



## **Assumptions on Occupancy/Rental Income, Associated Costs and ROI Projections**

The Return of Investment Projections prepared for each Villa and Terraced Home provide four examples of performance level that may be expected by owners renting out their units. Financial performance will vary based on the extent owners will make use of their own units, and external factors that cannot be foreseen at this point in time.

- 1. Occupancy**
  - Examples of annual average occupancy that may be achieved throughout rental period.
- 2. Average Rate Per Night (Bedroom)**
  - Based on, shoulder, on and off seasons, this is the annual average rate that each respective bedroom is expected to achieve.
- 3. Average Rate Per Night**
  - Based on shoulder, on and off seasons, this is the annual average rate that each respective villa or terraced home is expected to achieve.
- 4. Total Revenue**
  - Forecasted number of occupied room nights per year multiplied by the average rate per night.
- 5. Operating Expenses/Admin Fees**
  - This covers all Administration Fees, Housekeeping & Marketing Expenses, Agent and Credit Card Commission and Utility Costs.
- 6. Common Area charges**
  - This covers all costs associated with the upkeep of the development's common areas and owners' areas, such as the pools, gardens and landscaping of grounds, as well as security.
  - Monthly charges are a combination of charges based on the following formula:
    - Total size of plot, i.e. number of square metres for each respective lot x THB 9.72
    - Total number of bedrooms per unit x THB 2,265.56
- 7. Contingency Fees**
  - Based on multiplying total common area charges x 25%
- 8. Total Expenses**
  - Include all the above expense items nos. 5 to 7.

- 9. Gross Operating Profit**
  - Equals Total Revenue minus Total Expenses
  
- 10. Management Incentive**
  - Equals 15% of the Gross Operating Profit
  
- 11. Operating Profit**
  - Equals the return of investment an owner will receive after deduction of Management Incentive.
  
- 12. Operating Profit %**
  - Equals the return of investment percentage an owner will receive after deduction of Management Incentive.
  
- 13. ROI% on Purchase Price Villa & Land (with furniture)**
  - Indicates the return of investment derived from the Operating Profit x 100 ÷ Purchase Price with Furniture.

*All Assumptions are projections only, based at prevailing market conditions and subject to change.*

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