
I LOVE BOSNIA

Branded Wellness Resort — Feasibility Study

Breza, Bosnia and Herzegovina

UNIDO-Style Institutional Presentation

Prepared by Ai-FEASIBILITY

May 2026 — Confidential



V O G O Š Ć A M U N I C I P A L I T Y

BOSNIA AND HERZEGOVINA

43.9222° N / 18.3293° E



BREZA MUNICIPALITY

BOSNIA AND HERZEGOVINA

43.9967° N / 18.3183° E



BREZA MUNICIPALITY

BOSNIA AND HERZEGOVINA

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Purpose of the Study

This feasibility study assesses the technical and financial viability of developing a branded wellness resort on a 471,781 sqm freehold land parcel in Breza, Bosnia and Herzegovina.

The study evaluates market conditions, development costs, revenue projections, partnership structures, and risk factors to inform investment decision-making.

Intended Audience

- Development finance institutions
- Banks and lending institutions
- Public-private partnership stakeholders
- Investment committees
- Sovereign or institutional reviewers
- Project sponsors and landowners

Limitations and Assumptions

- Results depend on market, cost, schedule, and funding assumptions remaining valid throughout the development period.
- All projections are conditional and subject to change based on external factors including economic conditions, regulatory changes, and market dynamics.
- The study does not constitute investment advice. Independent verification of key assumptions is recommended before final commitment.
- Cost estimates are based on comparable projects and may vary upon receipt of firm contractor bids.

UNIDO-Compatible Feasibility Framework: Project Rationale → Location & Site → Market Review → Technical Concept → Development Program → Costs & Financing → Financial Analysis → Risk & Sensitivity → Implementation Roadmap → Investment Conclusion → JV Analysis → Breakeven Assessment

This study follows a structured feasibility approach aligned with UNIDO standards, covering twelve analytical modules:

01 Project Rationale

Background, strategic context, and development justification

02 Location & Site

Macro and micro location assessment, site suitability

03 Market Review

Demand-supply dynamics, pricing, absorption analysis

04 Technical Concept

Highest and best use, development program, unit mix

05 Costs & Financing

CAPEX structure, disbursement logic, funding sources

06 Financial Analysis

Revenue model, profitability, cash flow, unit economics

07 Risk & Sensitivity

SWOT, risk matrix, sensitivity scenarios, resilience

08 Implementation

Phasing, timeline, milestones, delivery roadmap

09 Investment Conclusion

Feasibility verdict, recommendation, conditions

10 JV Partnership

Landowner-developer structure, profit allocation, ROI

11 Breakeven Analysis

EOI threshold, cost coverage, minimum sales required

Study Standards: This feasibility study is prepared in accordance with UNIDO feasibility study methodology for industrial and real estate development projects. All financial projections use discounted cash flow analysis with stated assumptions. Sensitivity analysis covers cost variations of 0-100% and revenue variations of 0-100%. The study includes a Joint Venture partnership analysis and breakeven assessment for investment decision support.

Strategic Rationale

- **Market Gap:** Bosnia lacks institutional-grade branded wellness resort product. Current supply is fragmented and unbranded.
- **GCC Opportunity:** Growing investor interest from GCC markets in Balkan real estate, particularly wellness and lifestyle destinations.
- **Operator Partnership:** ROTANA brand affiliation provides management expertise, booking systems, and brand credibility.
- **Land Advantage:** 471,781 sqm freehold parcel at competitive land cost of \$10.6/sqm.

Land and Sponsor Context

- **Location:** Breza, Bosnia and Herzegovina – approximately 20km from Sarajevo city center within the metropolitan corridor.
- **Tenure:** Freehold property rights with clear title deed.
- **Land Value:** \$5.0M present value (\$10.6/sqm) – competitive for resort development.
- **Development Vision:** Master-planned branded wellness resort community with integrated hospitality, residential, and retail components.

Market Gap Addressed

The proposed development addresses a clear market gap: Bosnia's luxury real estate market has pricing ranging from \$2,875/sqm (standard villas) to \$6,500/sqm (Sarajevo ultra-prime penthouses), yet there is no branded wellness resort product offering managed hospitality services with residential ownership. This project targets the \$3,500/sqm price point – below Sarajevo ultra-prime but above standard resort product – justified by ROTANA branding, full furnishing, wellness amenities, and professional management.

471,781

Sqm Land Area

Freehold

Property Tenure

ROTANA

Operator / Brand

\$3,500

Target Price / Sqm

Parameter	Value	Unit	Notes
Country	Bosnia and Herzegovina	-	Freehold jurisdiction
City / Area	Breza	-	Sarajevo metropolitan corridor
Land Size	471,781	Sqm	Freehold parcel
Total BUA	159,773	Sqm	1.3x multiplier
Total GFA	122,902	Sqm	76.9% of BUA
Total NFA	110,612	Sqm	90.0% of GFA
FAR	0.2605	-	Low-density resort typology
Floors / Height	5 / 30	Fl / M	Low-rise resort design
Operator	ROTANA	-	International hotel brand
Total Units	492	Units	Mixed residential + hospitality
Avg Unit Size	225	Sqm	Weighted average
Currency	USD	\$	All figures in US Dollars
Sales Period	48	Months	4-year phased sales
Construction Period	36	Months	From groundbreaking
Project Type	Branded Wellness Resort	-	Mixed-use development

Land: \$5.1M	Hard: \$197.3M	Soft: \$17.9M	Profit: \$111.0M	ROI: 40.6%	NPV: \$8.5M
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What Is Included

- Land acquisition and registration
- Design and consultancy services
- Building construction (5 floors, 30m)
- Furniture and furnishing
- Infrastructure and landscaping
- Parking and services
- Sales and marketing
- Financing costs
- Branded operator onboarding

What Is Excluded

- Ongoing operational costs post-handover
- Owner fit-out variations and upgrades
- Government incentives not yet secured
- Post-completion warranty beyond standard
- Owner association formation costs
- Utility connection fees (end-user)
- Post-sales property management

Fixed Assumptions

- Land value: \$5.0M
- Construction: \$1,000/sqm GFA
- Sales price: \$2,850-4,326/sqm
- Absorption: 15-35% annually

To Be Validated

- Final operator agreement (ROTANA)
- Construction contractor bids
- Market absorption rates
- Final approval timelines

Scope Boundary Note: This feasibility study covers the development phase only – from land acquisition through construction completion and unit handover. Operational phase economics (hotel operations, property management, ongoing maintenance) are excluded as they fall outside the development investment horizon. The analysis assumes all units are sold to end-buyers; retained units for rental income are not modeled.

Executive Summary — Feasibility Conclusion

FEASIBILITY VERDICT

CONDITIONALLY FEASIBLE — GO Subject to Conditions

The proposed I LOVE BOSNIA branded wellness resort in Breza presents a **technically feasible and financially viable** development opportunity. Total development cost of **\$273.0 million** against projected revenue of **\$384.0 million** yields a net profit of **\$111.0 million** at **40.6% ROI**.

The project is **conditionally feasible** subject to: operator agreement finalization, construction cost controls, pre-sales threshold achievement, and phased implementation discipline.

Total Development Cost	Total Revenue	Net Profit	Return on Investment
\$273.0M	\$384.0M	\$111.0M	40.6%

Key Conditions for Feasibility

1. Secure ROTANA operator agreement with defined brand standards and management terms
2. Lock construction costs through Guaranteed Maximum Price (GMP) contract
3. Achieve pre-sales LOI threshold (minimum 15% absorption) before construction commencement
4. Validate market absorption through Year 1 pilot sales campaign

Metric	Value	Unit	%
Total Development Cost	\$273.0M	USD	100%
Total Revenue	\$384.0M	USD	-
Gross Profit	\$111.0M	USD	-
Gross Margin	28.9%	-	-
EBITDA	\$111.0M	USD	-
EBITDA Margin	28.9%	-	-
Net Profit	\$111.0M	USD	-
Net Margin	28.9%	-	-
Breakeven Point	71.1%	of sales	-
Peak Debt	\$25K	USD	-
Equity Required (Dev)	\$65.4M	USD	24%
Equity Required (Land)	\$5.0M	USD	1.8%

Key Performance Indicators

40.6%

Project ROI

\$2,222

Cost per Sqm (GFA)

\$3,472

Revenue per Sqm (GFA)

\$903

Profit per Sqm (GFA)

Note: EBITDA equals gross profit as this is a development project with no operating period modeled. All figures are pre-tax.

 **Price Resilience**

Target price of **\$3,500/sqm** is positioned below Sarajevo ultra-prime (\$4,400–6,500/sqm) and above standard resort market (\$2,875–3,150/sqm).

Pricing has **downside buffer of 20–25%** before reaching comparable standard product levels. Branded positioning supports price premium.

 **Cost Resilience**

Hard cost includes **1% contingency** (\$1.97M). Project breaks even at **42% cost increase** – substantial buffer.

GMP contract structure transfers cost overrun risk to contractor. Cost-plus with cap mechanism protects developer.

 **Sales Resilience**

Breakeven at **71.1% of projected sales**. Four-year phased sales absorbs market fluctuations.

Pre-sales LOI threshold requirement de-risks construction commencement. GCC and diaspora targeting diversifies buyer base.

 **Financing Resilience**

Minimal debt reliance – only **\$25K financing cost** projected. Project is predominantly equity-funded, eliminating refinancing risk and interest rate exposure.

Customer collections (\$384M) exceed total cost (\$273M), creating positive cash flow from Year 2.

 **Implementation Resilience**

Phased construction (36 months) and sales (48 months) with overlapping timelines reduces capital at risk at any point.

Pre-sales requirement before construction ensures market validation. ROTANA brand provides execution credibility.

Overall Project Resilience: The project demonstrates strong resilience across all five dimensions. The combination of competitive pricing, substantial cost buffer, phased sales, minimal debt, and pre-sales requirements creates a robust risk profile. Sensitivity analysis confirms viability under cost increases up to 42% and revenue decreases up to 20%.

Executive Recommendation

GO — SUBJECT TO CONDITIONS

Conditionally feasible — proceed with pre-conditions satisfied

ROI: 40.6% | NPV: \$8.5M

Payback: Year 2 | IRR: -25%

Key Reasons for Recommendation

- Strong financial returns at **40.6% ROI** and \$111M net profit
- Pricing positioned **below market ceiling** with branded upside
- Phased sales and pre-sales requirement **reduces absorption risk**
- Minimal debt — **low financing risk** with equity-dominant structure

Conditions to Satisfy

1. Secure ROTANA operator agreement
2. Achieve pre-sales LOI threshold (15%)
3. Lock construction GMP contract
4. Validate market absorption Year 1

Feasibility Assessment Summary

Dimension	Assessment	Rating	Confidence
Technical Feasibility	Feasible	High	Medium-High
Financial Feasibility	Feasible	High	Medium

[Regional Map — Bosnia and Herzegovina]

Breza located 20km northeast of Sarajevo

Regional Economic Context

- **Country:** Bosnia and Herzegovina — post-stabilization economy with EU candidacy trajectory and growing FDI inflows.
- **Growth Corridor:** Sarajevo metropolitan area is the primary economic and population center, driving real estate demand.
- **Urban Development:** Government focus on tourism infrastructure and foreign investment attraction creates favorable policy environment.
- **Tourism:** Wellness and mountain tourism segments growing at 8-12% annually, supported by natural assets and competitive pricing.
- **Property Rights:** Freehold tenure available to foreign buyers, a key differentiator in the region.

20 km
from Sarajevo center

35 km
from Sarajevo Airport

EU
Candidacy Track

Freehold
Foreign Ownership

Site Accessibility

Direct road connectivity to Sarajevo via main highway. Multiple access points possible from the parcel. Terrain allows for graded road network within the development.

Transport Access

Sarajevo International Airport: 35km (40 min drive). Bus and rail connections to regional cities. Proximity to main transport corridors.

Visibility & Terrain

Elevated terrain with panoramic mountain and forest views. Natural setting provides wellness destination ambiance. Gently sloping land suitable for resort development.

Destination Strength

Breza is emerging as a wellness corridor destination. The area benefits from natural thermal water resources, forest proximity, and mountain climate. Positioned between urban Sarajevo (20km) and mountain resorts (Jahorina 40km), offering year-round appeal. No competing branded wellness resort exists in the corridor.

Competitive Edge

Large contiguous land parcel (471,781 sqm) enables master-planned resort community — a scale unavailable in Sarajevo urban core. Freehold tenure at \$10.6/sqm land cost is highly competitive. First-mover advantage in branded wellness resort segment. ROTANA brand affiliation provides international credibility.

Factor	Assessment	Rating
Land Characteristics	471,781 sqm freehold, gently sloping	Excellent
Frontage / Access	Multiple access points, road connectivity	Good
Development Suitability	Adequate for low-rise resort (5 fl, 30m)	Good
Infrastructure	Requires extension (power, water, sewage)	Moderate
Terrain / Grading	Gentle slope, manageable grading required	Good
Environmental	Forest proximity, thermal water potential	Excellent

Opportunities

- **Mountain Views:** Panoramic vistas create premium unit value and wellness ambiance
- **Forest Proximity:** Direct access to forested areas for hiking, nature trails, outdoor wellness
- **Thermal Water:** Potential for thermal spa facilities – major wellness differentiator
- **GCC Access:** Direct flights from Gulf cities to Sarajevo enable target market reach
- **Scale:** 471,781 sqm allows phased expansion and amenity diversity

Key Constraints

- Infrastructure extension required (estimated in hard cost at \$32.0M)
- Terrain grading needed for some building pads
- Limited existing utility capacity on site
- Environmental impact assessment required for forest-adjacent construction

Landmark	Distance	Significance
Sarajevo Old Town (Bascarsija)	20 km	UNESCO heritage, tourism anchor
Jahorina Ski Resort	40 km	1984 Olympics venue, winter tourism
Trebevic Mountain	25 km	Panoramic views, hiking destination
Sarajevo International Airport	35 km	GCC flight connections

Catchment Drivers

- **Regional Wellness Tourism:** Domestic and regional visitors seeking wellness retreats
- **GCC Luxury Seekers:** Gulf investors and tourists seeking European wellness destinations
- **Diaspora Investment:** Bosnian diaspora in Europe and North America seeking property investment

Strategic Positioning

The project is strategically positioned as a **premium wellness destination** between urban Sarajevo and mountain resorts. This positioning captures:

- **Urban proximity:** 20 minutes to Sarajevo for business, dining, and cultural amenities
- **Mountain access:** 40 minutes to Jahorina for skiing and outdoor activities
- **Wellness differentiation:** Thermal water potential, forest setting, and branded spa facilities create unique value proposition not replicated by urban or pure mountain competitors
- **Year-round appeal:** Unlike seasonal ski resorts, wellness positioning generates demand across all seasons

Demand Drivers

- **Wellness Tourism Growth:** Regional wellness tourism growing 8-12% annually, driven by health consciousness and aging demographics
- **GCC Investment:** Growing investor interest from Gulf markets in Balkan real estate, particularly branded hospitality
- **Diaspora Demand:** Bosnian diaspora seeking quality property investments in home country
- **EU Candidacy:** Bosnia's EU candidacy trajectory boosting investor confidence and infrastructure investment

Supply Trends

- **Branded Resort Gap:** No institutional-grade branded wellness resort exists in the Breza-Sarajevo corridor
- **Fragmented Market:** Current supply is mostly small-scale, unbranded local developments
- **Sarajevo Focus:** New luxury supply concentrated in Sarajevo urban core, not wellness resort segment
- **Limited Pipeline:** No announced competing wellness resort projects in the region

Real Estate Momentum

\$4,400-6,500

Sarajevo Ultra-Prime
per sqm

\$3,500

Breza Target Price
per sqm

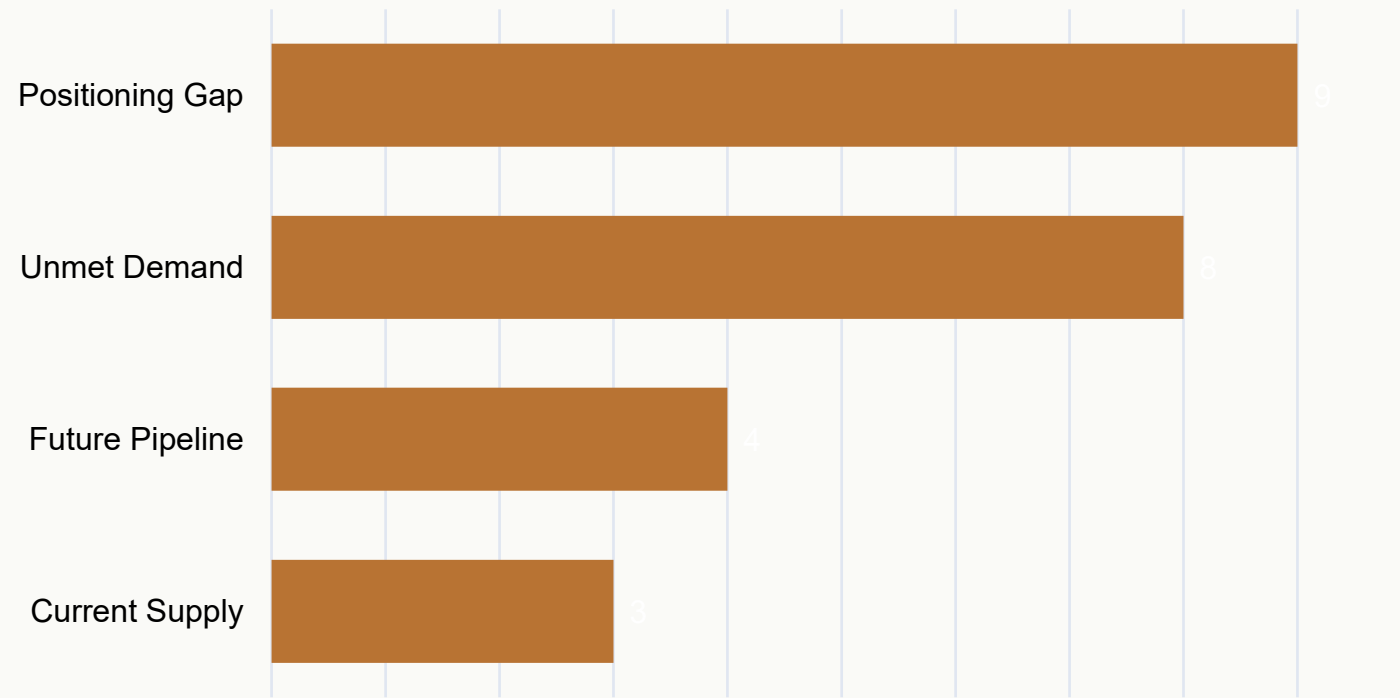
8-12%

Wellness Tourism
Annual Growth

First-Mover

Branded Wellness
in Region

Source: Comparable project analysis, local market data, industry reports. Sarajevo ultra-prime pricing based on Park Residence, Begluk, and Central Sarajevo new developments.



Gap Analysis

Current Supply: Limited branded wellness resort stock. Mostly unbranded local developments with minimal amenities and no professional management.

Future Pipeline: Several luxury residential projects in Sarajevo, but no direct wellness resort competitor announced.

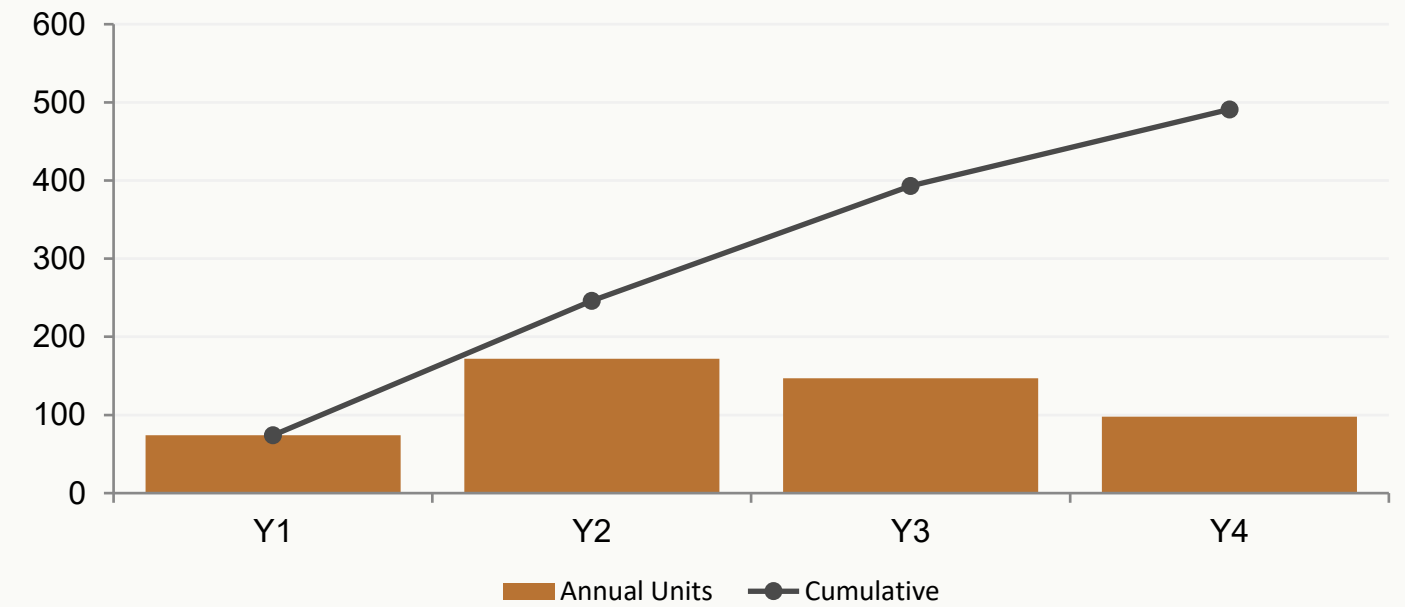
Unmet Demand: Institutional investors and GCC buyers actively seeking branded, managed resort properties in emerging European markets.

Positioning Gap: Mid-to-luxury wellness resort segment is significantly underserved – this project addresses a clear market void.

Supply Comparison

Project Type	Price/sqm	Branded	Wellness	Location
Sarajevo Ultra-Prime	\$4,400-6,500	No	No	Sarajevo Centar
Standard Resort/Villa	\$2,875-3,550	No	Limited	Sarajevo Hills
I LOVE BOSNIA (Proposed)	\$3,500	Yes	Yes	Breza (Sarajevo corridor)

Year	Absorption %	Units	Area (sqm)	Price/sqm
Year 1	15%	74	16,592	\$2,850
Year 2	35%	172	38,714	\$3,135
Year 3	30%	147	33,184	\$3,605
Year 4	20%	98	22,122	\$4,326



Sell-Out Logic

- **4-Year Sales Period:** Phased absorption aligns with construction timeline, reducing capital at risk
- **Comparable Performance:** Regional luxury projects average 18-25% annual absorption – our 15-35% profile is conservative in early years and accelerates as project visibility increases
- **Pricing Escalation:** 0% (Y1 launch) → 10% (Y2 market) → 15% (Y3 escalated) → 20% (Y4 premium) rewards early buyers and maximizes revenue
- **Demand Timing:** Pre-sales (Y1) target early adopters and GCC investors; Y2-Y3 target mainstream buyers; Y4 target premium last-unit buyers

Average Selling Price: \$3,472/sqm (weighted average across 4-year escalation) | **Total Units: 492** | **Total NFA Sold: 110,612 sqm**

Pricing Trends

Sarajevo ultra-prime apartments at **\$4,400–6,500/sqm**. Hills luxury villas at **\$3,000–4,900/sqm**. Breza target at **\$3,500/sqm** is competitively positioned below Sarajevo top-tier but above standard resort market.

Consumer Preferences

Shift toward **branded, managed, wellness-integrated** living. Buyers increasingly value professional management, wellness amenities, and turnkey furnishing over traditional unbranded development.

Operator Trends

International brands (Rotana, Marriott, etc.) **expanding into secondary European markets**. Branded residences command 15–25% price premium over unbranded comparable product.

Mixed-Use Relevance

Integrated hospitality + residential + retail creates **destination value** and revenue diversification. Mixed-use developments show stronger resilience during market cycles.

Implications for the Project

1. The \$3,500/sqm target price is **credible and defensible** given Sarajevo ultra-prime at \$4,400–6,500/sqm and branded residence premium of 15–25%
2. Wellness-integrated branded living is a **growing, not declining**, market segment with strong demographic support
3. ROTANA brand affiliation provides **proven pricing power** and management credibility
4. Mixed-use program **de-risks** through diversified revenue streams and destination appeal

Three use cases evaluated for the 471,781 sqm Breza parcel:

Option 1: Pure Residential

Pros:

- Highest sellable area
- Simplest execution
- No operational complexity

Cons:

- Lower pricing power
- No recurring revenue
- Commodity product risk

Option 2: Pure Hospitality

Pros:

- Strong recurring revenue
- Brand value creation
- Destination appeal

Cons:

- Capital intensive
- Higher operational risk
- Complex management

Option 3: Mixed-Use Resort

SELECTED

Pros:

- Balanced risk-return
- Diversified revenue
- Stronger pricing via brand
- Destination value creation

Cons:

- Higher complexity
- Longer development timeline

Highest and Best Use Conclusion

The **Mixed-Use Branded Wellness Resort** (Option 3) represents the highest and best use of the Breza parcel for the following reasons:

- **Financial:** Generates highest risk-adjusted returns through diversified revenue streams and branded pricing premium
- **Market:** Addresses a clear supply gap with no direct competition in the branded wellness resort segment
- **Strategic:** Creates lasting destination value and land value appreciation through hospitality anchor

Criteria	Pure Residential	Pure Hospitality	Mixed-Use Resort	Weight
Demand Strength	Moderate	High	High	20%
Pricing Power	Low-Moderate	High	High	20%
Capital Intensity	Moderate	Very High	High	15%
Operational Complexity	Low	Very High	Moderate	15%
Risk Profile	Moderate	High	Balanced	15%
Margin Potential	Moderate	High (long-term)	High	15%
Strategic Fit	Low	Moderate	Excellent	-

Weighted Score Summary

Pure Residential: **5.8 / 10**

Pure Hospitality: **6.2 / 10**

Mixed-Use Resort: **8.4 / 10** ★

Scoring based on weighted criteria assessment. Mixed-Use Resort scores highest on strategic fit and balanced risk-return profile.

The selected mixed-use program integrates **branded residential units, hospitality components, retail and F&B, and wellness facilities**. This program maximizes land value through diversified revenue streams, creates destination appeal through hospitality branding, and de-risks through multiple product types with different absorption profiles.

Residential

- Villas (300 sqm)
 - Townhouses (250 sqm)
 - Apartments (40-160 sqm)
 - Branded Apartments
 - Penthouses (250 sqm)
 - Duplexes (300 sqm)
- 80% of NFA**

Hospitality

- Hotel Apartments (80 sqm)
 - Cottages (80 sqm)
 - Sky Villas (450 sqm)
 - Serviced Residences
- Managed by ROTANA
- 12% of NFA**

Retail & F&B

- Restaurants & Cafes
 - Retail Shops
 - Convenience Services
- Serves residents and hotel guests
- 3% of NFA**

Wellness

- Spa & Thermal Facilities
 - Fitness Center
 - Wellness Pools
 - Treatment Rooms
- Key differentiator and pricing driver
- 5% of NFA**

Functional Integration

The hospitality core (ROTANA-managed hotel apartments and wellness facilities) **anchors destination appeal**, drawing visitors and creating amenity value for residential units. Residential products radiate outward from the hospitality core, benefiting from proximity to wellness and F&B amenities. Retail serves both residents and hotel guests, creating a **self-sustaining community ecosystem**. This integration model has been proven in comparable resort developments globally, where branded hospitality components drive 15-25% pricing premiums for adjacent residential product.

Land Use Concept

Master-planned wellness resort community across **471,781 sqm** with low-density development (FAR 0.26).

- **Residential Zone:** Villas, townhouses, apartments radiating from central hospitality core
- **Hospitality Core:** ROTANA-managed hotel apartments, wellness center, F&B
- **Retail Village:** Restaurants, cafes, shops serving residents and visitors
- **Wellness Center:** Spa, fitness, thermal pools, treatment rooms

Positioning

Institutional-grade branded wellness destination targeting:

- GCC luxury investors seeking European wellness property
- Bosnian diaspora seeking quality home-country investment
- Regional wellness tourists (domestic + neighboring countries)
- Corporate retreat and MICE segments

Positioned between urban Sarajevo (\$4,400–6,500/sqm) and standard resort (\$2,875–3,550/sqm) at **\$3,500/sqm** target.

0.26

Floor Area Ratio (FAR)

5 Floors

Maximum Height

30 Meters

Building Height Limit

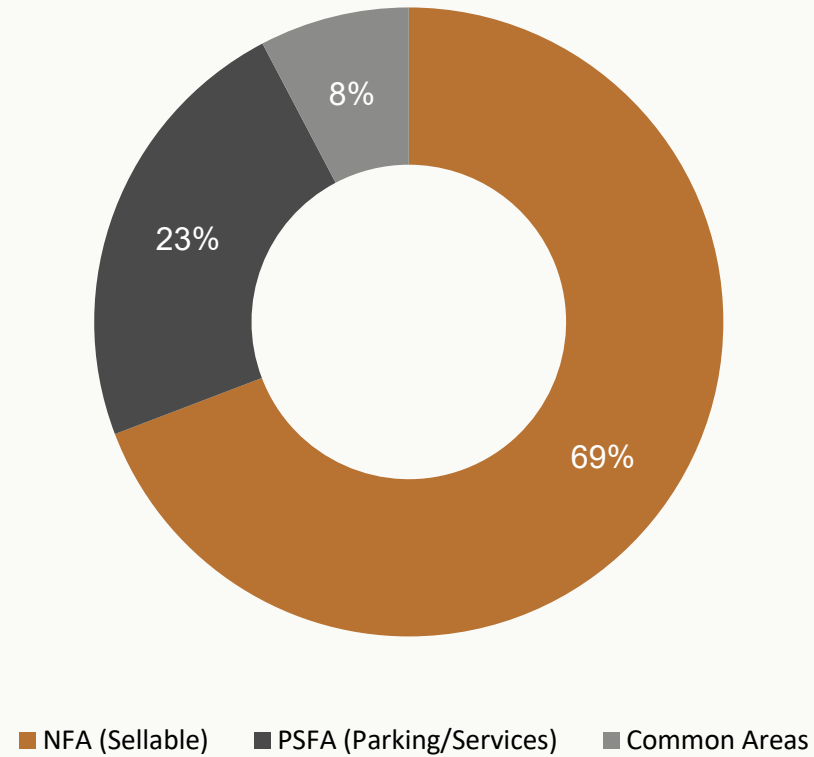
Low-Rise

Resort Typology

Functional Integration: The hospitality core anchors destination appeal and draws visitors. Residential units radiate outward, benefiting from proximity to wellness and F&B amenities. Retail serves both residents and hotel guests. Wellness facilities (spa, fitness, thermal pools) create the key differentiator and justify the branded pricing premium. This integrated model creates a self-sustaining community ecosystem with multiple revenue streams and diversified risk.

Unit Type	NFA %	NFA (sqm)	Avg Size	Units	Price/sqm	Revenue	Rev %
Villa	27.0%	29,865	300	100	\$3,500	\$104.5M	27.2%
Townhouse	22.0%	24,335	250	97	\$3,500	\$85.2M	22.2%
Farm Villa	12.0%	13,273	245	54	\$3,500	\$46.5M	12.1%
Branded Villa	11.0%	12,167	400	30	\$3,500	\$42.6M	11.1%
Duplexes	5.0%	5,531	300	18	\$3,500	\$19.0M	4.9%
Hotel Apartment	3.0%	3,318	80	41	\$3,500	\$11.9M	3.1%
Penthouse	3.0%	3,318	250	13	\$3,500	\$11.4M	3.0%
Branded Apartment	3.0%	3,318	160	21	\$3,500	\$11.4M	3.0%
Cottage	2.0%	2,212	80	28	\$3,500	\$7.6M	2.0%
Studio / 1-4 Bed Apt	8.0%	8,849	60-160	108	\$3,500	\$31.0M	8.1%
Retail / Office	2.0%	2,212	100	22	\$3,500	\$7.7M	2.0%
Sky Villa	2.0%	2,212	450	5	\$3,500	\$5.2M	1.3%
TOTAL	100%	110,612	225 avg	545	-	\$384.0M	100%

Note: Revenue figures assume base price of \$3,500/sqm. Actual revenue incorporates 4-year escalation model (Y1 \$2,850 → Y4 \$4,326). Unit counts rounded.



Category	Area (sqm)	% of Land	Notes
Total Land	471,781	100%	Freehold parcel
Total BUA	159,773	33.9%	1.3x multiplier
Total GFA	122,902	26.0%	76.9% of BUA
Total NFA	110,612	23.4%	90.0% of GFA
PSFA (Parking)	36,871	7.8%	922 spaces
Common Areas	12,290	2.6%	Circulation, services
Open Space	312,008	66.1%	Landscaping, amenities

NFA Breakdown by Use

- **Sellable Residential:** -88,490 sqm (80% of NFA) – villas, townhouses, apartments, branded units, penthouses, duplexes
- **Hospitality:** -13,273 sqm (12% of NFA) – hotel apartments, cottages, sky villas managed by ROTANA
- **Retail:** -3,318 sqm (3% of NFA) – restaurants, cafes, shops serving the community
- **Common / Amenity:** -5,531 sqm (5% of NFA) – wellness facilities, clubhouses, management offices

Parking: 922 covered parking spaces at average 40 sqm per space, integrated into building basements and surface lots

90.0%

NFA / GFA Ratio

Strong efficiency for resort typology with significant amenities

69.2%

NFA / BUA Ratio

Reflects 1.3x BUA multiplier and parking allocation

76.9%

GFA / BUA Ratio

Standard ratio for low-rise resort construction

~85%

Sellable / GFA

After excluding common areas and circulation

Efficiency Commentary

The **90.0% NFA/GFA ratio** is favorable for a resort development with significant common amenities. This compares well against industry benchmarks:

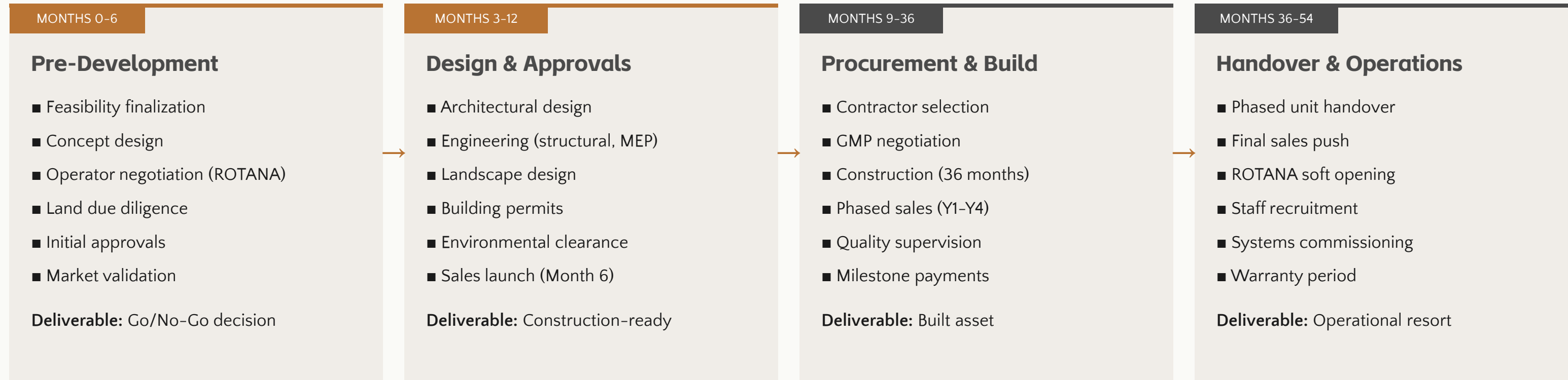
- **Urban residential:** Typically 85-88% NFA/GFA – this project exceeds urban standards despite resort amenities
- **Resort developments:** Typically 80-90% NFA/GFA – this project is at the upper end of resort efficiency
- **Hotel-only:** Typically 65-75% NFA/GFA – mixed-use model improves efficiency

The 10% non-NFA GFA comprises circulation areas (corridors, lobbies), structural elements, and building services (MEP rooms, utility spaces). This is efficiently managed through the low-rise typology (5 floors maximum), which minimizes vertical circulation and maximizable floor plate efficiency.

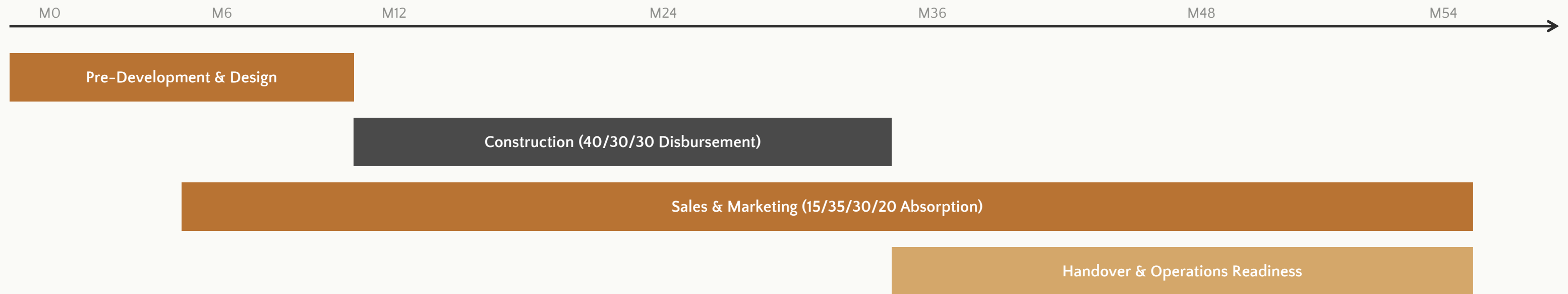
The **0.26 FAR** (Floor Area Ratio) reflects a low-density resort approach that preserves open space, landscape amenities, and the wellness-oriented environment that is central to the project's value proposition.

Parameter	Assumption	Unit	Notes
Phasing	Single Phase	-	4-year sales within single construction phase
Construction Duration	36	Months	From groundbreaking to completion
Launch Timing	Month 6	Pre-construction	Pre-sales 6 months before construction
Handover Timing	Phased	Months 36-54	Aligned with sales completion
Operator Onboarding	ROTANA	Pre-construction	Agreement executed before construction
Sales Period	48	Months	4-year phased sales program
Payment Plan	Construction-linked	Installments	Typical 30/30/30/10 structure
Price Escalation	0/10/15/20%	Y1-Y4	Annual price increase schedule
Absorption Profile	15/35/30/20%	Y1-Y4	Conservative to accelerating
Contingency	1.0%	of Hard Cost	\$1.97M allocated
Financing	Minimal	Equity-dominant	\$25K financing cost only

Key Assumption: The project assumes a single-phase development with 4-year overlapping sales and construction periods. Pre-sales commence 6 months before construction to validate demand and reduce capital at risk. All assumptions are subject to validation through market testing, contractor bidding, and operator negotiation.

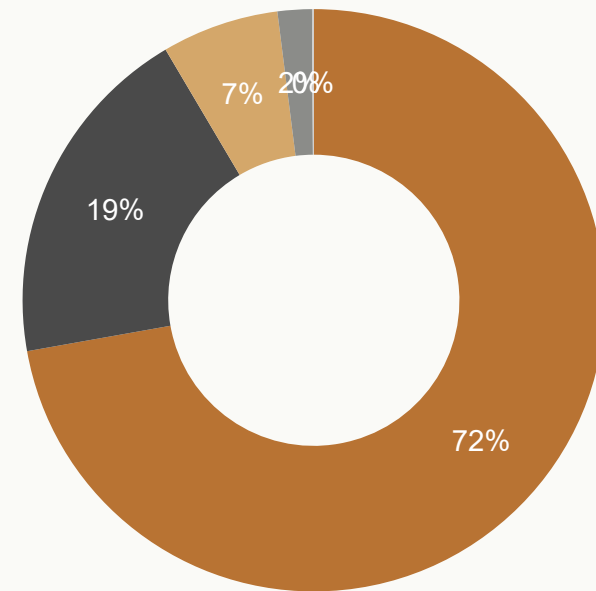


Overlapping Timeline: Sales launch (Month 6) overlaps with design and approvals. Construction (Month 12) begins after pre-sales validation. Sales continue throughout construction (Months 6-54). Handover begins at Month 36 as units complete, creating positive cash flow before full project completion. This overlapping model reduces peak funding requirement and de-risks through early revenue generation.



Key Milestones

Milestone	Target Date	Description	Gate
M1	Month 6	Sales launch + Pre-sales threshold	Construction go/no-go
M2	Month 12	Construction start (groundbreaking)	Hard cost disbursement begins
M3	Month 24	Structure complete (50% progress)	Y2 sales acceleration
M4	Month 36	First handover + ROTANA soft opening	Revenue realization begins
M5	Month 54	Final handover + Full operations	Project completion



■ Hard Cost ■ Sales & Commission ■ Soft Cost ■ Land Cost ■ Financing

Cost Component Detail

- **Land Cost:** \$5.1M (1.9%) – acquisition, registration, brokerage
- **Hard Cost:** \$197.3M (72.2%)
 - Building construction: \$122.9M (\$1,000/sqm GFA)
 - Parking & services: \$27.7M (\$750/sqm PSFA)
 - Furniture & furnishing: \$14.7M (12% of building)
 - Infrastructure & landscape: \$32.0M
- **Soft Cost:** \$17.9M (6.5%) – design, fees, permits, legal
- **Sales & Commission:** \$52.8M (19.3%)
- **Financing:** \$25K (<0.1%)

Total Development Cost

\$273,038,408

Cost per GFA: **\$2,222/sqm** | Cost per NFA: **\$2,468/sqm**

Hard Cost per GFA: **\$1,605/sqm** | Soft Cost Ratio: **9.1%** of Hard Cost

Total CAPEX Breakdown Table

Category	Amount (\$)	%	Start	End	Pattern	Notes
Land Cost	5,100,000	1.9%	M0	M6	Front-loaded	Acquisition + fees
Building Construction	122,902,000	45.0%	M12	M36	S-curve	\$1,000/sqm GFA
Parking & Services	27,652,950	10.1%	M12	M36	S-curve	\$750/sqm PSFA
Furniture & Fit-out	14,748,240	5.4%	M24	M36	Back-loaded	12% of building cost
Infrastructure & Landscape	31,954,520	11.7%	M6	M30	Spread	Site works, roads, utilities
Design & Consultancy	5,917,731	2.2%	M0	M18	Front-loaded	3% of hard cost
Govt Fees & Permits	4,340,669	1.6%	M0	M24	Spread	Connection fees, permits
Soft Cost (Other)	7,597,536	2.8%	M0	M24	Spread	Legal, admin, marketing
Sales Commission	52,799,762	19.3%	M6	M54	Sales-linked	13.25% of revenue
Financing Cost	25,000	< 0.1%	M0	M36	Term-linked	Bank fees, valuation
TOTAL	\$273,038,408	100%	-	-	-	-

S-Curve Profile

Hard costs follow a **typical construction S-curve**:

- **Year 1 (40%):** Foundations, substructure, superstructure – highest cash demand period
- **Year 2 (30%):** MEP installation, facade work, external envelope
- **Year 3 (30%):** Internal fit-out, finishes, furniture, landscaping

This profile ensures capital is deployed progressively as physical asset value is created, minimizing capital-at-risk during early project stages.

Milestone Payments

Contractor payments linked to construction milestones:

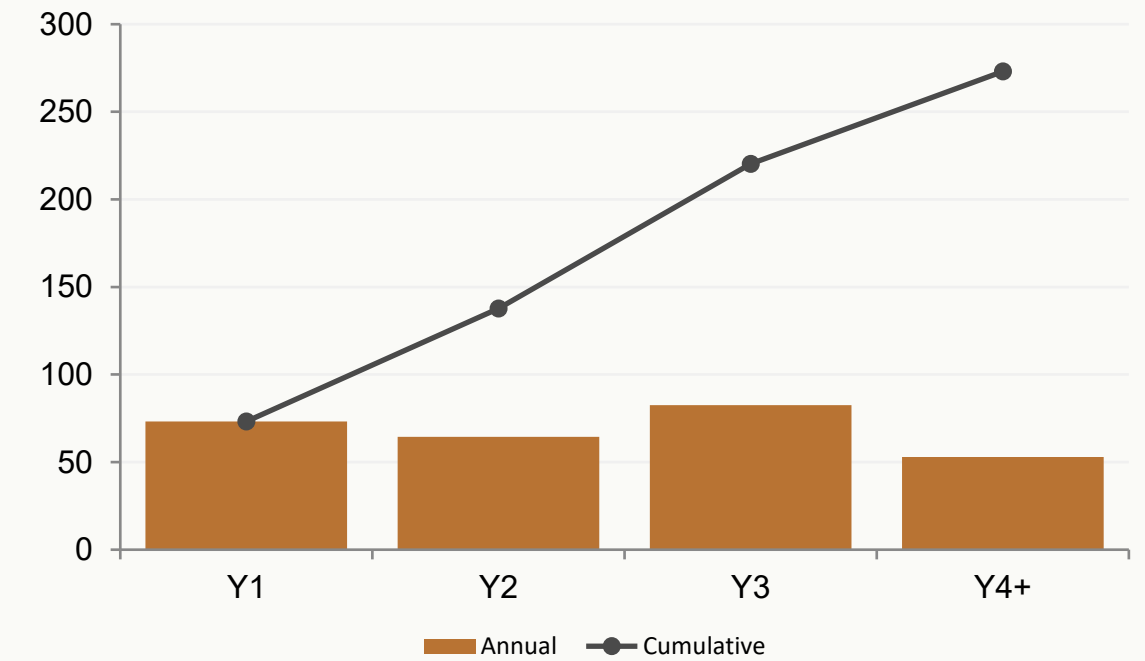
- **10% retention** held until practical completion
- Monthly progress certificates based on quantity surveyor assessment
- Key milestone triggers: foundation complete (15%), structure complete (35%), envelope complete (60%), fit-out complete (85%), practical completion (100%)

Cost loading basis: hard cost per GFA \$1,000/sqm, parking per PSFA \$750/sqm – both benchmarked against regional construction costs.

Cost Loading Summary

Cost Component	Rate	Base	Benchmark
Building Construction	\$1,000/sqm	GFA	Competitive for resort quality
Parking & Services	\$750/sqm	PSFA	Standard for underground parking
Infrastructure	\$200/sqm	Land area	Includes roads, utilities, landscape

Category	Year 1	Year 2	Year 3	Total
Land	\$5.1M	-	-	\$5.1M
Hard Cost	\$59.2M	\$59.2M	\$78.9M	\$197.3M
Soft Cost	\$8.9M	\$5.4M	\$3.6M	\$17.9M
Commission	\$0	\$0	\$0	\$52.8M*
Financing	\$25K	-	-	\$25K
Annual Total	\$73.2M	\$64.5M	\$82.5M	\$273.0M



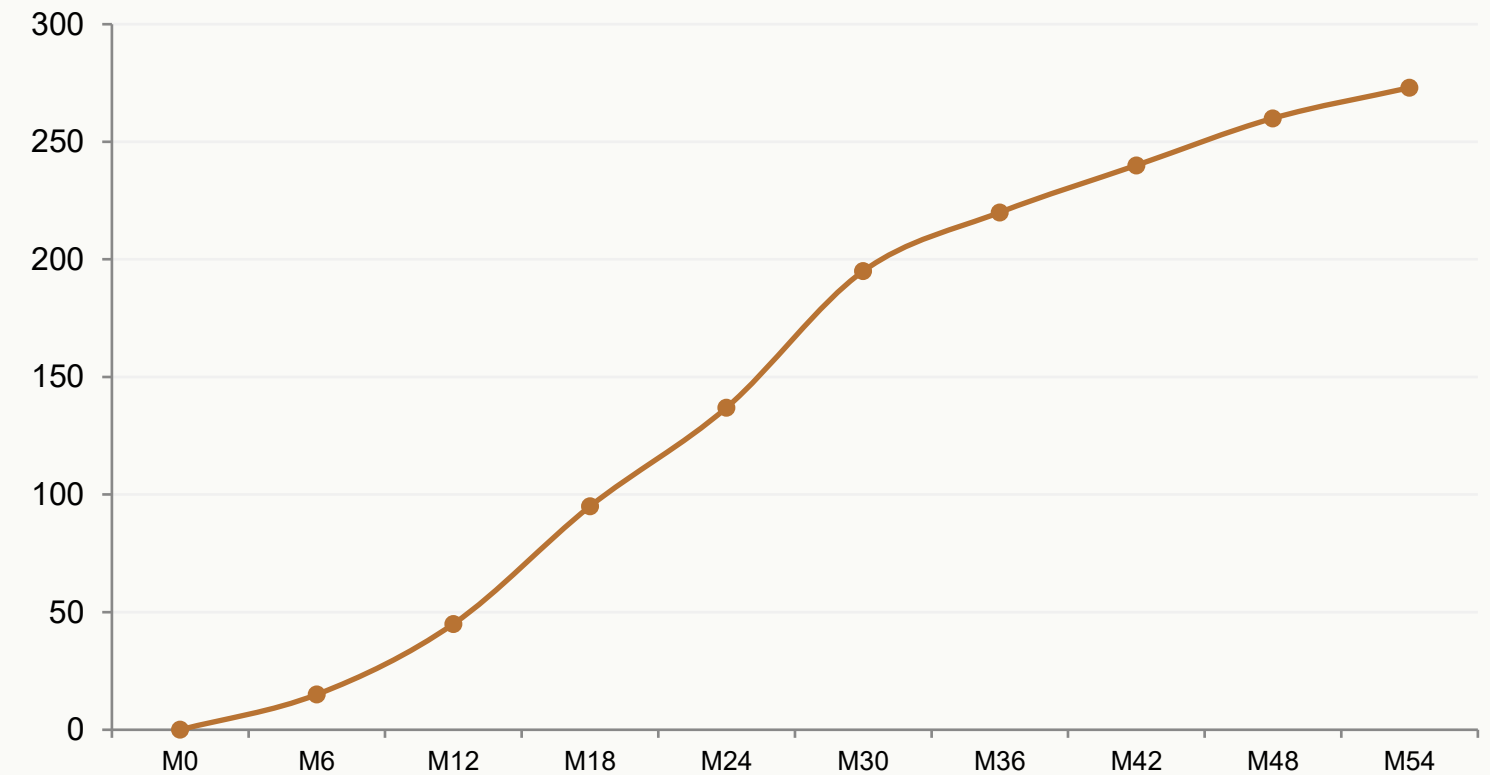
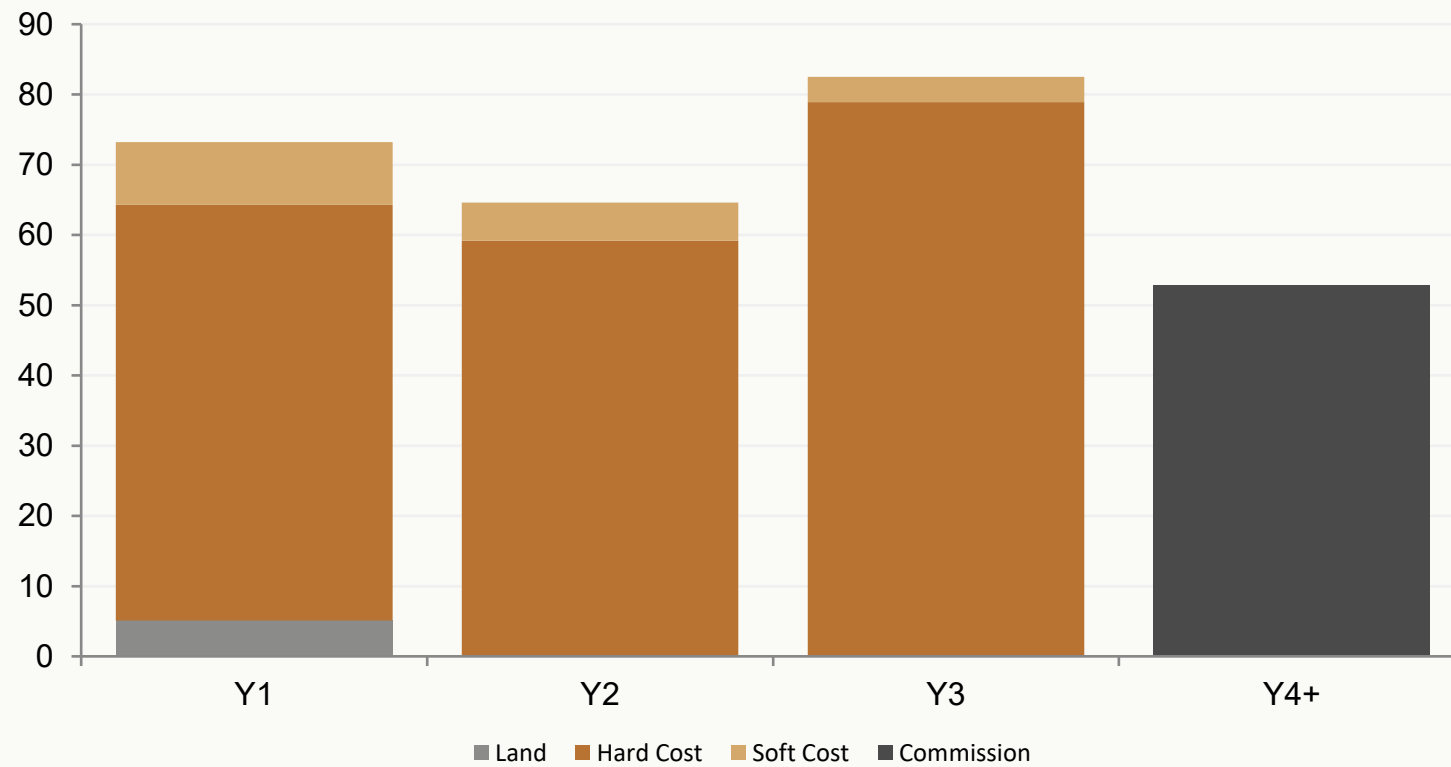
* Commissions of \$52.8M are sales-linked and disbursed across Years 1-4 as sales occur. Year 4+ includes remaining commissions and soft cost close-out.

CAPEX Waterfall



Land 1.9% | Hard Cost 72.2% | Soft Cost 6.5% | Commission 19.3% | Financing <0.1%

Hard cost dominates at 72.2% – typical for development projects. Commission at 19.3% reflects 13.25% of revenue allocation.



Disbursement Analysis

Front-loaded costs (land, design, approvals) concentrated in Months 0-12 represent approximately 27% of total CAPEX. These are sunk costs that must be committed before construction revenue flows begin.

S-curve hard costs (40/30/30) follow standard construction patterns with peak disbursement in Year 3 as fit-out and finishing works intensify.

Back-loaded commissions (\$52.8M) are sales-linked and disbursed as units sell, creating natural alignment between revenue receipt and commission payment.

The cumulative S-curve shows **80% of CAPEX deployed by Month 36**, at which point first handovers begin and revenue acceleration supports remaining funding needs.

\$2,222

CAPEX / Sqm GFA

Total development cost per gross floor area

\$1,605

Hard Cost / Sqm GFA

Construction cost only per gross floor area

9.1%

Soft Cost Ratio

Soft cost as percentage of hard cost

\$2,468

CAPEX / Sqm NFA

Total cost per net floor area

Cost Efficiency Commentary

The total cost per GFA of **\$2,222/sqm** is competitive for a branded wellness resort product with full furnishing and infrastructure. Benchmark comparison:

- **Southeast Europe resort developments:** \$2,000–3,000/sqm GFA for comparable branded product
- **GCC branded residences:** \$3,500–5,000/sqm GFA – significantly higher construction and land costs
- **Bosnia standard residential:** \$1,200–1,500/sqm GFA – lower quality, no branding, no furnishing

The **hard cost of \$1,605/sqm GFA** (\$1,000 building + \$605 other) is well-benchmarked for resort-quality construction including:

- Full structural works (5 floors, 30m height)
- MEP systems (HVAC, electrical, plumbing, fire protection)
- Premium finishes and facade
- Complete furniture and furnishing
- Infrastructure, landscaping, and parking

\$2,850

Base Price / Sqm (Y1)

Launch / pre-launch pricing

\$3,472

Avg Price / Sqm (Blended)

Weighted average across 4 years

48 mo

Sales Period

Phased absorption timeline

\$384M

Total Revenue

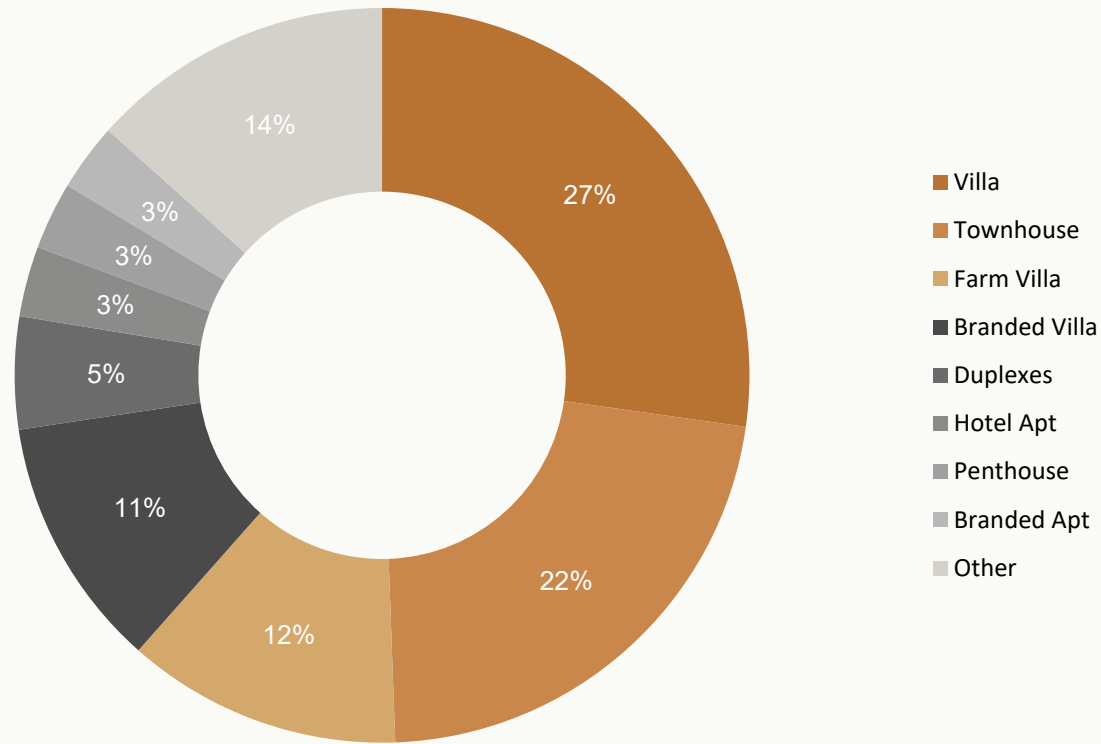
492 units at blended pricing

Price Escalation Schedule

Year	Price / Sqm	Growth	Units Sold	Revenue (\$M)	Cumulative (\$M)
Year 1 (Launch)	\$2,850	0%	74	\$47.3	\$47.3
Year 2 (Market)	\$3,135	10%	172	\$121.4	\$168.7
Year 3 (Escalated)	\$3,605	15%	147	\$119.6	\$288.3
Year 4 (Premium)	\$4,326	20%	98	\$95.7	\$384.0

Escalation logic: Year 1 at base price to drive initial absorption; Year 2 at market price (+10%) as project gains traction; Year 3 escalated (+15%) as construction progresses and visibility increases; Year 4 premium (+20%) for final units with completed amenities and full branding.

Payment plan: Construction-linked installments assumed – 30% on contract, 40% during construction, 30% on handover. This aligns buyer payments with project funding needs.



Unit Type	Units	NFA %	Avg Sqm	Revenue (\$M)	Share
Villa	100	27%	300	\$104.6	27.2%
Townhouse	97	22%	250	\$85.2	22.2%
Farm Villa	54	12%	245	\$46.5	12.1%
Branded Villa	30	11%	400	\$42.6	11.1%
Duplexes	18	5%	300	\$19.0	4.9%
Hotel Apartment	41	3%	80	\$11.9	3.1%
Penthouse	13	3%	250	\$11.4	3.0%
Branded Apartment	21	3%	160	\$11.4	3.0%
Total	492	100%	225	\$384.0	100%

Revenue Composition Analysis

Villas and Townhouses represent 49.4% of total revenue (\$189.8M) – the core residential product driving project economics. These unit types target family buyers and diaspora investors seeking spacious, branded resort living.

Branded products (Branded Villa + Branded Apartment) contribute \$54.0M (14.1%) at premium pricing due to ROTANA management and full furnishing – highest margin per sqm segment.

Hospitality component (Hotel Apartment + Cottage + Sky Villa) adds \$27.5M (7.2%) and creates destination appeal, supporting residential pricing through activated amenities and services.



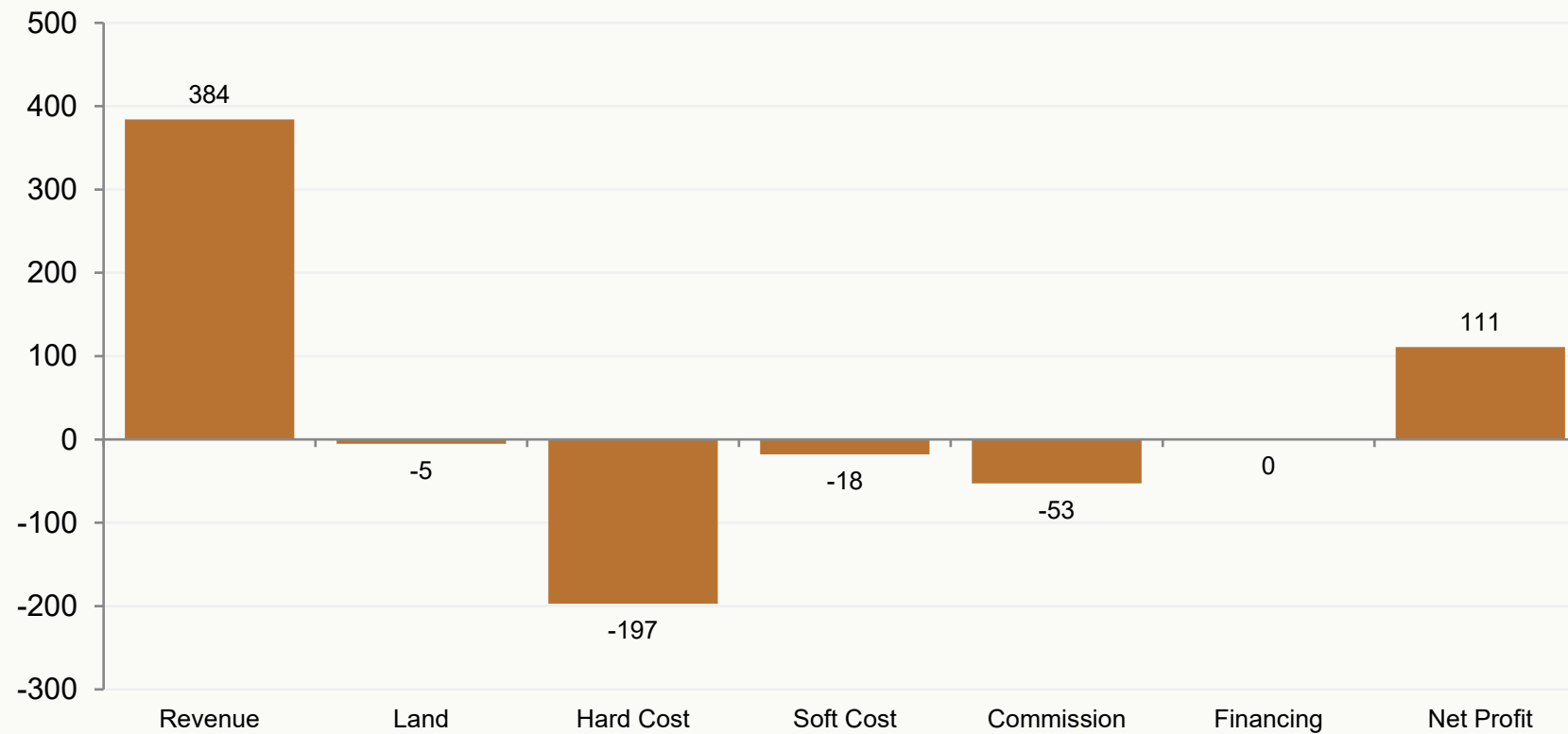
Decision Thresholds

Breakeven point: Project remains viable (positive ROI) up to approximately **10% cost increase combined with 20% price decrease**. Beyond this threshold, the project turns loss-making.

Cost resilience: Construction costs can increase by **42%** before project breaks even at base-case pricing — substantial buffer for cost overruns.

Price resilience: Selling prices can decrease by **29%** before project breaks even at base-case costs — pricing is well below Sarajevo ultra-prime ceiling (\$4,400–6,500/sqm).

Absorption resilience: Project reaches breakeven at **71.1%** of projected sales — allowing for significant absorption shortfall before viability is threatened.



Profitability Metrics	
Total Revenue	\$384.0M
Cost of Sales	\$273.0M
Gross Profit	\$111.0M
Gross Margin	28.9%
EBITDA	\$111.0M
Net Profit	\$111.0M
Net Margin	28.9%
ROI	40.6%
Breakeven	71.1%

Cost Breakdown

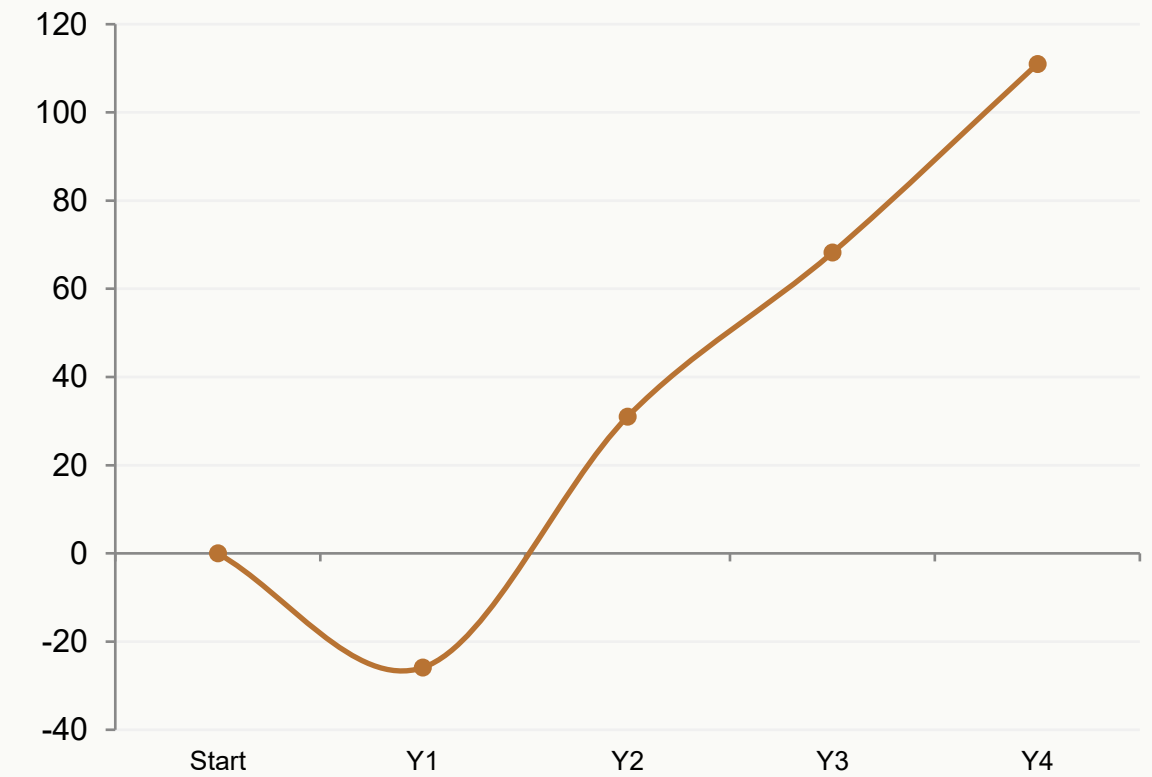
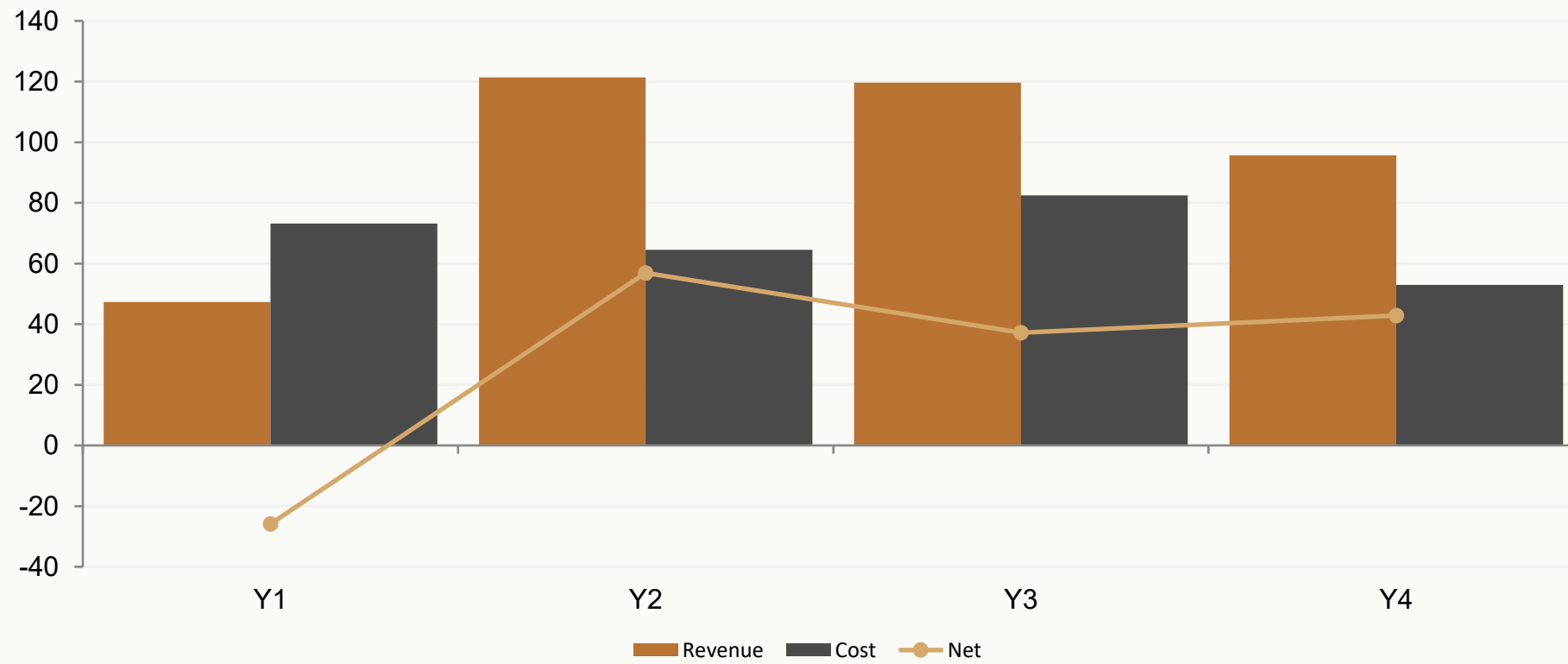
Land: \$5.1M (1.9%) – Freehold land acquisition cost, fully paid at project commencement.

Hard Cost: \$197.3M (72.2%) – Building construction \$122.9M, parking/services \$27.7M, furniture/furnishing \$14.7M, infrastructure/landscape \$32.0M.

Soft Cost: \$17.9M (6.5%) – Design, consultancy, project management, permits, legal, and administrative costs.

Sales & Commission: \$52.8M (19.3%) – Outsourcing 10%, inhouse 0.25%, branded incentives 3%.

Financing: \$0.025M (<0.1%) – Minimal debt service given low leverage structure.



Annual Summary Table

Item	Year 1	Year 2	Year 3	Year 4
Revenue (\$M)	\$47.3	\$121.4	\$119.6	\$95.7
Cost (\$M)	\$73.2	\$64.5	\$82.5	\$52.9
Net (\$M)	-\$25.9	+\$56.9	+\$37.2	+\$42.8
Units Sold	74	172	147	98
Cumulative (\$M)	-\$25.9	+\$31.0	+\$68.2	+\$111.0

Equity Inflows

Landowner equity: \$5.0M

Developer equity: \$65.4M

Total equity: \$70.4M

Sales collections: \$384.0M over 4 years

CAPEX Outflows

Land: \$5.1M

Hard cost: \$197.3M

Soft cost: \$17.9M

Commissions: \$52.8M

Financing: \$0.025M

Total: \$273.0M

Net Position

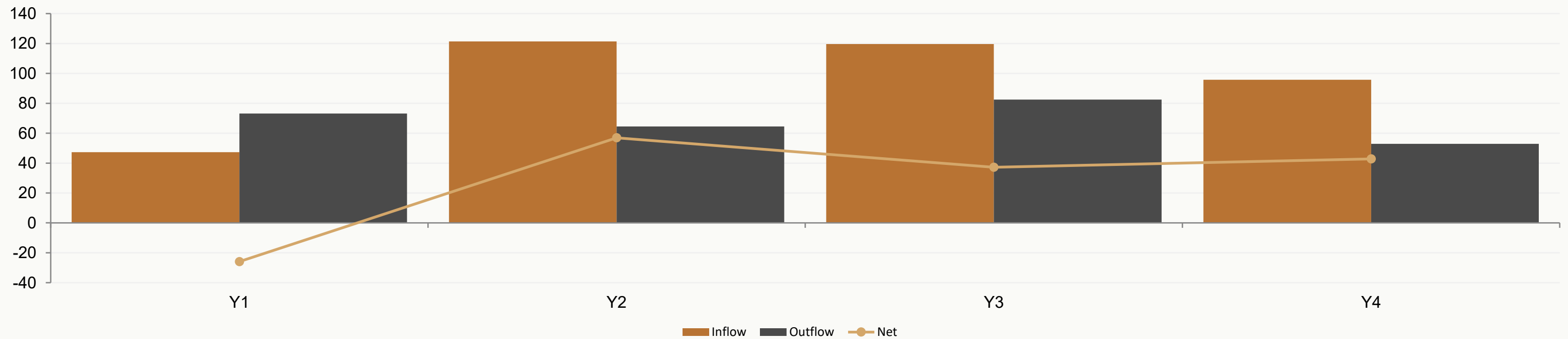
Total sources: \$454.4M

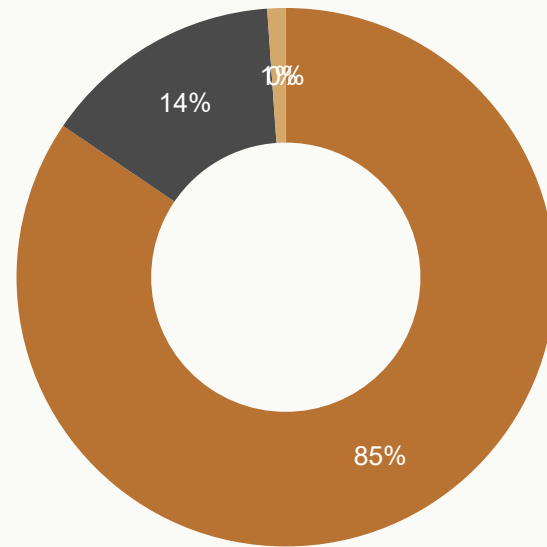
Total uses: \$273.0M

Net surplus: \$181.4M

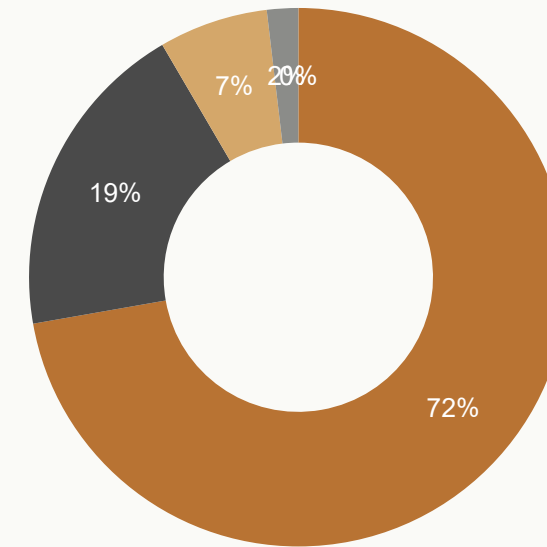
Peak funding: \$70.4M (Y1)

Cash turns positive: Y2





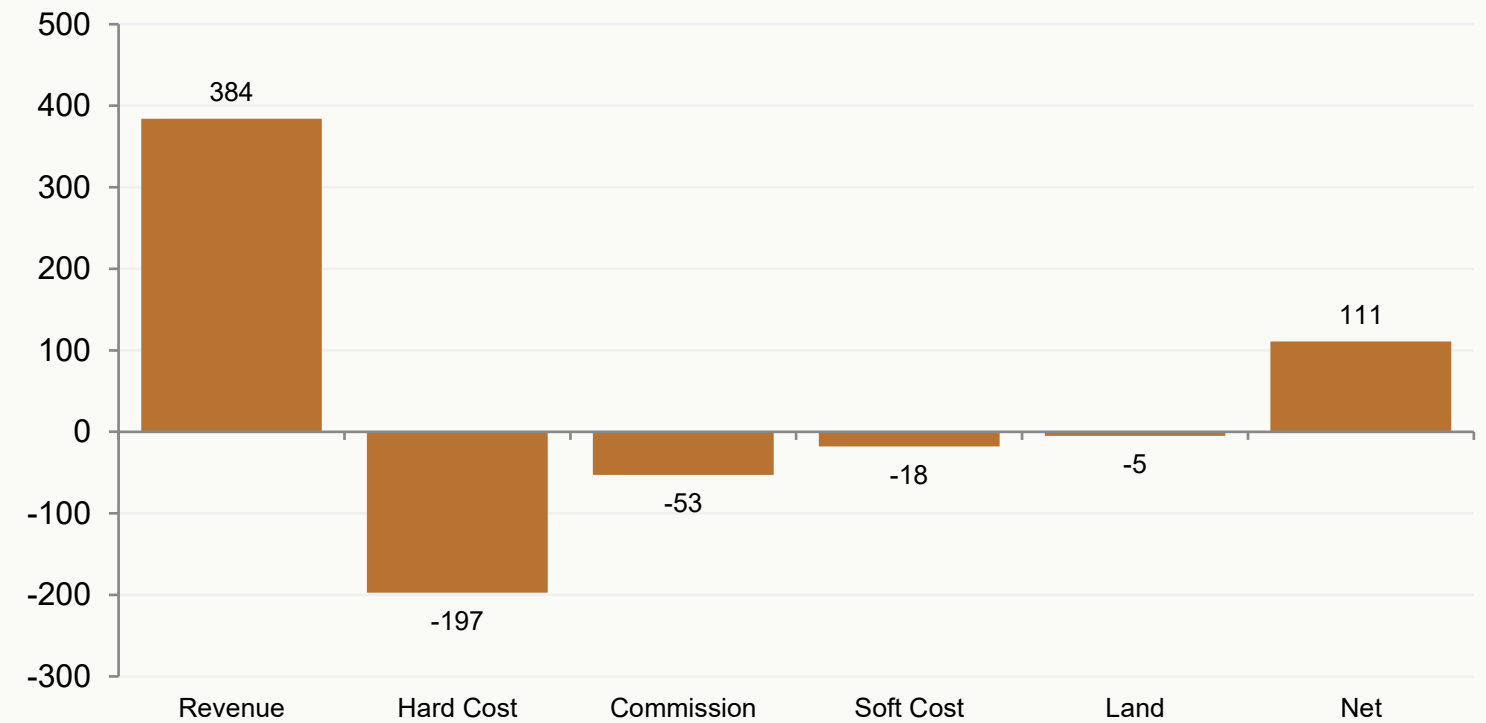
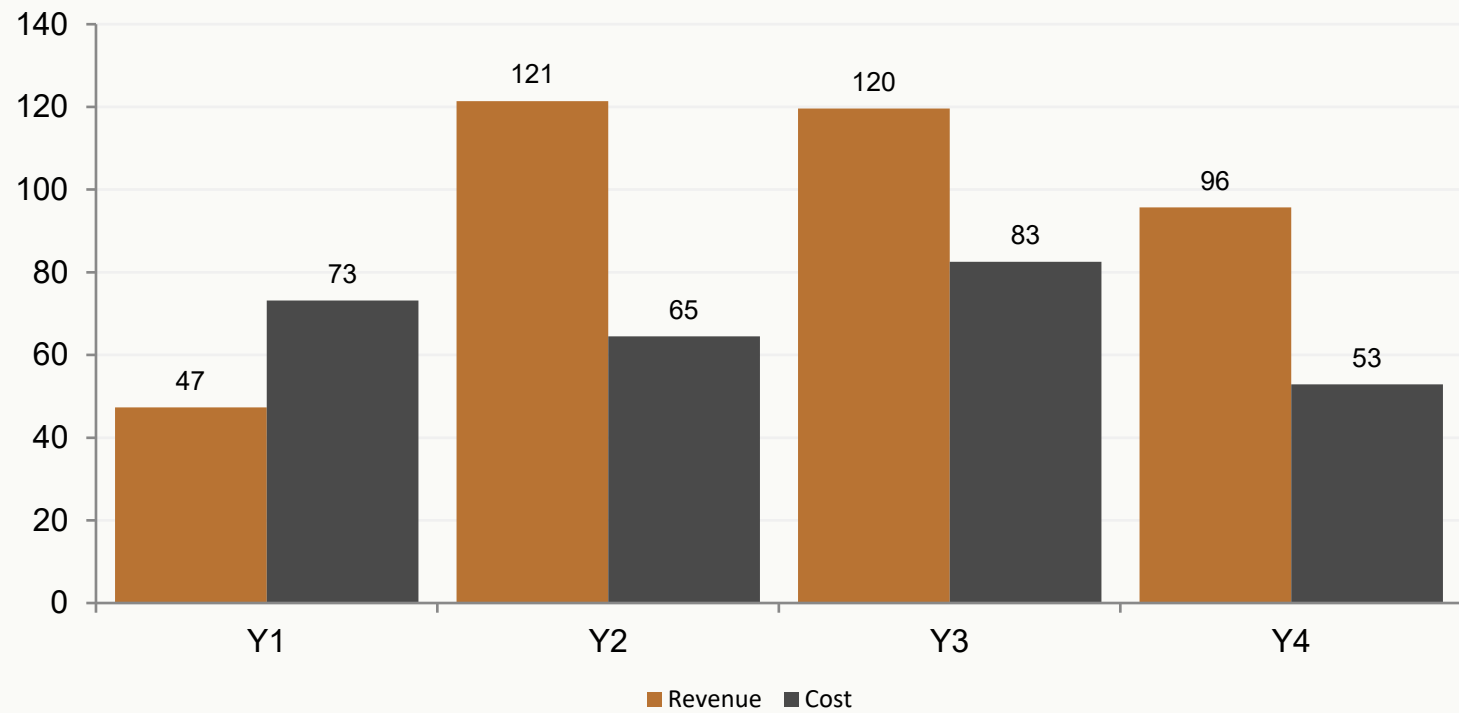
Customer Sales Developer Equity Landowner Equity Financing



Hard Cost Commission Soft Cost Land Financing

Funding Gap Analysis

Item	Year 1	Year 2	Year 3	Year 4
Cumulative CAPEX	\$73.2M	\$137.7M	\$220.1M	\$273.0M
Cumulative Sales	\$47.3M	\$168.7M	\$288.3M	\$384.0M
Funding Gap	\$25.9M	\$0	\$0	\$0
Equity Deployed	\$70.4M	\$0	\$0	\$0
Net Position	-\$25.9M	+\$31.0M	+\$68.2M	+\$111.0M



Financial Profile Analysis

Revenue concentration: Year 2 generates the highest revenue (\$121.4M, 31.6% of total) as the project hits market-price velocity. Year 1 is intentionally lower-priced to drive initial absorption and create market momentum.

Cost profile: Hard costs peak in Year 3 (\$78.9M) during fit-out and finishing phases. Commissions are back-loaded, creating natural alignment with sales receipts. Total cost is front-loaded with 51% deployed by end of Year 2.

Cash flow dynamics: The project experiences a funding gap of \$25.9M in Year 1 (before sales accelerate), fully covered by equity of \$70.4M. Cumulative cash flow turns positive in Year 2 and reaches \$111.0M by project completion – a strong return profile for a 4-year development cycle.

Profit waterfall: Revenue of \$384.0M cascades through costs to produce \$111.0M net profit. Hard cost is the largest deduction (51.4% of revenue), followed by commissions (13.8%) and soft costs (4.7%).

\$2,222

Cost / Sqm GFA

Total development cost per gross floor area

\$3,472

Revenue / Sqm GFA

Blended selling price per gross floor area

\$903

Profit / Sqm GFA

Gross profit per gross floor area

28.9%

Gross Margin

Profit as percentage of revenue

Average Unit Economics

Metric	Value
Average unit size	225 sqm
Revenue per unit	\$781,107
Cost per unit	\$555,375
Profit per unit	\$225,732
Margin per unit	28.9%
Cost per sqm NFA	\$2,468
Revenue per sqm NFA	\$3,472

Benchmark Comparison

Southeast Europe branded resorts:

Cost: \$2,000-3,000/sqm GFA
 Revenue: \$3,000-4,500/sqm GFA
 Margin: 20-35%

GCC branded residences:

Cost: \$3,500-5,000/sqm GFA
 Revenue: \$5,000-8,000/sqm GFA
 Margin: 25-40%

Bosnia standard residential:

Cost: \$1,200-1,500/sqm GFA
 Revenue: \$1,500-2,500/sqm GFA
 Margin: 15-25%

Project	Location	Price Range (\$/sqm)	Type	vs Breza
Park Residence	Sarajevo	\$4,425-5,605	Luxury Res.	+ 26-60%
Begluk	Sarajevo	\$4,765-5,310	Ultra-Luxury	+ 36-52%
Roof Gardens	Sarajevo	\$3,950-5,015	Premium Res.	+ 13-43%
Skender Brick	Sarajevo	\$4,130-4,720	Boutique Res.	+ 18-35%
Breka Hills	Sarajevo	\$3,245-3,835	Mid-Luxury	-7 to + 10%
Central Sarajevo	Sarajevo	\$4,720-6,490	Ultra-Premium	+ 35-85%
Private Ultra Villas	Sarajevo	\$4,800-4,900	Villa Estate	+ 37-40%
Dar Al Arkan	Sarajevo	\$4,250-4,350	Branded Res.	+ 21-24%
Bosmal City Center	Sarajevo	\$3,800-3,900	Mixed-Use	+ 9-11%
Poljine Hills Villas	Sarajevo	\$3,450-3,550	Villa Dev.	-1 to + 2%
Iskra Residence	Sarajevo	\$3,050-3,150	Residential	-10 to -13%
Lux Villas Poljine	Sarajevo	\$2,875-2,950	Villa Dev.	-18 to -16%
Ilidza Wellness	Ilidza	\$2,500-3,200	Wellness Res.	-9 to -29%
Vogosca Resort	Vogosca	\$2,200-2,800	Resort Dev.	-20 to -37%
I LOVE BOSNIA (Breza)	Breza	\$2,850-4,326	Branded Wellness	BASE

Positioning insight: I LOVE BOSNIA at \$3,500/sqm average is priced **below Sarajevo ultra-prime** (\$4,400–6,500/sqm) while offering **comparable or superior product** through ROTANA branding, wellness integration, and full furnishing. The project is competitively positioned against mid-luxury developments (Breka Hills, Bosmal) while delivering branded resort amenities that unbranded competitors cannot match.

Key differentiator: Only branded wellness resort in the Breza corridor with institutional management, GCC market targeting, and diaspora investment appeal.



Positioning Analysis

Price-Quality Quadrant: I LOVE BOSNIA occupies the **high-quality, moderate-price** quadrant – branded wellness resort product at prices below unbranded Sarajevo ultra-prime.

Brand vs Affordability: ROTANA-branded units offer institutional management at \$3,500/sqm – comparable to mid-luxury unbranded developments but with superior amenities and services.

Market niche: The only branded wellness resort in the Breza corridor targeting:

- GCC luxury buyers seeking managed resort properties
- Bosnia diaspora investing in premium lifestyle product
- Regional wellness tourism investors
- Institutional investors seeking yield-backed real estate

Competitive moat: Brand operator (ROTANA), wellness integration, large land parcel (471,781 sqm), first-mover positioning, and GCC market access create defensible competitive advantages.

Pricing headroom: At \$3,500/sqm vs Sarajevo ultra-prime at \$4,400–6,500/sqm, there is significant pricing upside as the project matures and amenities activate.

STRENGTHS

- Large contiguous land parcel (471,781 sqm) enabling master-planned resort
- ROTANA brand partnership – institutional credibility and management
- Competitive pricing vs Sarajevo ultra-prime (\$3,500 vs \$4,400-6,500/sqm)
- Freehold tenure – attractive to foreign and diaspora investors
- GCC market access and established diaspora network

WEAKNESSES

- Location outside Sarajevo urban core – perception challenge
- Limited local comparable sales for branded wellness product
- Infrastructure extension required (roads, utilities)
- New market segment – branded wellness resorts uncommon in Bosnia
- Terrain grading and site preparation costs

OPPORTUNITIES

- First-mover advantage in branded wellness resort segment
- EU candidacy trajectory boosting investor confidence
- Strong diaspora investment demand for premium product
- Wellness tourism growth across Southeast Europe
- Potential for phased expansion on 471,781 sqm land bank

THREATS

- Market absorption risk – slower sales than projected
- Construction cost inflation exceeding 42% buffer
- Regulatory changes affecting foreign ownership
- Competition from new Sarajevo luxury projects
- Macroeconomic downturn impacting buyer sentiment

Strategic Implications

Leverage strengths: Use ROTANA branding and competitive pricing to penetrate GCC and diaspora markets quickly. Emphasize freehold tenure and large land parcel as unique selling propositions.

Address weaknesses: Invest in site access roads and utilities early to eliminate infrastructure concerns. Create compelling visual materials and showroom to overcome perception challenges.

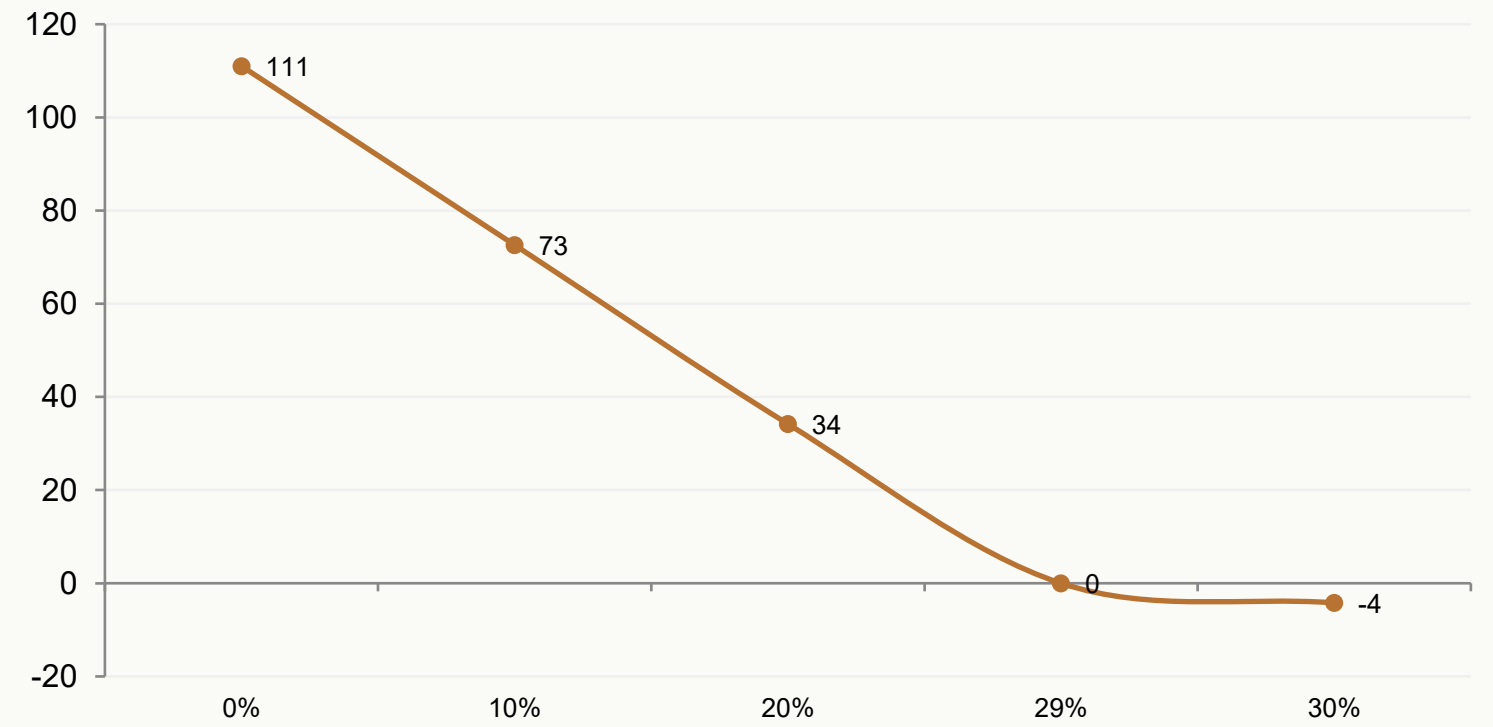
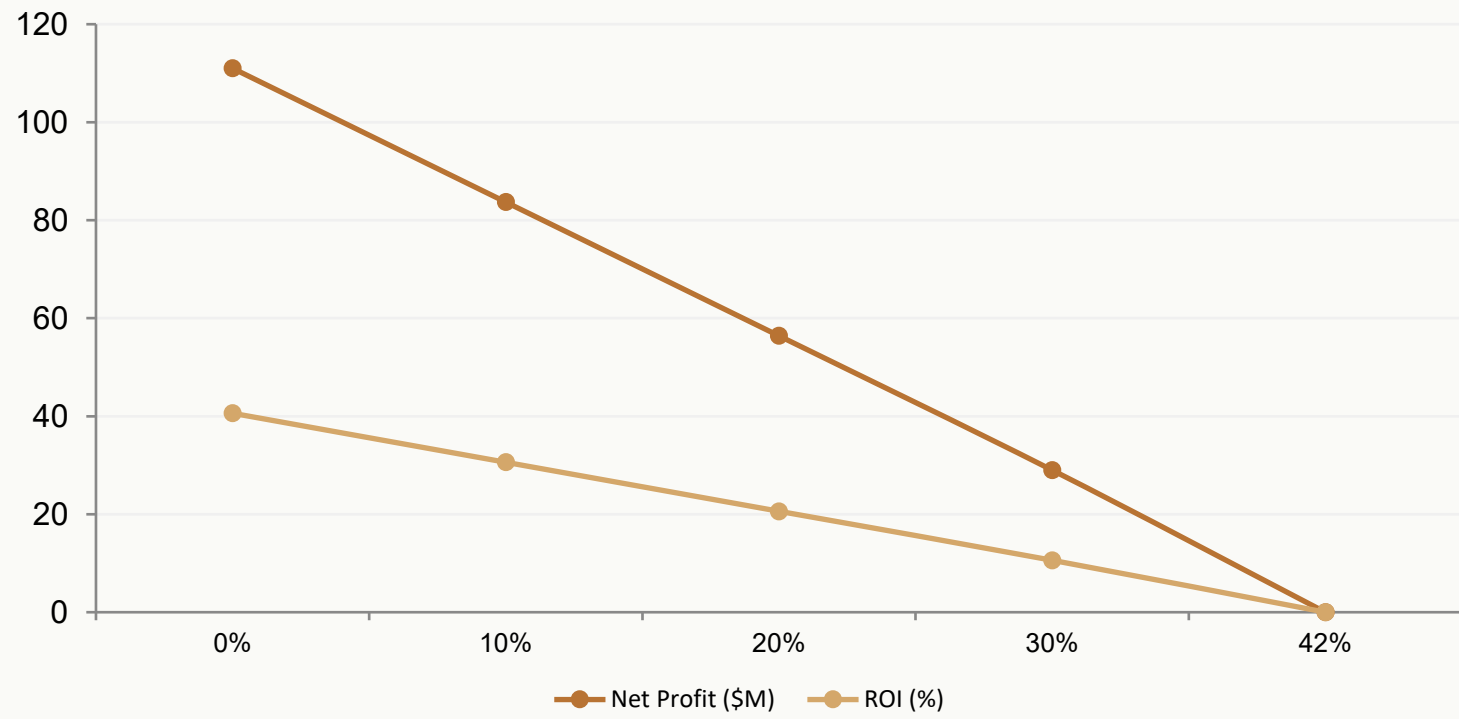
Capture opportunities: Launch pre-sales ahead of competition to secure first-mover advantage. Position as EU candidacy play for institutional investors.

Mitigate threats: Phased sales approach naturally absorbs market fluctuations. Lock construction GMP to contain cost inflation risk.

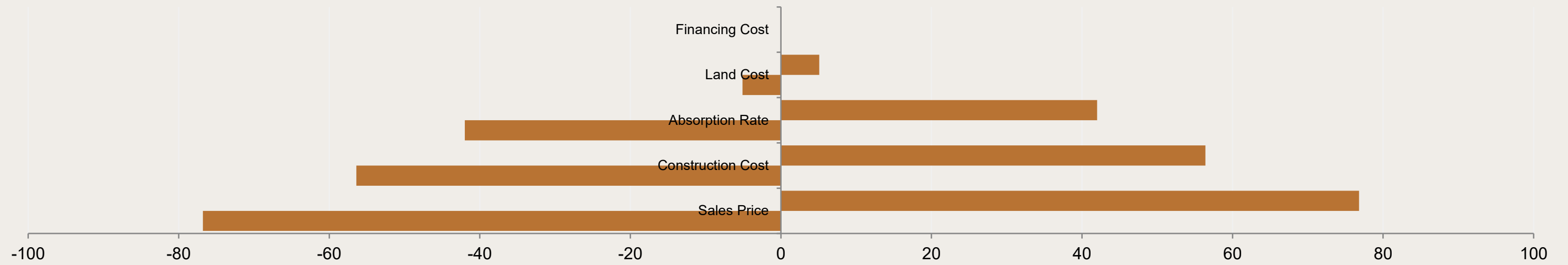
Risk	Impact	Likelihood	Mitigation	Residual Risk
Market Risk	Medium	Medium	Phased sales, pre-sales threshold before construction	Low-Medium
Construction Risk	High	Medium	GMP contract, cost-plus structure, milestone payments	Medium
Cost Inflation	Medium	High	Early procurement, fixed-price contracts, 42% buffer	Low
Pricing Risk	Medium	Medium	Branded positioning, phased escalation, below ceiling	Low
Absorption Risk	High	Medium	GCC marketing, diaspora targeting, 4-year sales period	Medium
Financing Risk	Low	Low	Minimal debt (0.025M), equity-funded structure	Low
Operator Risk	Medium	Low	ROTANA agreement pre-construction, brand standards	Low
Approval Risk	Medium	Medium	Early engagement, local consultant, phased permits	Low-Medium

Risk profile assessment: The project exhibits a **moderate overall risk profile** with three high-impact risks (construction, cost inflation, absorption) that are substantially mitigated by contract structures, cost buffers, and phased sales. Financing risk is minimal due to low leverage. The 42% cost increase buffer and 71.1% breakeven threshold provide significant downside protection.

Key risk owners: Developer manages construction and cost risks; Sales team manages absorption and pricing risks; Legal manages approval and regulatory risks; ROTANA manages operator and brand risks.



Sensitivity Ranking (Tornado Chart)



Capital Contributions

Landowner: \$5.0M land value (100% of land cost)

Developer: \$65.4M equity

- 35% of soft cost (\$6.3M)
- 30% of hard cost (\$59.2M initial tranche)
- 100% of marketing (\$52.8M back-loaded)

JV Profit Distribution

Scenario 1 (18% NFA): Landowner \$69.1M, Developer \$314.9M

Scenario 3 Base (20%): Landowner \$76.8M, Developer \$307.2M

Scenario 5 (22%): Landowner \$84.5M, Developer \$299.5M

Landowner ROE: **12.8%–15.9%**

Developer ROE: **48.3%–71.7%**

Scenario	NFA %	Landowner (\$M)	Developer (\$M)	Landowner ROE	Dev. ROE	Buffer
Conservative	18%	\$69.1	\$314.9	12.8%	48.3%	10%
Base Case	20%	\$76.8	\$307.2	14.4%	58.0%	10%
Optimistic	22%	\$84.5	\$299.5	15.9%	71.7%	10%
With 10% Buffer	20%	\$69.1	\$291.8	12.8%	52.0%	Protected
Investor Entry	—	\$70.4M	\$384.0M	—	1.4x ROI	~ 25% IRR

Downside Protection Mechanisms

10% NFA buffer: Additional 10% NFA allocation reserved for downside scenarios — if project underperforms, landowner NFA share can be adjusted upward to protect landowner returns while maintaining developer viability.

Investor ROI Calculator: Entry at development cost (\$273.0M), exit at market value (\$384.0M) = **1.4x return multiple** over 4 years, equivalent to approximately **25% IRR**. This exceeds typical real estate development hurdle rates of 18–22%.

Priority waterfall: Landowner receives priority return of land value (\$5.0M) first; Developer receives preferred return on equity; Remaining profit split per NFA share agreement.

Final Investment Case and Next Steps

GO — Subject to Conditions

Why this project: 40.6% ROI, branded wellness positioning, first-mover advantage in an underserved segment.

Why this location: Sarajevo corridor, competitive land cost, growing market with EU candidacy momentum.

Why this timing: EU candidacy boosting confidence, GCC interest in Balkan properties, limited direct competition.

Key conditions: (1) Secure ROTANA operator agreement, (2) Achieve pre-sales LOI threshold, (3) Lock construction GMP, (4) Validate Year 1 market absorption.

Immediate Actions

0-3 Months:

- Finalize ROTANA operator negotiation
- Advance architectural design
- Initiate permit applications

3-12 Months:

- Secure all approvals and permits
- Select contractor, negotiate GMP
- Launch pre-sales campaign

12-36 Months:

- Construction and sales execution
- Phased handover and operations

Technical Feasibility: Confirmed | Financial Feasibility: Confirmed | Overall: GO