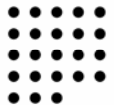




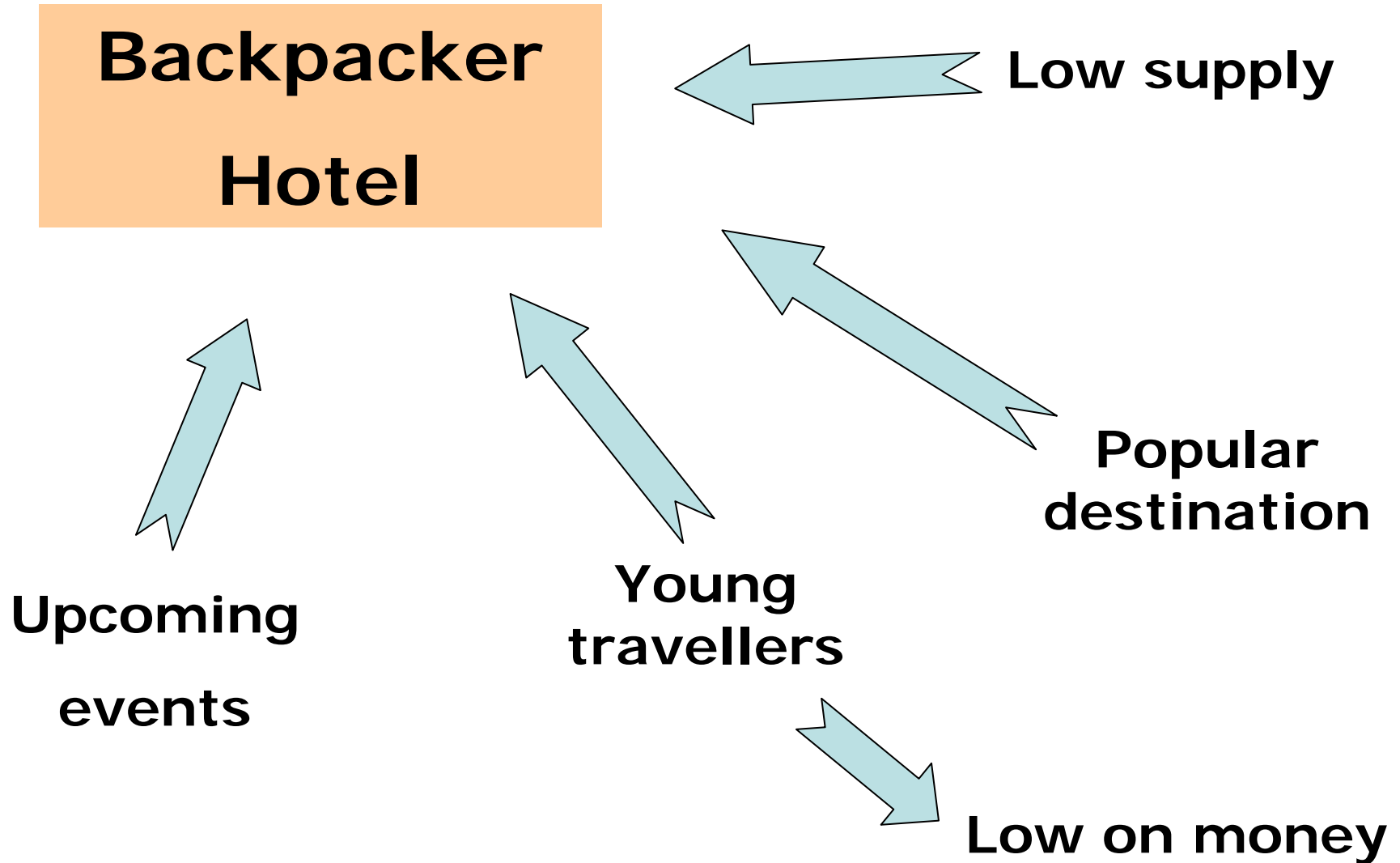
# ***Businessplan***



# Contents

- 1 The idea**
- 2 Assumptions**
- 3 Market research**
- 4 Organisational form**
- 5 Investment Analysis**
- 6 Conclusion**

# Idea



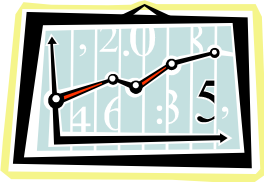
# Assumptions



**buy not rent**



**Employed manager**



**Organisational form**

*„The city tourism is booming...“*

**2003 to 2004:**

**+11,9 % guests**

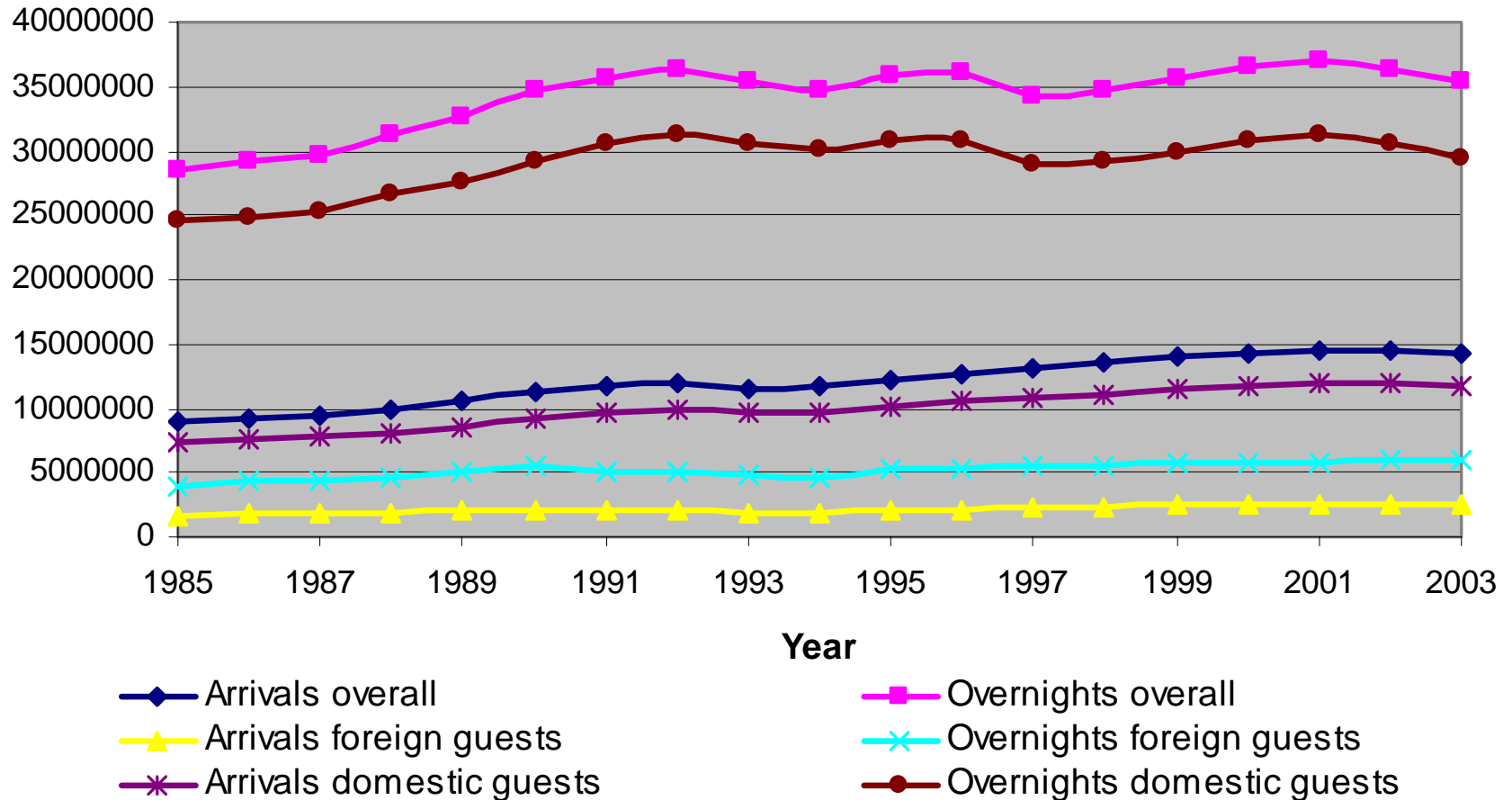
**+10,5 % overnight accomodation**

**german guests**

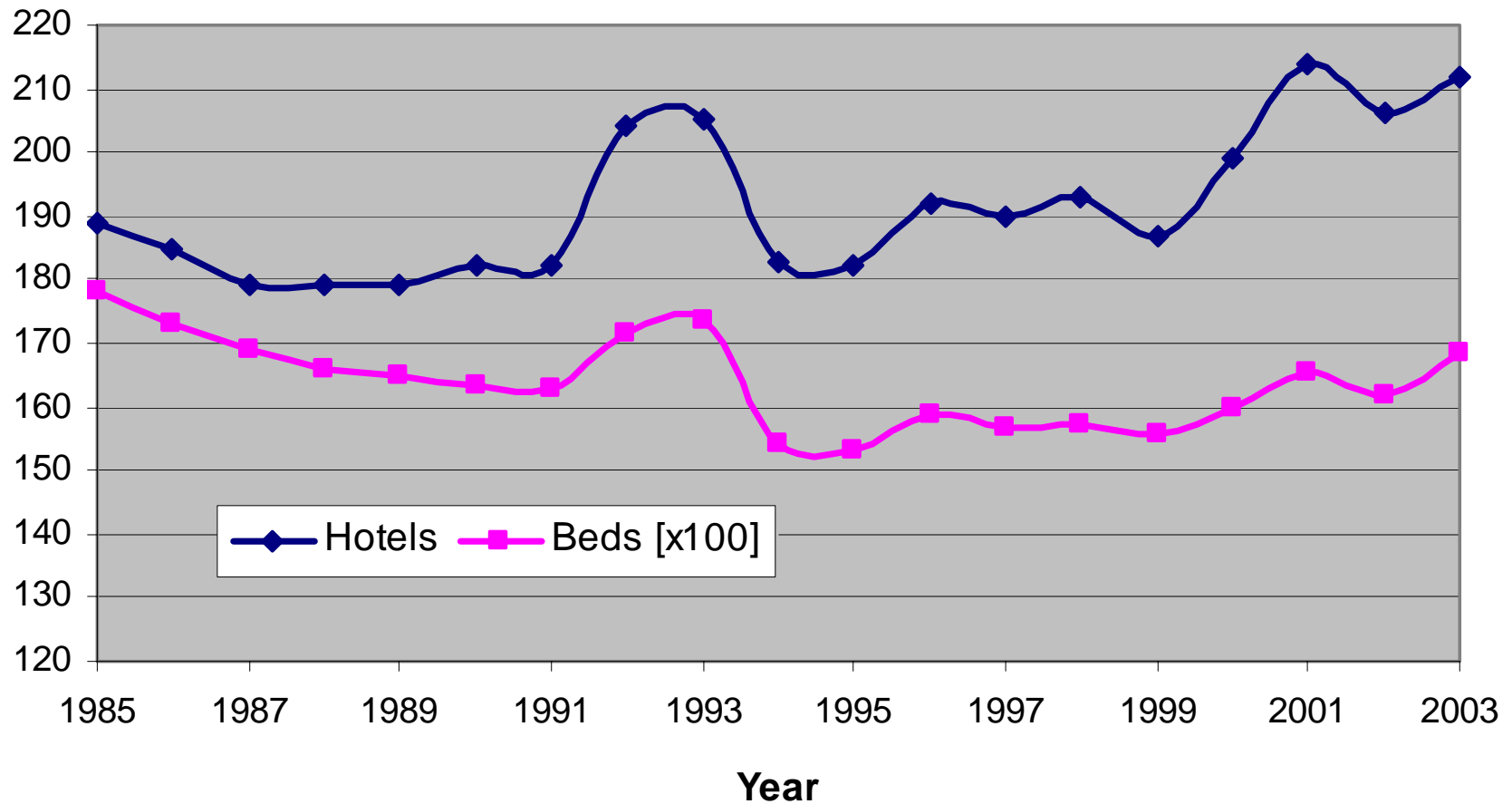
**+13,7 % overnight accomodation**

**foreign guests**

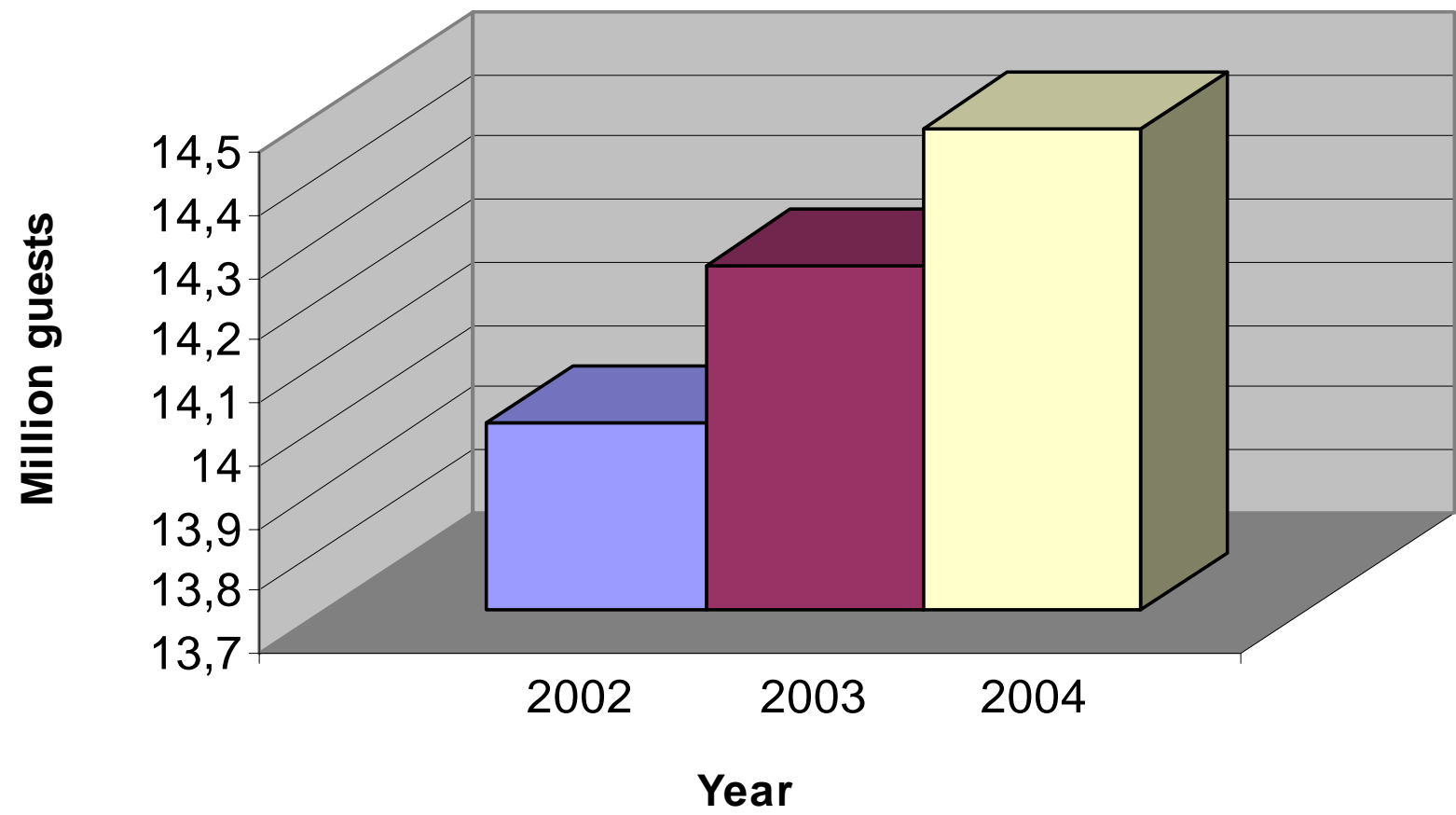
## Development of Arrivals and Overnight stays of foreign and domestic guests in NRW



## Development of Hotels and Beds in Cologne

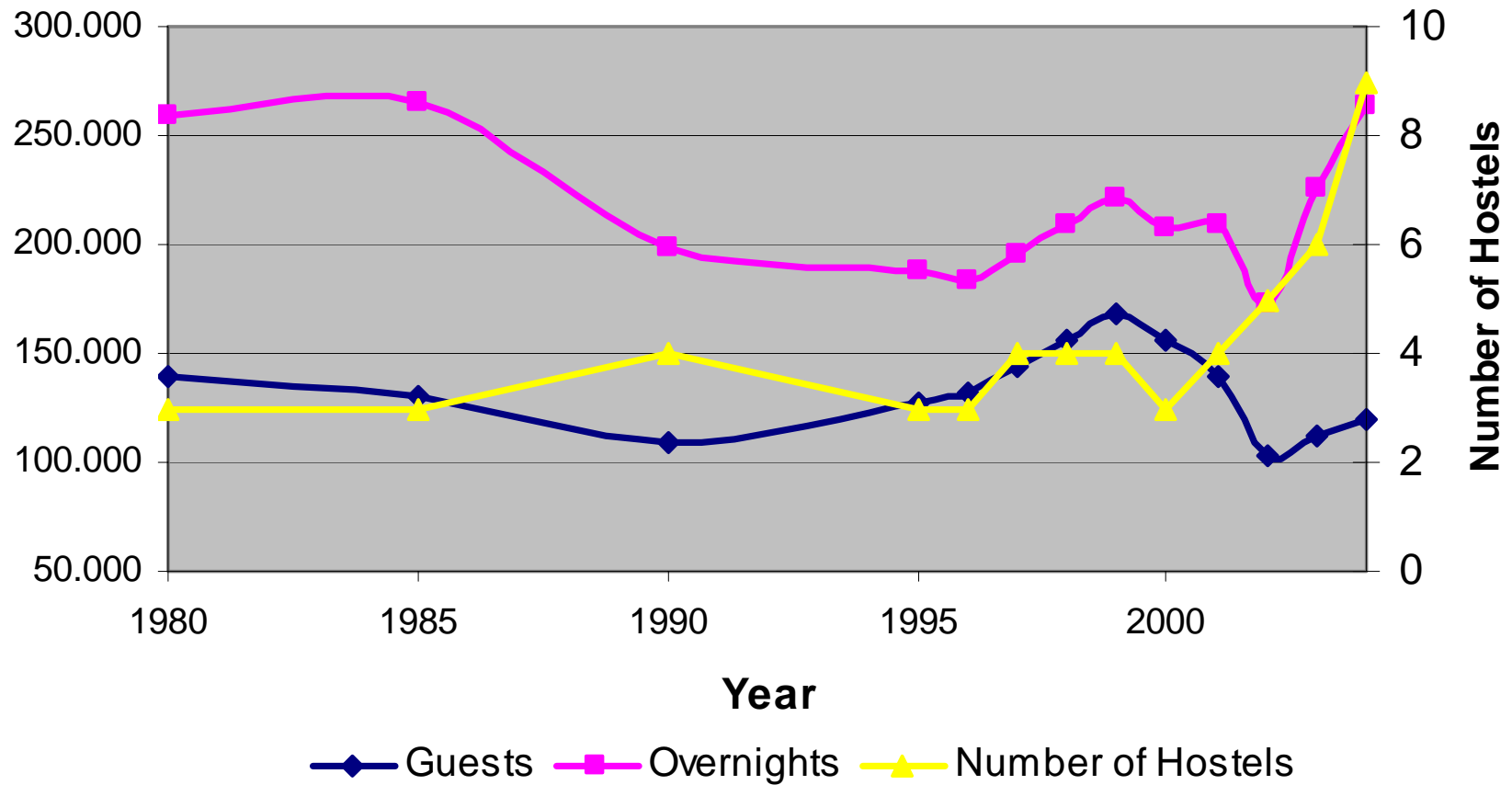


## Development of Overnight stays in Youth Hostels in Germany



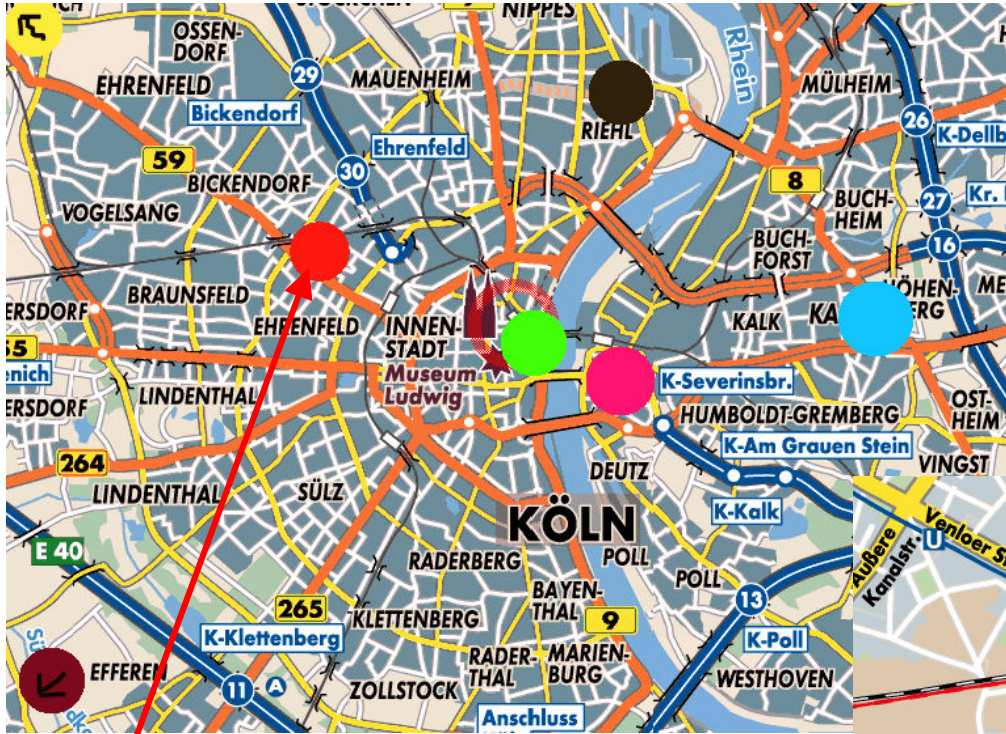


## Development of Number of Guests and Overnight stays in Youth Hostels in and around Cologne



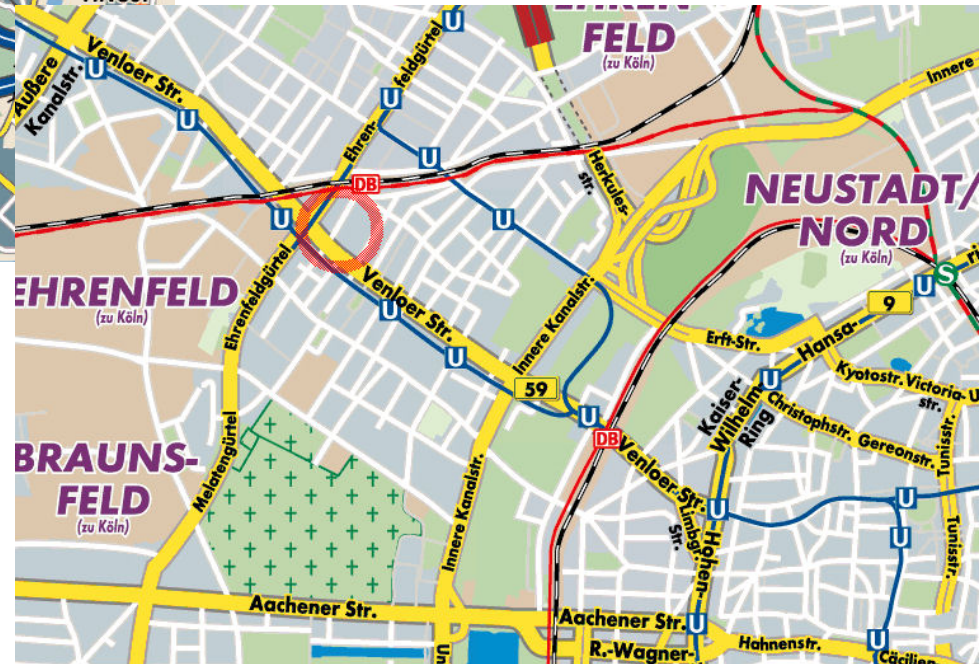
**Currently...**

- 1 Backpacker inside Cologne**
- 1 Backpacker outside Cologne**
- 4 Youth hostels inside Cologne**
- 3 Youth hostels outside Cologne**



**Tropical BP**

**Ehrenfeld-  
Vibrant heart of  
Cologne**





- 600m<sup>2</sup>
- 3 Floors
- 92 Beds max.
- Price: 1100 EUR/m<sup>2</sup>
- Redevelopment:  
600 EUR/m<sup>2</sup>

## GmbH

- **limited liability for each partner**
- **possibility to employ a manager for the business administration**
- **lower need of starting capital as in comparison of a stock corporation (AG)**
- **less foundation effort as AG**

## Investment and Depreciation costs

Item	Investment [€]	Depreciation time [years]	Depreciation costs [€/year]
<b>Real Estate</b>			
House	660000	50	13200
Redevelopment	420000	50	8400
<b>Furniture and Equipment</b>			
55 Beds	11000	10	1100
55 Wardrobes	4400	10	440
1 Complete Office	4000	10	400
2 Gas oven	1400	10	140
2 Fridges	800	10	80
4 Tables	1600	10	160
8 Banks	800	10	80
2 Cupboards	2000	10	200
Dishes	400	5	80
Washing machine + Dryer	3000	10	300
Internet Computer, Phone	1500	5	300
Decorations	3000	10	300
Recreation Equipment	3000	10	300
<b>Misc.</b>			
Unforeseen	3000		
Cash	25000		
<b>Total</b>	<b>1144900</b>		<b>25480</b>

## Financing costs

Total Investment Costs				1144900
40% Equity capital				457960
60% credit capital				686940
Interest rate				7% p.a.
Running time [years]				10
<b>Financing</b>	<b>Remaining Debt</b>	<b>Interest costs</b>	<b>Redemption</b>	
[year]	[€]	[€/year]	[€/year]	
1.	686940	48086	68694	
2.	618246	43277	68694	
3.	549552	38469	68694	
4.	480858	33660	68694	
5.	412164	28851	68694	
6.	343470	24043	68694	
7.	274776	19234	68694	
8.	206082	14426	68694	
9.	137388	9617	68694	
10.	68694	4809	68694	
<b>Total</b>		<b>264472</b>	<b>686940</b>	

## Running costs

Item	Unit	Costs per Unit	Costs
	[Unit/year]	[€/Unit]	[€/year]
Heating	25000 Litre	47€/100 Ltr	11750
Electricity	60000 kWh	0,25€/kWh	15000
Freshwater	65000 Litre/Ps	1,50€/m <sup>3</sup>	5465
Waste			2000
Telephone			1500
GEMA fee			200
Advertising			3500
Laundry Service			10038
Insurances			3000
Loss by Vandalizing and theft			2000
Reserve found for Replacement			2000
GEZ			612
<b>Total</b>			<b>57064</b>



## Personnel costs

Employment	Empl. type	Gross Costs [€/year]
General Manager	full-time	45000
Deputy Manager	full-time	38000
Cleaner / Helper	full-time	32000
2 Night guards	temporary	9600
2 students	temporary	9600
<b>Total</b>		<b>134200</b>

## Total costs

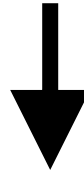
Costs	1. Year	2. Year	3. Year	4. Year	5. Year
Depreciation	25480	25480	25480	25480	25480
Financing	48086	43277	38469	33660	28851
Personell	134200	134200	134200	134200	134200
Running	57064	57064	57064	57064	57064
<b>Total</b>	<b>264830</b>	<b>260021</b>	<b>255213</b>	<b>250404</b>	<b>245595</b>
Costs	6. Year	7. Year	8. Year	9. Year	10. Year
Depreciation	25480	25480	25480	25480	25480
Financing	24043	19234	14426	9617	4809
Personell	134200	134200	134200	134200	134200
Running	57064	57064	57064	57064	57064
<b>Total</b>	<b>240787</b>	<b>235978</b>	<b>231170</b>	<b>226361</b>	<b>221553</b>

# Price determination

**Objective: Profitability!**



**When does the dividend get positive?**

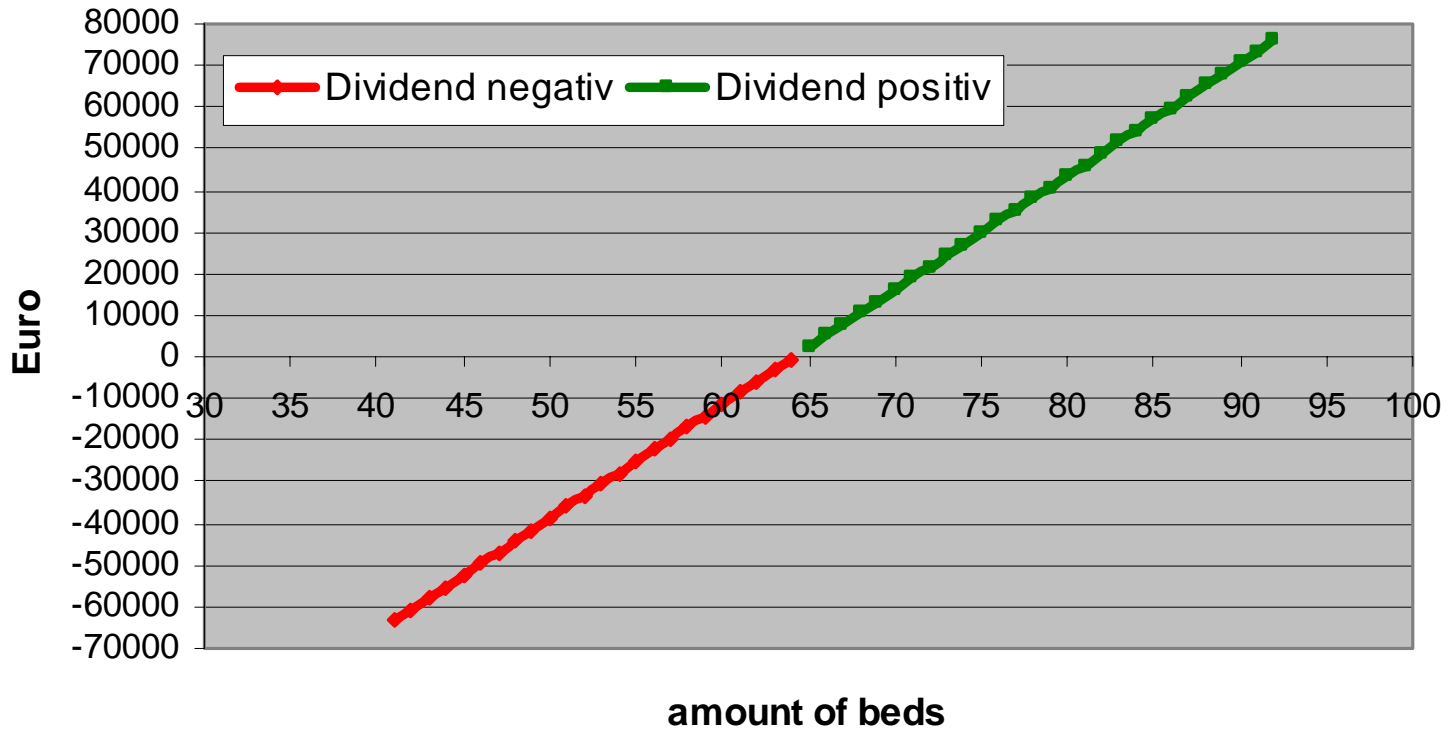


**Minimum utilisation**



**Number of beds  
occupied per year**

Break- Even- Point with redemption and taxes depending on utilisation (amount of beds occupied)



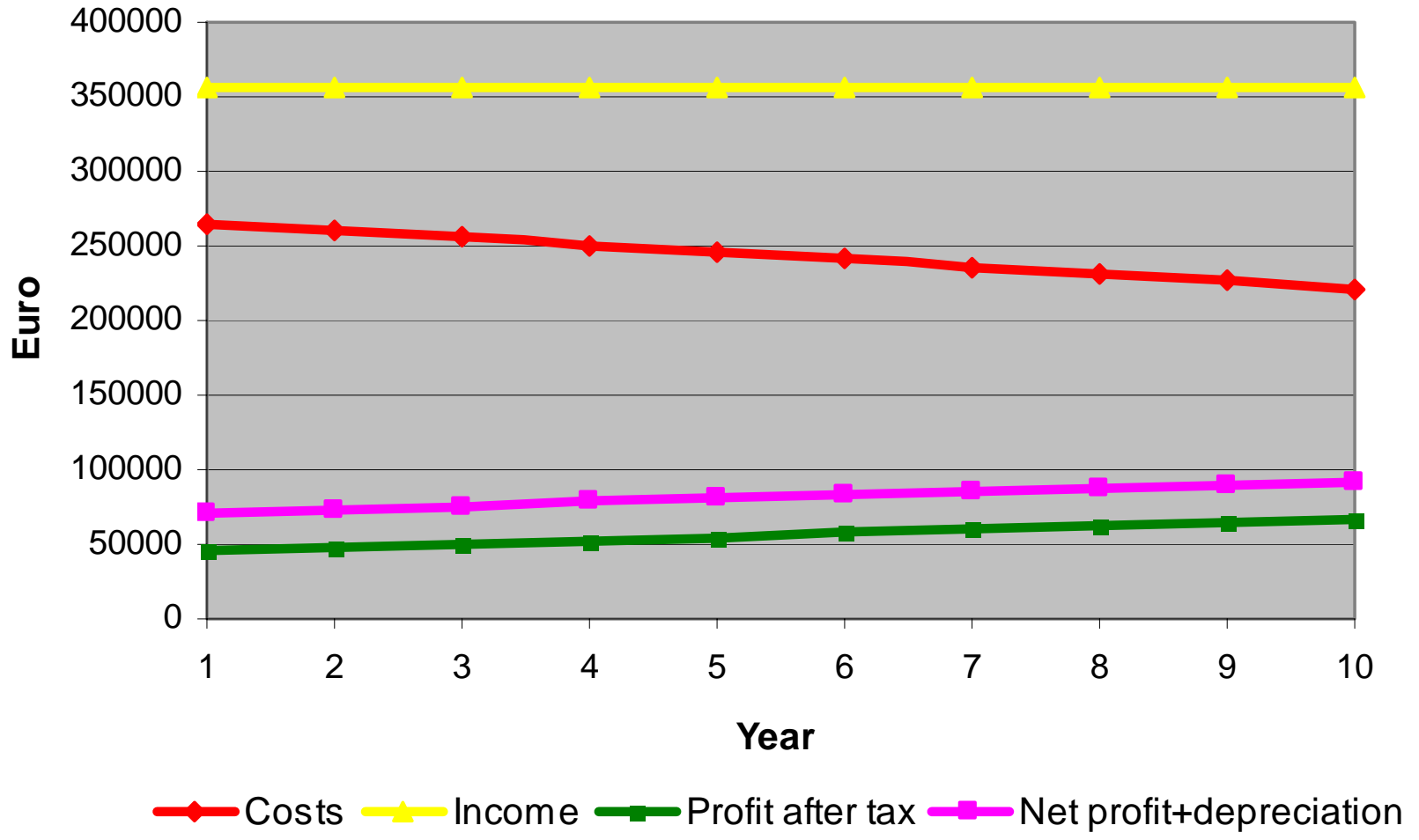
Minimum utilisation  $u = 71 \%$

Minimum average price

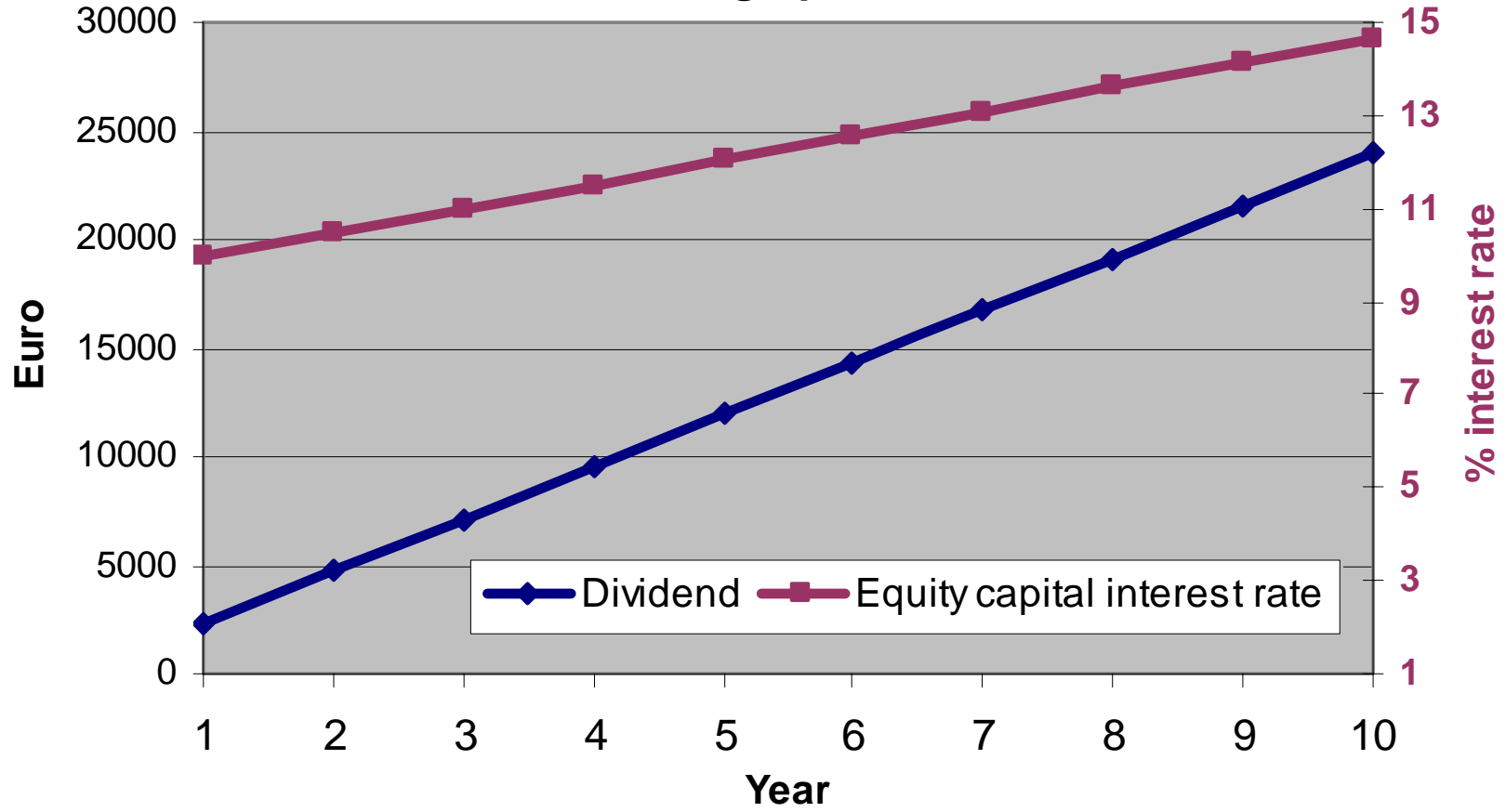
$$p = \frac{C \cdot 92}{u \cdot 365 \cdot 100}$$

$$p = 14 \text{ EUR}$$

Cash-Flow per year at 71% utilisation and minimum average price of 15 EUR/bed



**Dividend and Equity capital interest rate at 71% utilisation and minimum average price of 15 EUR/bed**



# Conclusion

- Calculations based on average price which is lower than the minimum price of the competitors
- Profitability given from minimum utilisation of 71% / year
- Possibilities of enhancing the profit



**BUT: 500.000 Euro  
missing!!**



***Thank you for  
your attention.***

**We are looking forward  
to your questions.**