

PROJECT SUMMARY

THE PROJECT CAN BE DEVELOPED WITH 2 OPTIONS:

OPTION 1 : The Investor/Promoter BUYS the land with the current urban development classification and proceeds to transform it into Urban Land and sells it.

OPTION 2 : The Investor/Promoter DOES NOT BUY the land but Finances the Partial Plan, Urbanization, Subdivision, etc. to transform it into Urban Land and receives in exchange Urban Land or monetary collection of his choice.

THE 2 OPTIONS FOR THE INVESTOR/PROMOTER ARE DESCRIBED BELOW:

OPTION 1 :

1.- Purchase the developable land in its current classification: Developable land Sectorized, Code: SUS-8 Huerto del Escribano Sector – PGOU Mojacar published in BOJA number 143, July 27, 2023.

2.- Carry out its transformation into URBAN LAND by carrying out the Partial Plan, Urbanization Plan and Parcelling Plan, as well as meet the other conditions indicated in the Urban Planning File, which are of an administrative nature.

All these Plans and administrative actions are carried out by Architects and Technical teams. The expected time to complete the transformation is about 1 year.

3.- Once the Urban Land Classification has been obtained from the City Council the land will be ready to be sold with all the individual plots connected to sewer network, and to the supplies of electricity, water, etc.

At this point, the developer can sell the individuals plots (maximum allowed 121) or according to demand build a house and sell it along with the plot (normal market options).

2.- DETAILED BUILDING RIGHTS: (building coefficient, building typology, maximum permitted height):

Total Area of the land for sale	70.735,66 sq.m.
Developable Sector Area:	60,577.62 “
Global Use Allowed: Residential	
Overall buildability: 0.455 sq.m. of roof/sq.m. of floor	
Maximum buildable area:	27,545.04 sq.m.
Building area for residential use :	26,545.04 “
“ “ for tertiary use (commercial) :	1,000,-- “ (minimum)

TERTIARY HEIGHT: GF + 1 (GF = Ground floor)

Building typology:

RESIDENTIAL: Free housing: detached single-family, **maximum 18,269.69 sq.m.**

Protected: Sdh & Mf, **minimum 8,275.35 "**

(Sdh = Semi-detached house - Mf = Multi-family house)

Housing Computation:

Free: 121 (Maximum sq.m. : $18,269.69 : 121 = 150.989 = 150,--$ sq.m./unit

Protected: 79 (Minimum sq.m. : $8,275.35 : 79 = 104.751 = 104,--$ "

Maximum height allowed: Free and Protected, both: **GF + 1**

3.- ASSIGNMENTS ACCORDING ART. 17 OF URBAN PLANNING LAW OF ANDALUCIA

Green areas 10% on 60.577,62 sq.m. = 6.058,-- sq.m.

Vials ,approx. 20% on 60.577,62 sq.m. = 11.192,86 "

Equipments (for public & community services = 2.400,-- "

Total area for transfers: 19.650,86 sq.m.

TOTAL AREA OF THE SECTOR: 60,577.62 sq.m.

Deducing:

Transfers to the City Council: 19.650,86

Plot to build Protected houses: 8.265,47

Tertiary: buildability 2 floors: 700,---

Total to deduct: ----- 28.616,33 sq.m.

NET FOR FREE HOUSING PLOTS 31.961,29 sq.m.

$31.961,29 : 121 = 264,14$ sq.m. average per plot

4.- IMPORTANT: The minimum plot area is not defined. The developer has complete flexibility to distribute the plot area according to their needs provided that it does not exceed the maximums established in the Urban Planning File (121 homes and 18,269.68 sq.m. free housing).

The Preliminary Zoning Study made by the Architect Alonso-Candau proposes a total of 104 detached single-family houses for up the maximum of 18.269,69 sq.m. construction allowed by PGOU, what means an average of 175,-- sq.m. per house and 307,-- sq.m. surface per individual plot.

5.- METHOD OF PAYMENT:

1.- 70,-- % of the land purchase amount: Upon signing the Deed

2.- 30,-- % remaining: By obtaining the URBAN LAND qualification or at 3 years from the signature of the Deed. This payment may be made with delivery of plots for Protected

housing ,Tertiary use and the rustic area non developable to the sellers, remaining the entire plots for Free Housing for the Buyer, option included in the purchase Deed.

Payment percentages may vary depending on the final purchase price.

Information needed to carry out a preliminary Partial Plan Study

Conditions to be met by free housing plots:

Sq.m. Minimum plot: does not exist

Floor occupancy: will be defined by the Promoter in the Partial Plan

Distance to boundaries: “

Facade length: “

Maximum building height: GF + 1

Width of vials: according to the Urban Development Regulations

OPTION 2:

The Land Owner and the Investor/ Promoter will agree on the form of collaboration for the transformation of Developable Land into Urban Land, as well as the way in which the Investor/Promoter is interested in receiving the return on the investment and the Benefits to be obtained:

a) With Urban land: As a simple exchange receiving the sq.m. of urban land established in the previous agreements.

b) With monetary payment: Receiving the amount invested plus the agreed benefits and having priority in the collection of land sales until completing the total to be received.

c) Any other form agreed between the parties.

EXAMPLE OF PERFORMANCE PAYING THE INVESTOR/PROMOTER WITH CASH PAYMENT

1.- The prices advertised for the Altos del Albardinar area in Mojácar , year 2025, are used as a reference for calculating the value of plots. An average plot of 300 sq.m. costs 180,000 euros.

2.- Total supposed investment to carry out the Partial Plan, Urbanization , etc. to transform land into Urban Land: 2,400,000 euros. This amount comes from 1.800.000,-- euros official estimate of development costs published in the General Plan documentation plus 600.000,-- euros added as a guarantee cushion for possible increases in the costs.

3.- Total income to be received by the investor/promoter: a coefficient of 2.7 is applied to the total invested. In this example: $2,400,000 \times 2.7 = 6,480,000$ euros
This would give a total Gross Profit for the Investor/Promoter of 4,080,000 euros with a total Return on Investment of 170%.

4.- To cover the payments to the Investor/Promoter, it would be necessary to sell 36 plots at 180,000 euros (all are average values for example purposes), the price at time zero of the calculation being and without revaluation for the following years. The total recovery of the invested capital would occur with the sale of 13,3 plots ($2.400.000,-- : 180.000,-- = 13,3$).

5.- An example of the calculation of the Project's IRR is shown below, with a deliberately pessimistic assumption that the 36 plots will be sold in a period of 6 years, with the following scaling:

Plots Sold	Year from origin	Value Flows in euros
0	0	- 2,400,000,--
0	1	0
4	2	720,000,--
8	3	1,440,000,--
8	4	1,440,000,--
8	5	1,440,000,--
8	6	1,440,000,--

RESULTING IN AN ANNUAL IRR OF 28.13%

WITH DIFFERENT TIME SCENARIOS, THE IRR WOULD BE OBTAINED AS FOLLOWS:

At 3 years: 50% per year
At 4 " : 41.07 % "
At 5 " : 34.93 % "

NOTE: It should be noted that the disbursement at time zero, which in this hypothesis is applied to that time in its entirety, would not be the case in reality, since the disbursement would be made as the work certifications are carried out, all of which results in improved profitability.

ADDITIONAL GUARANTEES FOR THE INVESTOR:
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1.- The invested capital will be guaranteed at the Investor's request by means of a Guarantee in a Deed registered in the Mojácar Property Registry . This Guarantee will guarantee the Investor that the land cannot be sold to a third party.

2.- This Guarantee will be cancelled at the time the Deed of Segregation of the land into urban plots must be registered, at which time, if the Investor so wishes, a new Guarantee will be established on a total of 4,800 sq.m. of land, or equivalent plots, which will be selected by the parties for the purposes of registration in the Property Registry, and whose sale value guarantees the return of the invested capital. Once the invested capital has been returned, this Guarantee will be cancelled in the Property Registry.

3.- Once the Deed of Segregation of the land into plots has been registered, the Investor will have the Option to purchase a maximum of 3,000,-- sq.m. of Urban Land at 50% of the market price at that time, or , at most, at the price of 300,-- euros/sq.m.