



# Kamenovo

Tourist complex

# About Atlas Group

- ▲ Atlas Group has over 30 members operating in the area of banking, financial services, insurance, real estate, production, tourism, media, education, culture and sport.
- ▲ Our companies have offices in Montenegro, Serbia, Cyprus and Russia
- ▲ Atlas Group is organised as a modern management unit with a main objective to increase the value of all member companies by improving performance, investing in new projects and creating of synergy between the member companies.
- ▲ Atlas Group operates in line with global trends promoting sustainable development and utilization of renewable energy sources.
- ▲ Philanthropic activities conducted through the Atlas Group Foundation, which is a member of the Clinton Global Initiative.
- ▲ Atlas Bank was awarded the status of the best Bank in Montenegro, and Atlas Group as best financial group for 2009. by world economy magazine "World finance".
- ▲ In order to promote its mission Atlas Group has hosted many famous personalities from the spheres of politics, business, show business and arts.



# About Montenegro



- ◈ Located in Southeast Europe in the heart of Mediterranean.
- ◈ Extreme natural beauty and cultural – historical heritage (4 national parks, Old town Kotor under UNESCO protection).
- ◈ Area: 13.812 km<sup>2</sup>; population: 620.000; climate: continental, mediterranean and mountain;
- ◈ Capital city Podgorica with around 200.000 inhabitants.
- ◈ Borders with Croatia, BIH, Serbia, Albania and South part faces Adriatic Sea.
- ◈ Traffic connection: airports Podgorica, Tivat in Montenegro and airport in Dubrovnik, Croatia, port of Bar and Porto Montenegro, good connection of roads with international traffic.
- ◈ Currency: EUR
- ◈ Achieved political and economic stability – in the process of joining: EU, WTO and NATO
- ◈ Economy is largely oriented towards real estate and tourism development– stimulative investment climate (*income tax 9%, VAT 17%, customs rate 6,6%, tax on real estate transaction 3%*).
- ◈ World Bank in 'Doing business' report for 2012. placed Montenegro per easiness of doing business at 56th position out of 183 countries.
- ◈ Average income of direct foreign investments in Montenegro in past 3 years was app. 850 million EUR.
- ◈ Average GDP in past 3 years is app. 3,1 billion EUR (FOR 2011. increase between 1,5% and 3% is expected); Average inflation rate in past 3 years is app. 3%.

## Direct lines

From airport: Podgorica, Tivat and Dubrovnik

### TIVAT

### PODGORICA

Belgrade	Vienna
Niš	Ljubljana
Moscow	Ancona
ST. Petersburg	Bari
Copenhagen	Rome
London	Napoli
Paris	Brindizi
Zurich	Budapest
Frankfurt	Istanbul

### DUBROVNIK

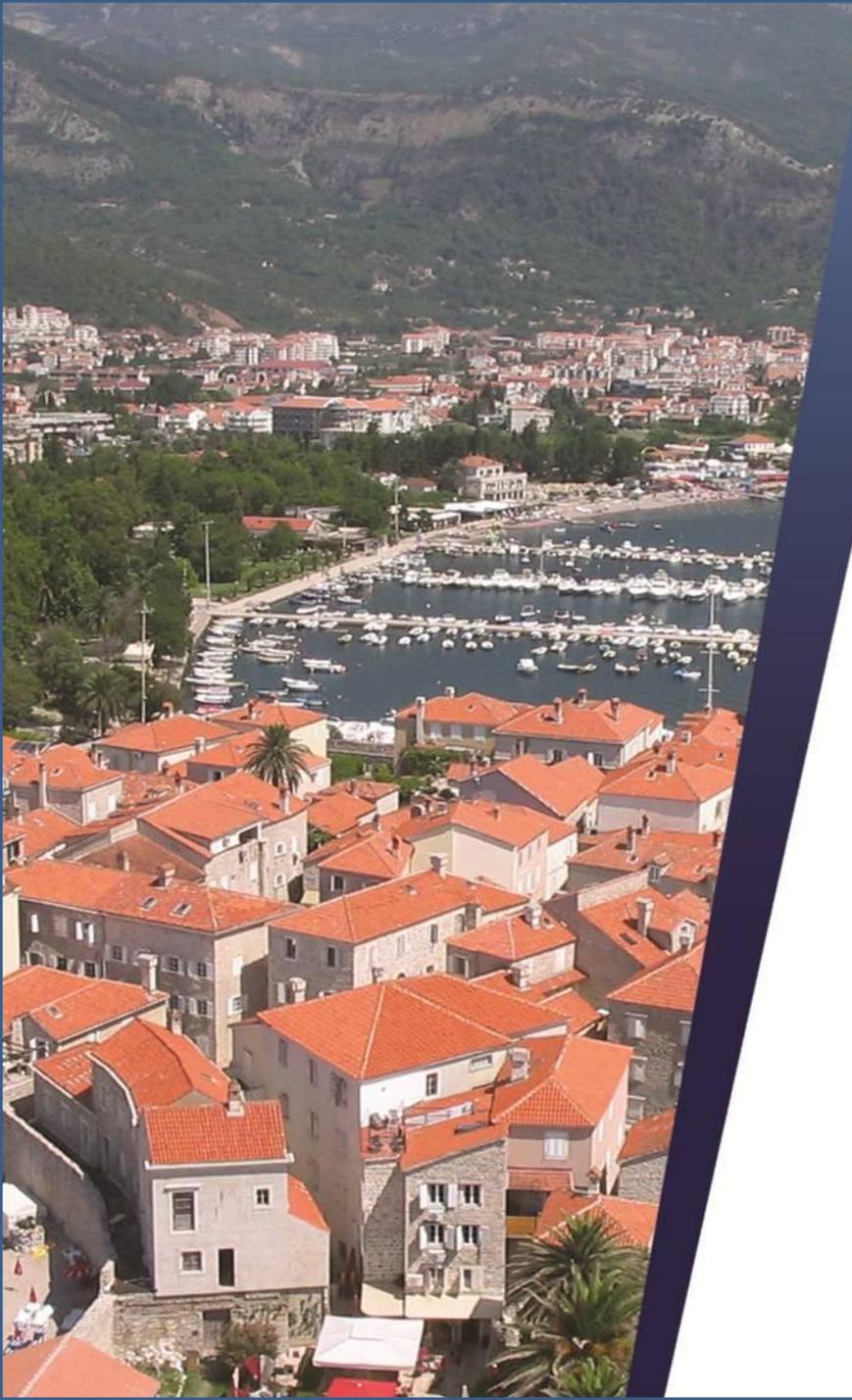
Berlin
Frankfurt
Rim
Munchen
Zurigo
Athens
Barcelona
London



### Legenda

- Highway
- Adriatic highway
- Road mark
- Airport
- Port
- Marina
- Ski center

# About Budva



- ▶ Budva is Montenegrin coastal city with 15.000 inhabitants.
- ▶ Budva is one of the oldest settlements at Adriatic coast with tradition over 2.500 years.
- ▶ Budva's Riviera represents high end summer resort and center of Montenegrin tourism, known by natural sandy beaches, rich cultural historical heritage and various contents for fun and recreation.
- ▶ Theatre city Budva and numerous cultural manifestations and festivalis provide huge contribution to cultural city life.
- ▶ In previous period Budva marks constant growth of tourist arrivals and overnights, with longest duration of tourist season in Montenegrin coast.
- ▶ Large amount of investments in tourism and real estate in Montenegro is oriented towards Budva's Riviera and marks constant growth despite negative effects of global crisis.
- ▶ By Adriatic highway Budva is well connected to international road traffic, 20 km from Tivat airport, 63 km to Podgorica airport, 70 km to Dubrovnik airport.
- ▶ In direct vicinity of Old town there is modern city marina with docks for smaller vessels and yachts.
- ▶ Currently present world hotel operators in Budva's Riviera are: Aman Resort, Iberostar and following operators are announced: Hilton and Wyndham Hotels Group.

# Short market review

Real estate and Tourism in Montenegro

## RESIDENTIAL REAL ESTATE AND APARTMENTS

In the offer there is lack of attractive real estate hence why the trust of Investors for construction within exclusive zone of Montenegrin coast is present.

Prices in mentioned zone range from 3.500 to 5.000 €/m<sup>2</sup>

In demand 62% of foreign real estate buyers in Montenegro buy for their own needs; 24% buy for their own needs and renting; about 10% buy for investment purposes; 4% are those who continue to live in Montenegro after purchase. Apart from that, the presence of Russian community that creates additional demand for new commercial, social and cultural contents is rising.

In Montenegro mainly buyers come from Russia, Great Britain and Ireland. In previous period there was high level of older generation buyers from high standard countries who spend whole year in Montenegro due to suitable climate and low living costs.

Table 1: Real estate prices in exclusive zone along the coast

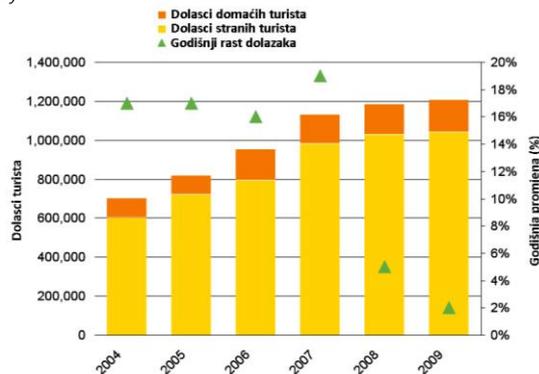
Project	Location	Price (€/m <sup>2</sup> )
Savina settlement	Nerceg Novi	3.000 - 3.500
President	Igalo	1.900 - 2.200
Porto Montenegro	Tivat	4.000 - 5.000; penthouse 7.000
Island view Resort	Tivat	2.000
TQ Plaza	Budva	4.200 - 4.600; penthouse 7.000
Tre Canne	Budva	3.000 - 4.000
Apartments	Pržno	3.500 - 5.000
Ave Maria Koljčević	Reževići	4.000
Apartments	Petrovac	2.500 - 3.500
Flats/Apartments	Bar	2.000 - 3.000

Source: Real estate market analysis in Montenegro, Century 21 Capital Real Estate/Fin Invest research

Table 2: Accommodation prices at major hotels at Montenegrin coast.

Hotel	Location	Category	Capacities (rooms and apartments)	Price per night (per person, average €/day)
<i>Hunguest Hotels</i>	Herceg Novi	****	229	100,00
<i>Club Hotel Riviera</i>	Herceg Novi	****	180	140,00
<i>Aman Resort</i>	Budva	*****	58	900,00
<i>Splendid</i>	Bečići	*****	341	250,00
<i>Avala</i>	Budva	*****	227	200,00
<i>Queen of Montenegro</i>	Bečići	****	236	120,00
<i>Iberostar Bellevue</i>	Miločer	****	578	105,00
<i>Maestral</i>	Pržno	****	214	180,00
<i>Monte Casa</i>	Petrovac	****	63	140,00
<i>Hotel Princess</i>	Bar	****	138	90,00
<i>Ruža vjetrova</i>	Bar	****	21	150,00

Source: Booking.com/market analysis



Source: Monstat/Savills

## TOURISM AND HOSPITALITY

In Montenegro in past 10 years there is constant rise of tourist visits and overnights. This trend continues in 2009, 2010 and 2011. despite the effects of global crisis.

Presence of tourists from region is 45%; tourists from EU members is around 37%; Russian tourists 14%;

Guests in average stay for 6 nights per visit which shows that Montenegro is good destination for relax.

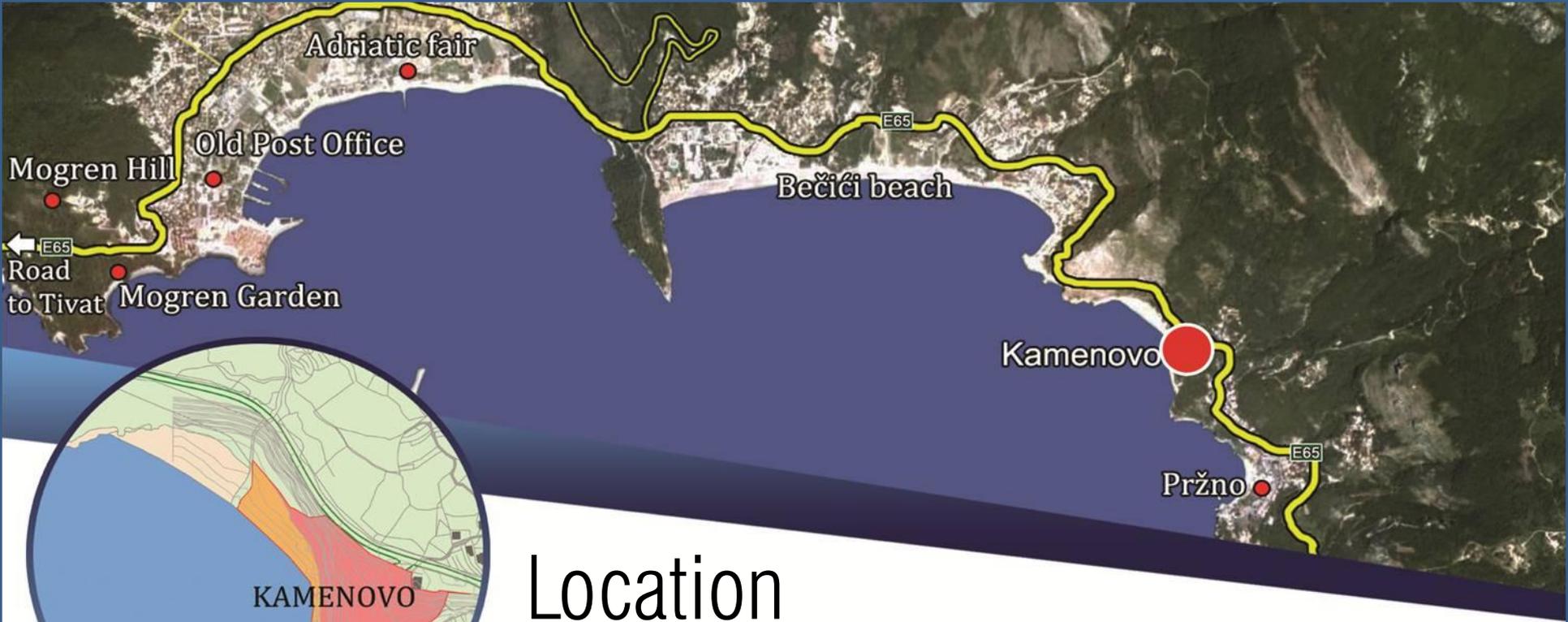
There is increased interest for investments at coast in accordance with intention of state to reduce/waive communal charges for development of hotel business of high category.

Montenegro was placed among 10 most popular destinations for congress tourism by "Travel daily news" magazine in 2011.

Presence of British Tour Operator "TUI UK & IRELAND" and inclusion of Montenegro into their network should mean arrival of about 35.000 new tourists which should significantly prolong the tourist season.

Also, arrival of low cost companies is announced for 2012.

In Montenegro there are following global hotel operators: Aman Resorts, Iberostar, Hunguest Hotels, Hit Gorica, Korston Hotels; and the following are announced for coming: Kempinski, Hilton, Four Seasons, Banyan Tree.

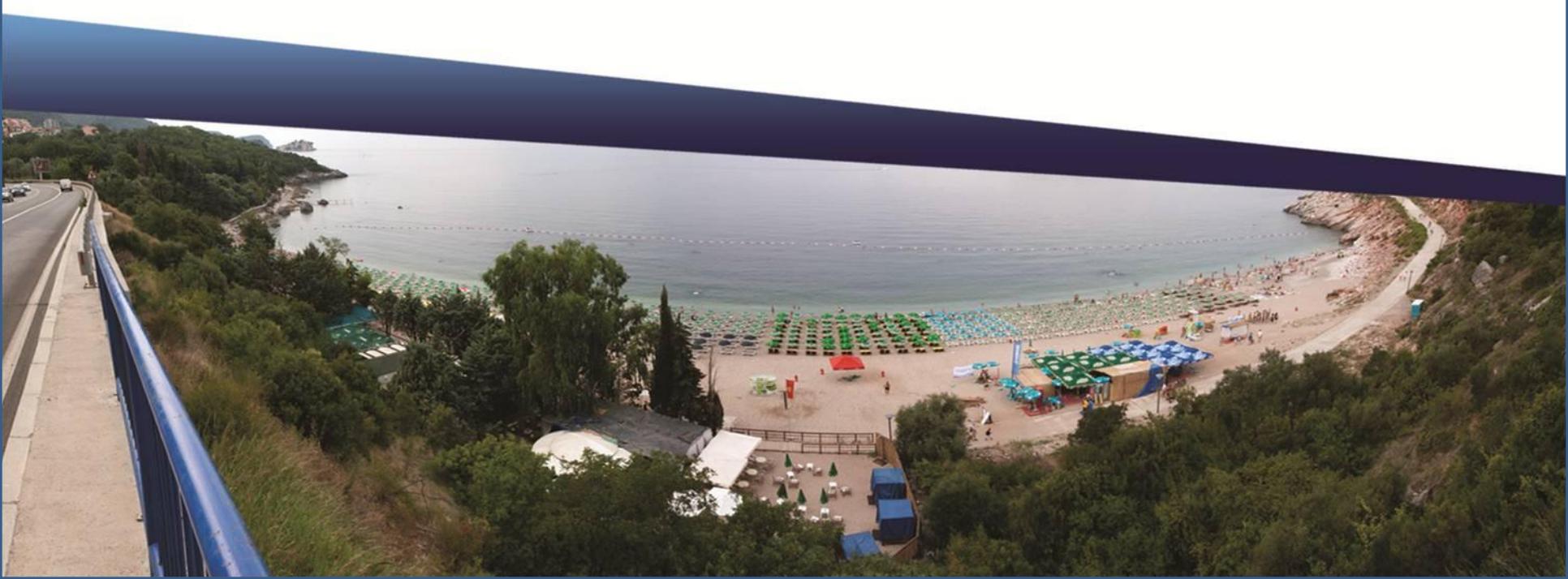


# Location

- Location Kamenovo belongs to Budva municipality, within namesake beach between Rafailovići and Pržno, at the beginning of Sveti Stefan Riviera.
- Directly connected to Adriatic highway and promenade that leads to Bečići and Budva.
- Location stretches at lot of total area app 33.200 m<sup>2</sup> with belonging beach area app. 6.000 m<sup>2</sup>.
- At lot it is possible to construct app. 26.000 m<sup>2</sup> of hotel apartment content of high category.
- Terrain configuration offers magnificent view towards sea, Budva, and semi peninsula Sveti Stefan.

# Kamenovo

- 🔺 Kamenovo is one of the most beautiful beaches in Budva's Riviera.
- 🔺 Long app. 330m, oriented towards South East with sandy beach and sea bed offers spectacular vision of sunset.
- 🔺 Non-valorized locality with belonging beach, it represents ideal area for development of high tourism.. Besides, location is rich in various greenery.
- 🔺 Near Kamenovo there are most attractive features of Budva Riviera in zone known as Pearl of Montenegrin coast. Semi peninsula Sveti Stefan with complex Miločer, currently leased by well known global operator Aman Resorts, represents unique example of traditional ambiance and architecture characteristic for this part of Mediterranean.
- 🔺 Currently at location there are abandoned facilities of tourist settlement envisaged for demolition.



# Project

Kamenovo

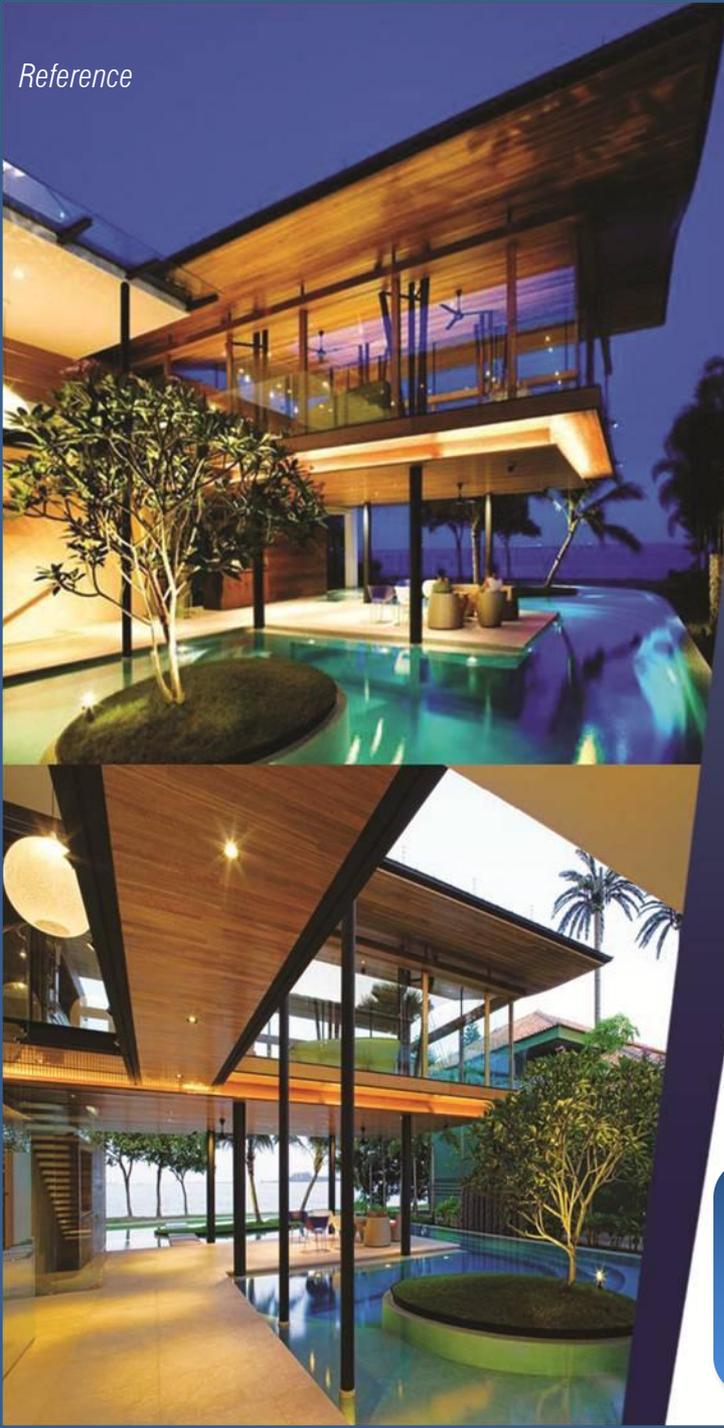
- Location has excellent investment potential for development of high category tourist settlement with auxiliary beach content given that it is located at most luxurious part of coast.
- Creation of planning document – State location study, is in course.
- Function of contents at urban lot is tourist settlement: luxury hotel (wellness & spa, a la carte restaurants, shopping zone...), villas and apartments, beach bar and swimming area.
- Pursuant to planning documents share of basic object– hotel, must be min. 30%, and in villas and apartments max 70%.
- Total planned area for basic objects is minimum 50%, and for villas i.e. annexes maximum 50 %, accordingly GDCA for basic object (hotel) min 13.282m<sup>2</sup> and for villas max 13.282m<sup>2</sup>.

Obtained urban parameters as per DUP	Values
Area of urban lot	33.209 m <sup>2</sup>
Construction coefficient → GDCA	0,8 → 26.564 m <sup>2</sup>
Occupancy coefficient → Area under objects	0,2 → 6.640 m <sup>2</sup>
Maximum elevation	for Villas P+1
Parking (not counted in GDCA)	Above/under ground levels
Free areas (terrain around object)	26.569m <sup>2</sup>

## Added value

- By joining the EU it is expected that price of real estate in Montenegro will rise, especially by the sea.
- It is expected that communal charges for hotels of high category in exclusive zone will be waived.
- Possibility of using renewable energy sources.
- Possibility of branding tourist settlement by well known global hotel operators.
- Possibility of leasing the whole beach from State.
- Possibility of using the area of existing objects when lowering communal charges for villas and apartments.

Reference



# References



# Economic parameters

- Based on market survey and future trend projections analysis of urban parameters at location Kamenovo is made and following parameters are obtained:

<u>RETURN ANALYSIS (including project value after certain cycle)</u>	
Project Budget	€ 103.346.256
Own equity investment	€ 41.338.502
Profit (summary cash flow including own equity)	€ 127.382.874
IRR	23%
Number of increase regarding own invested equity	3,1
NPV (as per discount rate of 15%)	€ 17.027.688
Repayment Period (as 0 year 2011 is taken)	7,5





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