Strategic Land Investment

Crevedia–Dârza Development Opportunity

38 Hectares of Prime Residential Development Land

North Bucharest Corridor

380,000
Square Meters

€25
Per SQM Entry

€9.5M
Total Investment

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Chapter One

Investment Thesis

The Opportunity

Investment Thesis

Executive Summary: The Corbeanca Expansion Effect

Strategic Positioning

This **380,000 sqm (38 hectare) strategic land block** represents the most significant expansion opportunity for the Corbeanca-Paradisul Verde residential ecosystem. Located at the epicenter of the North Bucharest development corridor, this asset offers a rare combination of massive scale and strategic entry pricing.

While land prices in the immediate vicinity (Paradisul Verde, located <800m away) currently range between **€150-€220/sqm**, this strategic plot is offered at an investment-grade valuation of **€25/sqm**, providing exceptional potential for capital appreciation through urbanization and master-planning.

Infrastructure Catalyst Convergence

The investment thesis is amplified by the simultaneous completion of critical infrastructure:

- **A0 Ring Road North** completion (Q4 2025) reduces commute to business districts by 30-40%
- **Metro Line 6** airport connection (2026) enhances metropolitan accessibility
- **DN1 improvements** and Centura Nord upgrades create multiple access routes

Market Fundamentals

Bucharest delivers **Europe's highest residential rental yields** at 8.04% average, supported by critical housing shortage and sustained demographic expansion. The North Bucharest corridor remains the premium residential zone, with **prices appreciating 15-20% annually** due to supply-demand imbalance.

Key Investment Metrics

€9.5M
Total Investment Required

6-10x
Price Appreciation Potential

58-71%
IRR Range Across Scenarios

€53.3M
10-Year Projected Value

Investment Highlights

- One of last large unified land blocks in North Corridor
- Entry before infrastructure completion creates asymmetric upside
- Adjacent to proven luxury residential ecosystem
- Multiple exit strategies: hold, develop, or joint venture

Investment Thesis

Value Creation Framework

01

Infrastructure Premium

Timeline: Years 1–2

Capture immediate value appreciation from A0 Ring Road completion (Q4 2025) and Metro Line 6 connection (2026).

A0 Ring Road Impact
+10%

Metro Connection Impact
+5%

Combined Effect
€37.86/sqm

02

Urbanization Value

Timeline: Years 3–5

Unlock substantial value through PUZ (Urbanistic Plan) approval and master planning process.

PUZ Approval Premium
+20%

Master Planning
€150/sqm

Target Timeline
3–5 Years

03

Development Execution

Timeline: Years 6–10

Execute phased residential development or strategic exit to institutional buyer.

Development Revenue
€147.7M

Gross Profit
€82.1M

Profit Margin
56%

Strategic Decision Gates

Gate 1 (Year 2)

Post-infrastructure completion: Hold vs. Sell decision

Gate 2 (Year 3)

PUZ approval: Development vs. land sale optimization

Gate 3 (Year 5)

Market maturity: Joint venture vs. independent development

Gate 4 (Year 7)

Peak valuation: Strategic exit or long-term hold

Investment Thesis

Investment Highlights & Key Metrics

Investment Scale & Positioning

Land Area
380,000
sqm (38 hectares)

Entry Investment
€9.5M
Total acquisition cost

Entry Price
€25
per sqm

Comparable Pricing
€150-220
per sqm vicinity

Development Potential

456
Premium Units

€147.7M
Total Revenue

€82.1M
Gross Profit

Strategic Advantages

- One of last large unified blocks in North Corridor
- Entry before infrastructure completion
- Adjacent to proven luxury residential ecosystem
- Multiple exit strategies available
- 100% flat terrain optimizing construction
- Established utility corridors nearby

Return Projections

Conservative (3yr) — **300%**
€100/sqm target | 58% IRR

Moderate (3yr) — **500%**
€150/sqm target | 71% IRR

Optimistic (5yr) — **784%**
€220/sqm target | 54% IRR

Premium Exit (7yr) — **1,100%**
€300/sqm target | 42% IRR

10-Year Projection

€53.3M
Projected Value

460%
Total ROI

18.8%
Compound Annual Growth Rate

Chapter Two

Market Context & Infrastructure

The Bucharest Advantage

Market Context

Bucharest Real Estate Market Dynamics

Europe's Highest Rental Yields

Bucharest delivers **Europe's most attractive residential rental yields**, averaging 8.04% gross in 2025, significantly outperforming regional competitors. Net yields after taxes and costs typically range 6-6.5%, providing compelling cash-on-cash returns for investors.

8.04%	6-6.5%	50%
Average Gross Yield	Net Yield After Costs	5-Year ROI Potential

Supply-Demand Imbalance

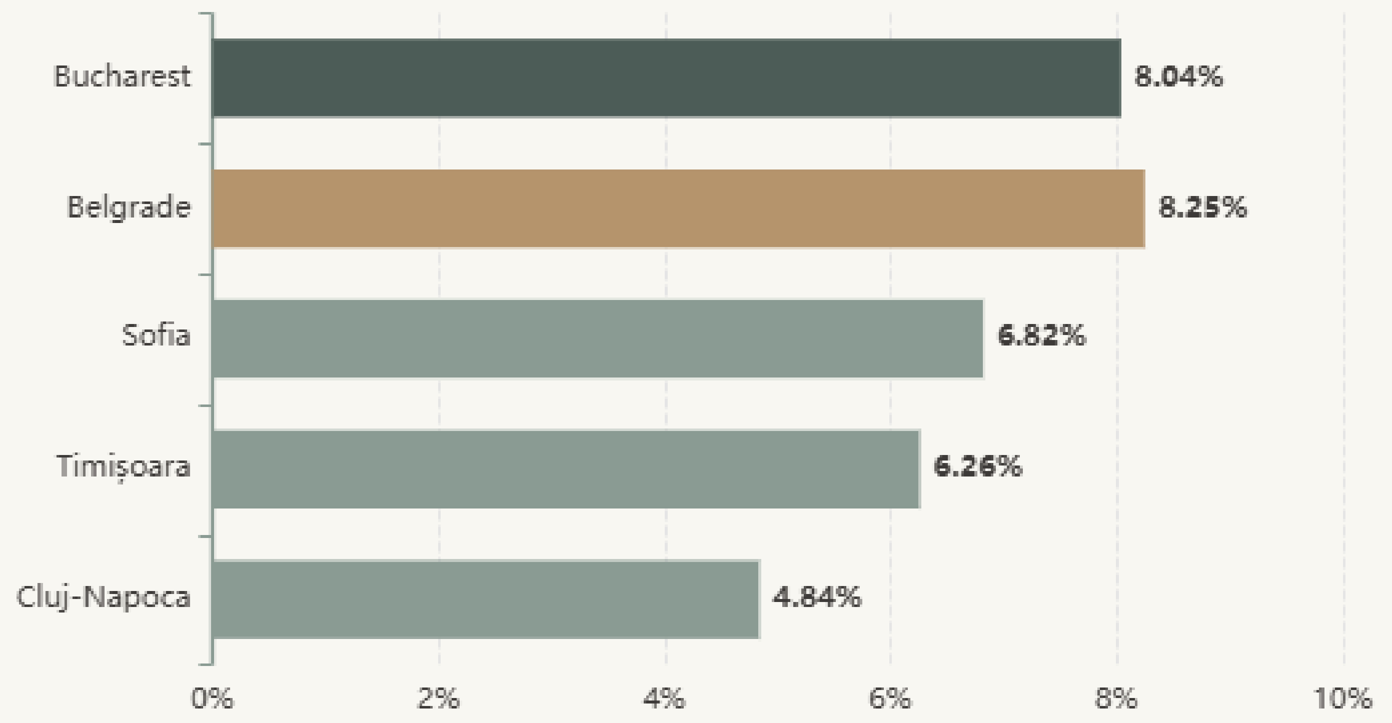
The market faces a **critical housing shortage** with new deliveries declining 15% in 2024. Simultaneously, demand remains robust with prices appreciating 10-15% annually.

Price Appreciation (2024)	New Supply Change
+10-15%	-15%

Demographic Tailwinds

Ilfov County gained 96,000 residents (2011-2020) while Bucharest lost 53,000, confirming the suburbanization trend. **Metropolitan population reached 2.33 million** with young, educated professionals driving housing demand.

Rental Yield Comparison



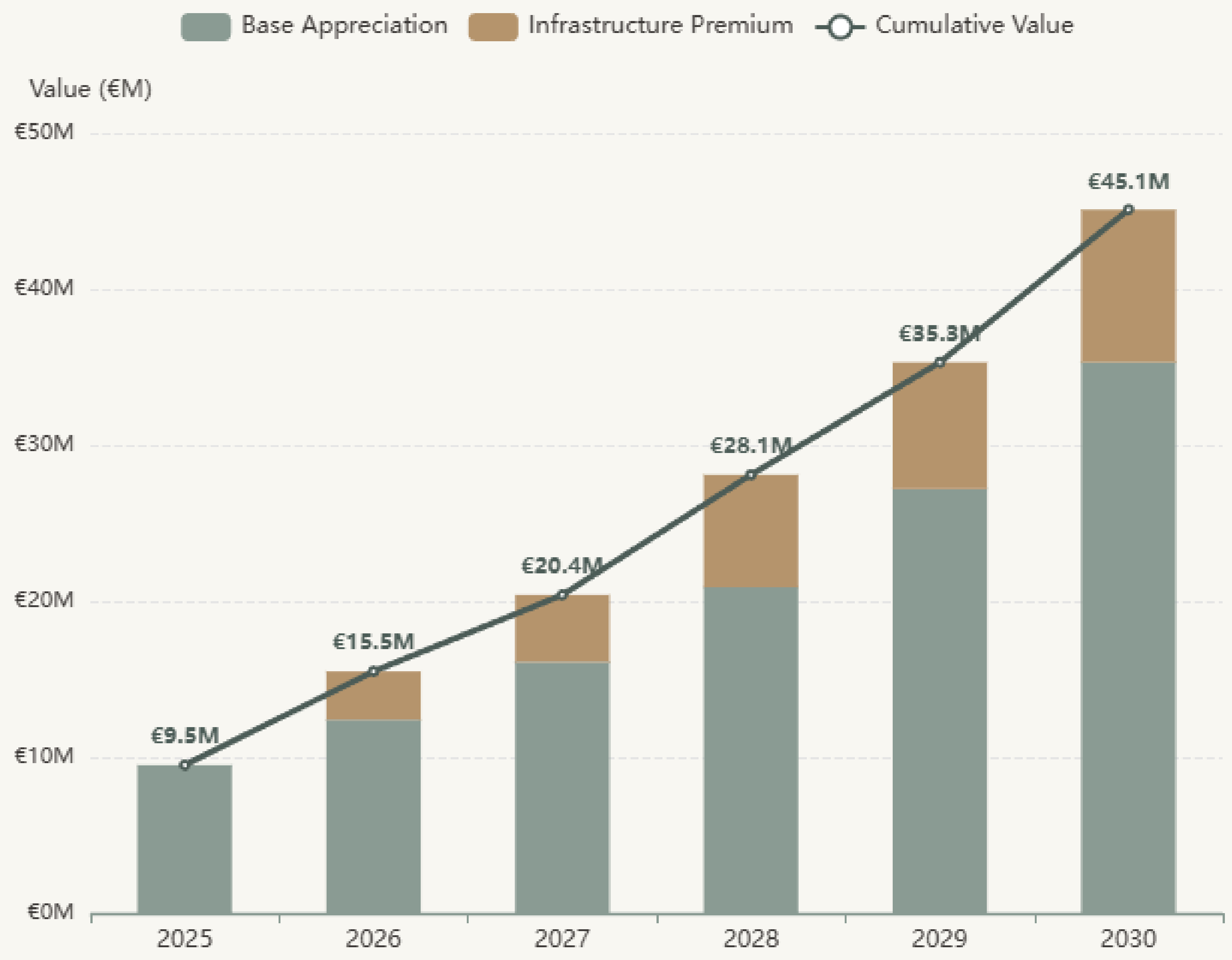
Key Market Fundamentals

Average Price/sqm (New Build)	€1,800-2,200
Population Growth (Ilfov)	+96k (2011-20)
Metropolitan Population	2.33M
Price Appreciation Rate	15-20% annually

Market Context

Infrastructure Catalyst Timeline

Infrastructure Development Timeline & Value Impact



Key Infrastructure Projects

A0 Ring Road North — Q4 2025

Direct highway access to Crevedia area

+10%

Metro Line 6 — 2026

Airport connection enhancing accessibility

+5%

Metro Line 7 & 8 — 2028-30

Metropolitan network expansion

+15%

Cumulative Impact

+30%

Total Value Premium

€32.5M

Additional Value Created

Market Context

North Bucharest Corridor: Premium Residential Zone

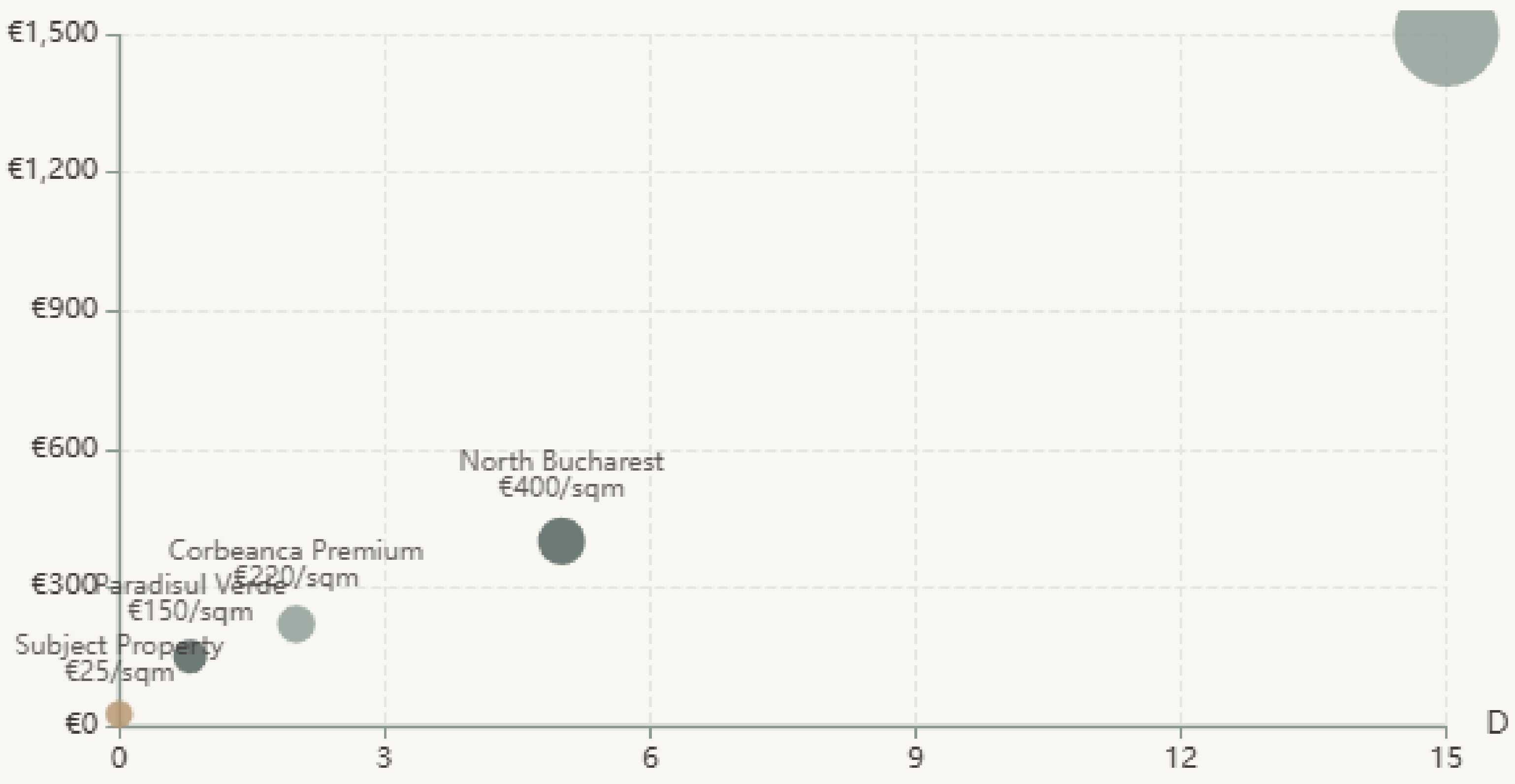
The Paradisul Verde Effect

Paradisul Verde represents the benchmark luxury residential community in the North Bucharest corridor. Located just **800 meters** from the subject property, it demonstrates the area's premium positioning with land values of **€150-220/sqm**.

Distance from Subject Property	Land Value Range
800m	€150-220

The community offers **24/7 security, recreational facilities, and premium amenities**, attracting high-income families seeking quality of life. This creates an immediate comparable and demonstrates market acceptance of the location.

Price Gradient Analysis



Corbeanca-Crevedia Ecosystem

The area has become a **premium residential cluster** with multiple developments, benefiting from:

- **5+ residential developments** in various stages
- **Proven infrastructure** supporting high-end communities
- **Demographic profile** of educated, affluent families

Strategic Positioning

Entry Price Advantage	80-90% below vicinity
Potential Appreciation	6-10x over 3-5 years
Infrastructure Catalyst	A0 Ring Road 2025
Development Potential	456 premium units

Chapter Three

Strategic Location Analysis

Location Intelligence

Strategic Location

Site Characteristics & Technical Specifications

Physical Attributes

The property comprises a **unified 380,000 sqm (38 hectare) land block**, offering exceptional scale for master-planned development. The unified nature eliminates assembly complexity and provides optimal efficiency for infrastructure investment.

Total Area	Hectares
380,000 sqm	38 hectares

100% flat terrain optimizes infrastructure layout and minimizes site preparation costs. This topographical advantage is rare in the North Corridor, reducing construction foundation requirements.

Development Parameters

Usable Land Area	285,000 sqm
Total Units Potential	456 units
Development Density	12 units/ha
Average Unit Size	180 sqm

Development Economics

Sale Price per sqm

€1,800

Premium residential pricing

Construction Cost per sqm

€800

High-quality construction

Revenue per Unit

€324,000

180 sqm × €1,800/sqm

Financial Summary

Total Development Revenue	€147.7M
Construction Costs	€65.7M
Land Investment	€9.5M
Gross Development Profit	**€82.1M**

Strategic Location

Accessibility & Connectivity Analysis

Current Access Infrastructure

The site benefits from **multiple access routes** via DN1 (Bucharest-Ploiești highway) and county road network. Current connectivity is adequate for development phases, with established utility corridors along main access routes.

DN1 Access	County Roads
Direct Connection	**Multiple Routes**

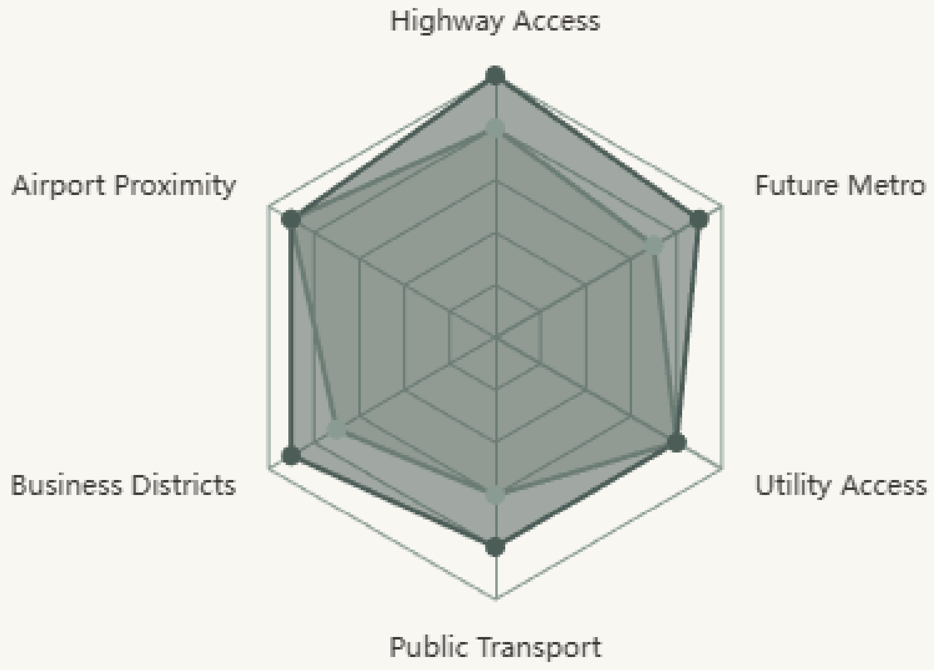
Utility Infrastructure: Electricity, water, and gas connections available within 500m of property boundary, reducing connection costs and accelerating development timeline.

Post-A0 Ring Road Connectivity

A0 Ring Road North completion (Q4 2025) fundamentally transforms accessibility, reducing commute times to key business districts.

To Pipera Business District	20 min
To Aviației Business Park	25 min
To Băneasa Business Center	18 min
To Henri Coandă Airport	15 min

Accessibility Score Comparison



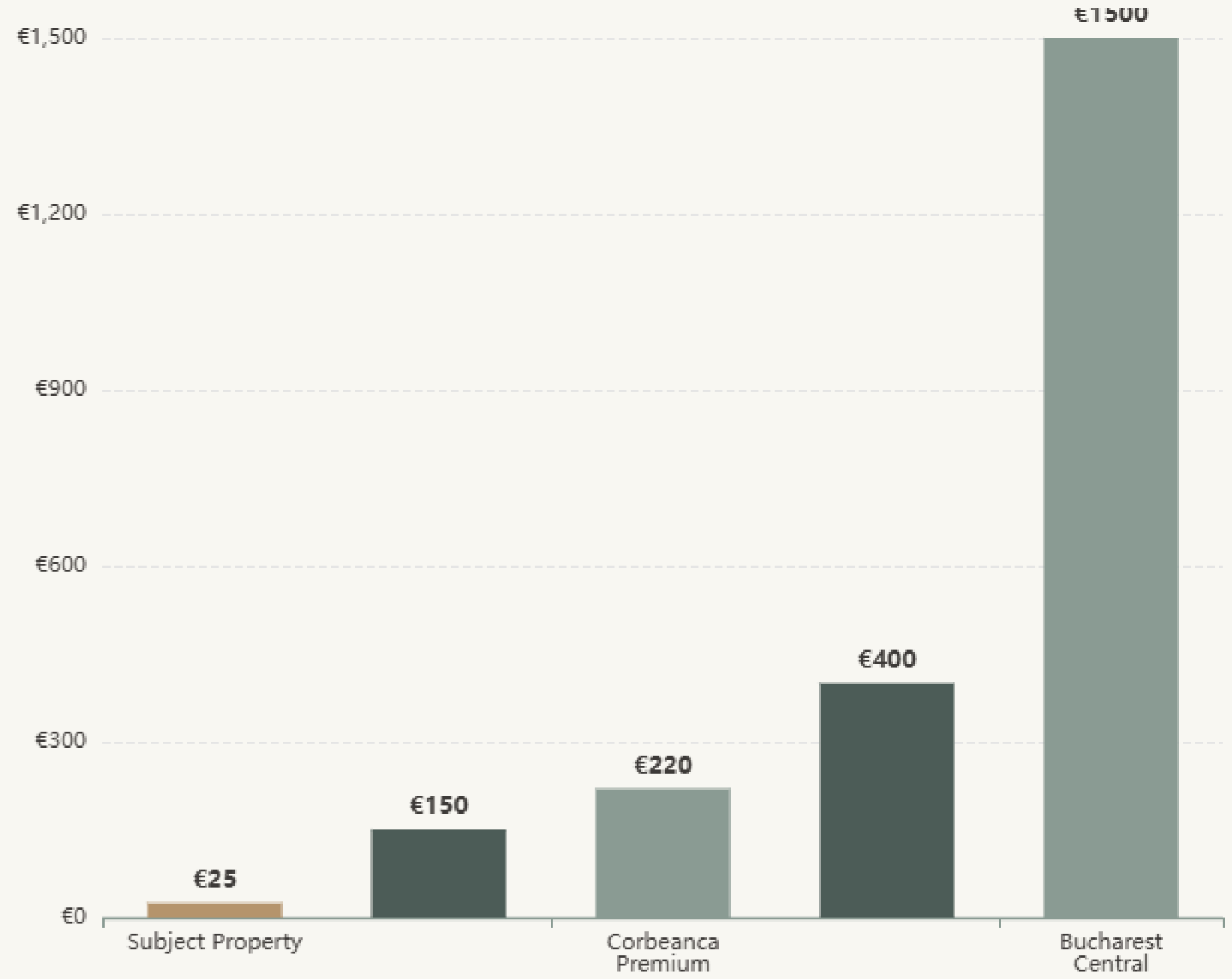
Strategic Connectivity Advantages

- **Multiple access routes** reduce single-point-of-failure risk
- **A0 Ring Road integration** creates highway-level connectivity
- **Airport proximity** (15 min) appeals to international residents
- **Utility infrastructure** within 500m reduces development costs

Strategic Location

Competitive Landscape & Comparable Sales

Comprehensive Price Analysis



Comparable Analysis

Subject Property — €25/sqm
Entry pricing

Paradisul Verde Vicinity — €150/sqm
800m distance | 6x premium

Corbeanca Premium — €220/sqm
2km distance | 8.8x premium

North Bucharest — €400/sqm
5km distance | 16x premium

Bucharest Central — €1,500/sqm
15km distance | 60x premium

Appreciation Pathway

The **price gradient** demonstrates clear appreciation pathway. Entry at €25/sqm provides 80-90% discount to developed comparables.

Target Exit Price	Potential Upside
€150-220	500-784%

Chapter Four

Financial Analysis & Projections

Investment Returns

Valuation Scenarios & Return Projections

Conservative Scenario (3-Year Exit)

Assumes **€100/sqm exit price** following infrastructure completion and initial urbanization. This represents 4x appreciation from entry pricing.

Target Price	ROI	IRR
€100	300%	58%

Probability Assessment: 25% | Well-positioned for success even under conservative assumptions.

Optimistic Scenario (5-Year Exit)

Assumes **€220/sqm exit price**, reflecting Corbeanca premium residential pricing. This scenario captures full urbanization value.

Target Price	ROI	IRR
€220	784%	54%

Probability Assessment: 25% | Reflects successful execution of value creation strategy.

Moderate Scenario (3-Year Exit)

Assumes **€150/sqm exit price**, aligning with Paradisul Verde vicinity pricing. This scenario reflects infrastructure premiums.

Target Price	ROI	IRR
€150	500%	71%

Probability Assessment: 40% | Most likely scenario given infrastructure timeline and market dynamics.

Premium Exit (7-Year Hold)

Assumes **€300/sqm exit price**, representing peak development value. This scenario captures full metropolitan integration.

Target Price	ROI	IRR
€300	1,100%	42%

Probability Assessment: 10% | Represents maximum value capture under ideal conditions.

Probability-Weighted Expected Return

Conservative: 25% | Moderate: 40% | Optimistic: 25% | Premium: 10%

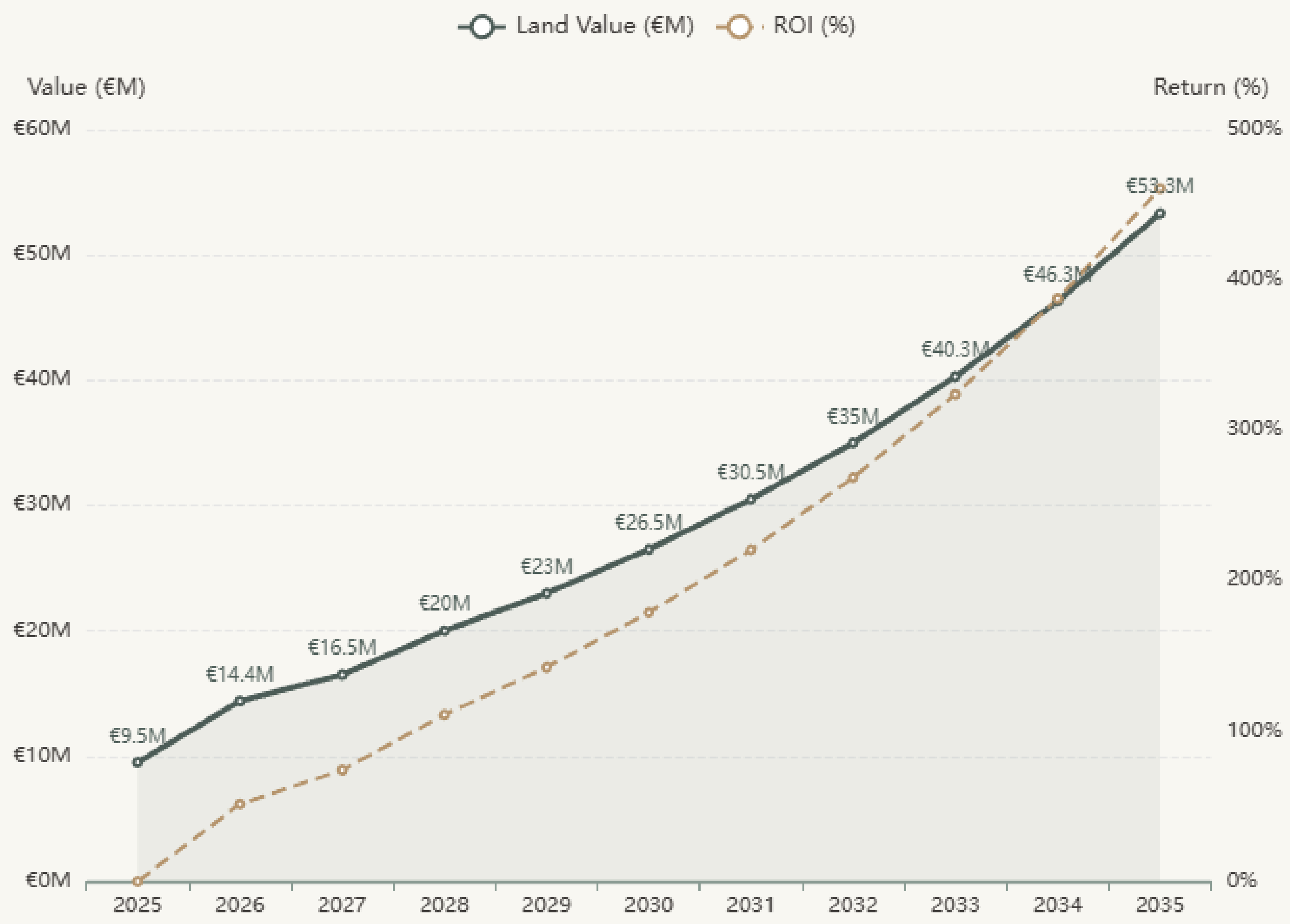
65%

Expected IRR

Financial Analysis

10-Year Value Appreciation Model

Annual Value Progression & Key Inflection Points



Key Inflection Points

2025: A0 Completion

Ring road connectivity established

+10%

2026: Metro + PUZ

Airport metro + planning approval

+25%

2027-28: Sustained Growth

Market recognition phase

15-20% annually

2030+: Integration

Full metropolitan integration

Peak valuation

10-Year Summary

€53.3M

Projected Value

460%

Total ROI

18.8%

Compound Annual Growth Rate

Development Economics & Profit Analysis

Development Overview

The 38-hectare site accommodates a **master-planned residential community** of 456 premium units averaging 180 sqm each. The development targets affluent families seeking quality, space, and connectivity.

Total Units	Average Unit Size
456	180

Sale Price/sqm	Construction Cost/sqm
€1,800	€800

Phased Development Strategy

A **phased approach** reduces capital requirements and market risk while maximizing flexibility:

Phase 1 (Years 1-2): 100 units	**€32.4M revenue**
Phase 2 (Years 3-4): 150 units	**€48.6M revenue**
Phase 3 (Years 5-6): 106 units	**€34.3M revenue**
Phase 4 (Years 7+): 100 units	**€32.4M revenue**

Financial Breakdown

Revenue per Unit

€324,000

180 sqm × €1,800/sqm

Construction Cost per Unit

€144,000

180 sqm × €800/sqm

Gross Profit per Unit

€180,000

56% margin per unit

Development Summary

Total Development Revenue	€147.7M
Construction Costs	€65.7M
Land Investment	€9.5M
Other Costs (permits, etc.)	€5.0M

Cash Flow Analysis & Exit Strategies

Hold-and-Sell Strategy

Strategy: Acquire land, secure planning approvals, and hold until optimal appreciation is achieved. Minimal carrying costs with property taxes and basic maintenance.

Initial Investment €9.5M	5-Year Exit Value €30.5M
Carrying Costs €0.5M	Net Profit €20.5M

IRR: 32% | **Risk Profile:** Low | **Effort:** Minimal

Phased Development

Strategy: Execute residential development in phases, recycling capital and minimizing market risk. Build 100-150 units annually.

Peak Investment €35M	Total Revenue €147.7M
Total Costs €80.2M	Net Profit €67.5M

IRR: 54% | **Risk Profile:** Medium-High | **Effort:** High

Master-Developer Approach

Strategy: Secure comprehensive planning approvals (PUZ), create master plan, and sell to institutional residential developer at premium.

Investment €11M	Exit Value €57M
Planning Costs €1.5M	Net Profit €46M

IRR: 71% | **Risk Profile:** Medium | **Effort:** Moderate

Joint Venture Structure

Strategy: Partner with established residential developer. Contribute land as equity, partner contributes construction expertise and capital.

Land Contribution €9.5M	Profit Share 50%
Profit Share €34M	ROI Multiple 358%

IRR: 42% | **Risk Profile:** Low-Medium | **Effort:** Low

Chapter Five

Risk Assessment & Mitigation

Protecting Capital

Risk Assessment

Risk Matrix & Mitigation Framework

Market Risk | Medium

Risk: Real estate market cyclicality could impact valuations and exit timing. Economic downturns may reduce demand.

Mitigation: Below-market entry pricing provides 80-90% cushion. Multiple exit strategies allow pivoting.

Regulatory Risk | Medium

Risk: PUZ approval delays or restrictions could impact development timeline and value creation.

Mitigation: Engage planning consultants early. Pre-approval discussions with authorities. Alternative use cases.

Infrastructure Risk | Low

Risk: A0 Ring Road or Metro Line 6 completion delays could postpone value appreciation.

Mitigation: Government commitment secured. Multiple access routes reduce single-point-of-failure risk.

Liquidity Risk | Medium

Risk: Large land parcel (38 hectares) requires institutional buyer, potentially limiting liquidity.

Mitigation: Phased parceling strategy. Pre-lease options. Joint venture structures enable partial exits.

Development Risk | Low

Risk: Construction cost escalation or delays could impact development economics.

Mitigation: Fixed-price contracts. Phased development reduces exposure. 100% flat terrain optimizes costs.

Economic Risk | Medium

Risk: Interest rate fluctuations or economic downturn could impact residential demand.

Mitigation: Conservative leverage. Strong market fundamentals. Housing shortage provides demand floor.

Overall Risk Assessment

Risk-adjusted returns remain compelling across all scenarios

Medium
Overall Risk Level

65%
Expected IRR

Risk Assessment

Market Risk Analysis & Downside Protection

Stress Testing Scenarios

Comprehensive stress testing demonstrates **resilient returns even under adverse conditions**. The substantial entry-price cushion provides significant downside protection.

30% Market Correction
200%+

Even with 30% correction, returns exceed 200% due to entry pricing advantage.

5-Year Infrastructure Delay
150%+

Land appreciation maintains positive returns through organic market growth.

Regulatory Restrictions
100%+

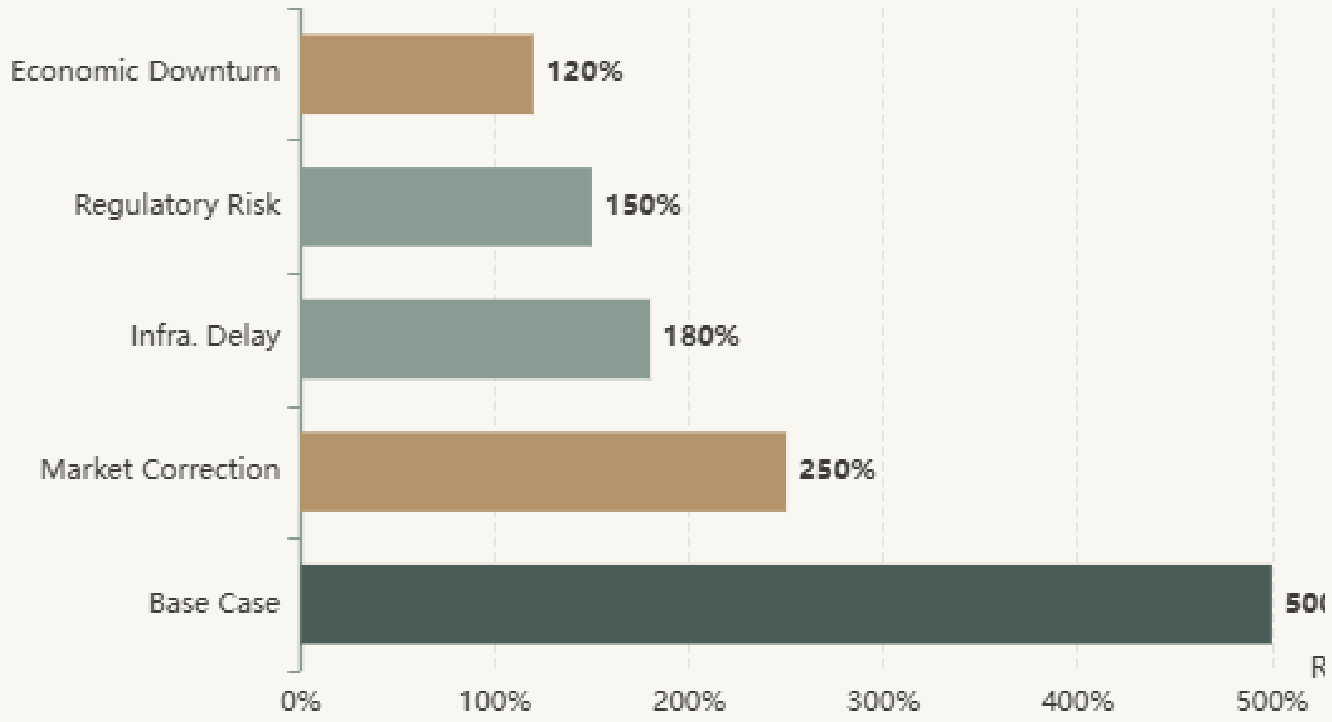
Alternative use cases (agricultural, recreational) preserve capital.

Multiple Exit Options

Each investment phase offers **multiple exit strategies**, minimizing capital loss probability:

- **Phase 1:** Sell to local developer or land bank
- **Phase 2:** Joint venture with residential developer
- **Phase 3:** Institutional sale or IPO preparation
- **Phase 4:** Strategic sale to REIT or pension fund

Downside Protection Matrix



Optionality Value

The investment possesses **significant optionality value** beyond land appreciation. Development rights, infrastructure timing, and market conditions create multiple value pathways.

Development Option	€67.5M profit potential
Timing Option	3-7 year flexibility
Use Option	Multiple use cases

Chapter Six

Investment Recommendations

Strategic Action Plan

Investment Structure & Implementation

Optimal Investment Structure

Recommend acquisition via **Romanian corporate entity** for tax efficiency and liability protection. Structure provides flexibility for joint ventures and facilitates exit strategies.

Legal Entity

Romanian SRL (limited liability company) for tax optimization and governance flexibility.

Financing Structure

Minimize carrying costs through equity financing. Consider mezzanine financing for development phases.

Tax Optimization

Corporate tax rate 16%. Capital gains treatment available for long-term holds. VAT considerations.

Immediate Action Items

1. **Due Diligence:** Complete legal, environmental, and technical surveys within 30 days.
2. **Entity Formation:** Establish Romanian SRL and open bank accounts.
3. **Planning Engagement:** Retain planning consultants for PUZ pre-approval discussions.
4. **Transaction Execution:** Sign purchase agreement and transfer funds.

Transaction Timeline

Weeks 1-2 — Due Diligence
Complete legal, technical, and environmental assessments

Weeks 3-4 — Entity Setup
Form Romanian SRL, bank accounts, legal framework

Weeks 5-6 — Documentation
Purchase agreement, financing arrangements, closing prep

Week 7 — Closing
Transaction completion and title transfer

Strategic Relationships

Establish key relationships critical to value creation and exit execution:

- **Planning Authorities:** Ilfov County Council, Crevedia City Hall
- **Infrastructure Stakeholders:** CNADNR, Metrorex, Ministry of Transport
- **Residential Developers:** Leading Bucharest developers for exit options
- **Professional Services:** Planning consultants, legal advisors, brokers

Value Creation Action Plan

01

Year 1: Foundation

Secure planning entitlements and establish strategic relationships. Immediate value creation through PUZ initiation.

Q1
Complete acquisition, entity formation

Q2
Submit PUZ application, infrastructure monitoring

Q3-Q4
Planning approvals, master planning studies

02

Year 2: Acceleration

Execute strategic partnerships and optimize land use planning. Capitalize on infrastructure completion.

Q1
A0 Ring Road completion impact assessment

Q2
Metro Line 6 connection confirmation

Q3-Q4
Developer partnerships, market positioning

03

Year 3+: Execution

Execute exit strategy or commence phased development. Monitor market conditions for optimal timing.

Q1
Strategic exit evaluation and decision

Q2-Q3
Execute sale or joint venture formation

Q4+
Development commencement or capital return

Value Creation Milestones & KPIs

Planning Milestone
PUZ approval achieved
+20%

Infrastructure Milestone
A0 + Metro completion
+15%

Partnership Milestone
Joint venture formation
+10%

Exit Milestone
Strategic sale execution
+500-784%

Competitive Advantages & Strategic Moats

Scale Advantage

The **38-hectare unified land block** represents one of the last large-scale development opportunities in the North Bucharest corridor. This scale creates scarcity premium and competitive moat.

Total Area	Comparable Parcels
380,000 sqm	Rare

Scarcity Factor: Large unified blocks (>30 hectares) represent <5% of available land, creating pricing power.

Location Advantage

Adjacent to proven luxury residential ecosystem of Paradisul Verde (€150-220/sqm), providing immediate comparables and market validation.

Distance to Paradisul Verde	Vicinity Pricing
800m	€150-220

Proven Market: Adjacent developments demonstrate market acceptance and buyer demand at premium pricing levels.

Timing Advantage

Entry before infrastructure completion creates **asymmetric upside potential**. A0 Ring Road and Metro Line 6 will fundamentally transform accessibility.

A0 Ring Road Completion	Q4 2025
Metro Line 6 Connection	2026

Impact: Infrastructure catalysts typically drive 15-25% immediate appreciation, followed by sustained growth.

Information Advantage

Comprehensive market analysis and relationship network provide competitive intelligence and execution capabilities.

- **Market Intelligence:** Deep understanding of Bucharest market dynamics
- **Relationship Network:** Established connections with planning authorities
- **Execution Expertise:** Proven track record in complex real estate transactions

Investment Recommendations

Investment Timeline & Decision Gates

10-Year Strategic Timeline with Decision Points

Q1 2025
Acquisition
Complete purchase, entity formation, planning initiation

2026
PUZ Approval
Planning approvals secured, infrastructure completion

2027-28
Exit Window
Optimal sale timing or joint venture formation

2029-35
Development
Phased development execution or long-term hold

A Generational Investment Opportunity

This 38-hectare strategic land parcel represents a rare convergence of factors: entry pricing **80-90% below comparable developments** at the precise moment of infrastructure transformation in **Europe's highest-yield residential market**. With 6-10x appreciation potential over 3-5 years and multiple exit strategies, this investment offers institutional-quality returns with asymmetric risk-reward profile.

€9.5M	€53.3M	460%	65%
Initial Investment	10-Year Value	Total ROI	Expected IRR

The question is not whether to invest, but how quickly we can secure this opportunity before the market recognizes its true value.

For detailed due diligence materials and site visit coordination

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