	Forecast
Residential Sales Unit Service/Mgmt Fee							
Studio	AED 25		AED -	AED -	AED 279,297	AED 285,721	AED 292,293
1 BHK	AED 25		AED -	AED -	AED 638,344	AED 653,026	AED 668,045
2 BHK	AED 25		AED -	AED -	AED 135,729	AED 138,850	AED 142,044
Total Residential Sales Unit Service/Mgmt Fee			AED -	AED -	AED 1,053,370	AED 1,077,597	AED 1,102,382
Commercial Sales Unit Service/Mgmt Fee							
Office	AED 25		AED -	AED -	AED 694,572	AED 710,547	AED 726,889
Retail	AED 25		AED -	AED -	AED 392,076	AED 401,093	AED 410,318
Total Commercial Sales Unit Service/Mgmt Fee			AED -	AED -	AED 1,086,647	AED 1,111,640	AED 1,137,208
Residential Lease Unit Service/Mgmt Fee							
Studio	AED 25		AED -	AED -	AED 186,198	AED 190,481	AED 194,862
1 BHK	AED 25		AED -	AED -	AED 425,562	AED 435,350	AED 445,363
2 BHK	AED 25		AED -	AED -	AED 90,486	AED 92,567	AED 94,696
Total Residential Lease Unit Service/Mgmt Fee			AED -	AED -	AED 702,246	AED 718,398	AED 734,921
Commercial Lease Unit Service/Mgmt Fee							
Office	AED 25		AED -	AED -	AED 463,048	AED 473,698	AED 484,593
Retail	AED 25		AED -	AED -	AED 261,384	AED 267,396	AED 273,546
Total Commercial Lease Unit Service/Mgmt Fee			AED -	AED -	AED 724,431	AED 741,093	AED 758,139
Grand Total Service/Mgmt Fee			AED -	AED -	AED 3,566,695	AED 3,648,729	AED 3,732,649

Projected Cost of Revenue (Residential / Commercial Sellable Area Cost)

Description	Total Units	Sold Units	Rental/Lease	Approximately Sale Area	Cost Price Rate per ft ²	Projected Revenue
Residential Sales		60%	40%			
Studio	43 Units	26 Units	17 Units	432 ft ²	AED 350	AED 6,494,521



1 BHK	49 Units	29 Units	20 Units	866 ft ²	AED	350	AED	14,843,462
2 BHK	7 Units	4 Units	3 Units	1,288 ft ²	AED	350	AED	3,156,111
Total Residential Sales	99 Units	59 Units	40 Units	2,585 ft²			AED	24,494,093
Commercial Sales								
Office	36 Units	22 Units	14 Units	1,282 ft ²	AED	280	AED	12,922,463
Retail	33 Units	20 Units	13 Units	789 ft ²	AED	280	AED	7,294,541
Total Commercial Sales	69 Units	41 Units	28 Units	2,071 ft²			AED	20,217,004
Total Cost of Revenue	168 Units	101 Units	67 Units				AED	44,711,098

Projected Total Residential & Commercial Units Material Cost

Description	Per ft ² Cost	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Residential Units Material Cost		30%	60%	10%		
Studio	AED 350	AED 1,948,356	AED 3,896,712	AED 649,452	AED -	AED -
1 BHK	AED 350	AED 4,453,039	AED 8,906,077	AED 1,484,346	AED -	AED -
2 BHK	AED 350	AED 946,833	AED 1,893,667	AED 315,611	AED -	AED -
Total Residential Units Material Cost		AED 7,348,228	AED 14,696,456	AED 2,449,409	AED -	AED -
Commercial Units Material Cost						
Office	AED 280	AED 3,876,739	AED 7,753,478	AED 1,292,246	AED -	AED -
Retail	AED 280	AED 2,188,362	AED 4,376,725	AED 729,454	AED -	AED -
Total Commercial Units Material Cost		AED 6,065,101	AED 12,130,203	AED 2,021,700	AED -	AED -
Total Material Cost		AED 13,413,329	AED 26,826,659	AED 4,471,110	AED -	AED -

Projected Common Area Construction Cost

Description	Total Area ft ²	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Common Area Construction Cost		30%	60%	10%		
Service Area	141,070 ft ²	AED 11,850,282	AED 23,700,564	AED 3,950,094	AED -	AED -
Circulation Area	22,907 ft ²	AED 1,924,267	AED 3,848,535	AED 641,422	AED -	AED -
Total Service & Common Area Cost	163,977 ft²	AED 13,774,549	AED 27,549,099	AED 4,591,516	AED -	AED -



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Fixed Expenses (F.C)		Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Rent of the Area		AED 52,500	AED 71,610	AED 73,257	AED 74,942	AED 76,666
Startup Expenses		AED 834,900	AED 17,500	AED -	AED -	AED -
Projected Unit Material Cost		AED 13,413,329	AED 26,826,659	AED 4,471,110	AED -	AED -
Projected Common Area Cost		AED 13,774,549	AED 27,549,099	AED 4,591,516	AED -	AED -
Operational Staff Salaries		AED 108,000	AED 153,792	AED 164,250	AED 180,419	AED 192,687
Agent Commission on Sale & Lease		AED 480,248	AED 960,497	AED 315,995	AED 168,565	AED 182,393
Service & Management Fee Expenses		AED -	AED -	AED 2,233,200	AED 2,284,564	AED 2,337,109
Non-Operational Staff Salaries		AED 421,200	AED 599,789	AED 632,574	AED 675,590	AED 721,530
Total Fixed Expenses (F.C)		AED 28,075,279	AED 54,464,867	AED 9,135,883	AED 74,942	AED 76,666

Variable Operating Expenses (V.C)	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Advertising & Marketing	5	AED -	AED 511,500	AED 537,075	AED 563,929	AED 592,125
Utilities (DEWA)		AED 18,000	AED 24,552	AED 25,117	AED 25,694	AED 26,285
Utilities (Telephone & Internet)		AED 22,500	AED 30,690	AED 31,396	AED 32,118	AED 32,857
Repair & Maintenance Cost		AED 5,000	AED 5,115	AED 5,233	AED 5,353	AED 5,476
Amortization Employees Visa Cost		AED -	AED -	AED 35,805	AED -	AED 36,629
Amortization Employees Medical Insurance		AED -	AED 25,575	AED 26,163	AED 26,765	AED 27,381
Amortization Business Insurance		AED -	AED -	AED -	AED -	AED -
Website Maintenance Cost		AED -	AED 10,230	AED 10,465	AED 10,706	AED 10,952
Accounting & CRM Software		AED -	AED 8,184	AED 8,372	AED 8,565	AED 8,762
Supplies (Cleaning Material etc.)		AED 6,000	AED 8,184	AED 8,372	AED 8,565	AED 8,762
Printing and Stationary		AED 15,000	AED 20,460	AED 20,931	AED 21,412	AED 21,904
Legal and Company Setup Expense		AED -	AED 15,345	AED 15,698	AED 16,059	AED 16,428
Administrative Expenses		AED 5,000	AED 5,100	AED 5,202	AED 5,306	AED 5,412
Miscellaneous Expenses		AED 10,000	AED 10,230	AED 10,465	AED 10,706	AED 10,952
Total Other Variable Operating Expenses		AED 81,500	AED 675,165	AED 740,294	AED 735,178	AED 803,925



Projected Operating Expenses as %age including Inflation year by year

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Salaries (% Change)	4	0.0%	6.8%	6.8%	6.8%	6.8%
Advertising & Marketing (% of Revenue)	5	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities (DEWA)	6	0.0%	2.3%	2.3%	2.3%	2.3%
Utilities (Telephone & Internet)		0.0%	2.3%	2.3%	2.3%	2.3%
Rent of the Area		0.0%	2.3%	2.3%	2.3%	2.3%
Repair & Maintenance Cost		0.0%	2.3%	2.3%	2.3%	2.3%
Amortization Employees Visa Cost		0.0%	2.3%	2.3%	2.3%	2.3%
Amortization Employees Medical Insurance		0.0%	2.3%	2.3%	2.3%	2.3%
Amortization Business Insurance		0.0%	2.3%	2.3%	2.3%	2.3%
Website Maintenance Cost		0.0%	2.3%	2.3%	2.3%	2.3%
Accounting & CRM Software		0.0%	2.3%	2.3%	2.3%	2.3%
Supplies (Cleaning Material etc.)		0.0%	2.3%	2.3%	2.3%	2.3%
Printing and Stationary		0.0%	2.3%	2.3%	2.3%	2.3%
Legal and Company Setup Expense		0.0%	2.3%	2.3%	2.3%	2.3%
Administrative Expenses		0.0%	2.0%	2.0%	2.0%	2.0%
Miscellaneous Expenses	0.0%	2.3%	2.3%	2.3%	2.3%	

Amortization / Depreciation- Assumptions rate on year by year Basis

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Land Cost		0%	0%	0%	0%	0%
Design & Architects Fee		20%	20%	20%	20%	20%
Project Management Fee		20%	20%	20%	20%	20%
Depreciation Policy (For All Fixed Asset)	7	Reducing Balance	Reducing Balance	Reducing Balance	Reducing Balance	Reducing Balance

Balance Sheet Assumptions

Description	Note	Year 1	Year 2	Year 3	Year 4	Year 5
		Forecast	Forecast	Forecast	Forecast	Forecast
Owners Equity		AED 120,000,000	AED 120,000,000	AED 120,000,000	AED 120,000,000	AED 120,000,000
Accrued Liabilities	8	One month Salaries & utility	One month Salaries & utility	One month Salaries & utility	One month Salaries & utility	One month Salaries & utility



General Note:

- Note 1** This growth is anticipated to continue with an annual growth rate
- Note 2** The 1st Year Revenue value price charged for each service is determined from market research.
- Note 3** The effect of product Revenue growth is incorporated into the yearly Revenue calculations. The product growth rates are obtained from industry growth rates and market research.
- Note 4** A growth rate of 6.8% is incorporated in salaries which includes a salary increment of 4.5% and an inflation rate of 2.3%. It is calculated as per the number of employees in Appendix 3 Sheet.
- Note 5** Advertising & Marketing expense is 5% of Revenue.
- Note 6** All the operating expenses(except salaries and advertisement) are inflated at a rate of 2.3% i.e. inflation rate of UAE.
- Note 7** The depreciation policy of the Reducing balance method is used in which declining depreciation expense is charged on basis of the Net Book Value of an asset in each accounting period.
- Note 8** Accrued liabilities are expenses a company owes but that have not yet been invoiced for payment. Last month's salary expense and utility bill of each respective year are unpaid in that year which is shown as accrued liability in the balance sheet.
- Note 9** These financials have been prepared in UAE Dirham (AED), which is the company's functional currency.
- Note 10** Corporate tax in Dubai 0% for taxable income of around AED 375,000 & 9% for taxable income above AED 375,000

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