

Plan: 4-star hotel construction

Introduction to services:

The main goal of this plan is to construct a 4-star hotel in Khoramabad, Lorestan. The tourism industry development in Iran needs more than ever the new investments in different tourism sections particularly in 4- and 5-star hotels so that the infrastructural factors and the main tourism industry development pillars are provided and would be able to lead the tourism toward its growth with a structural development. Hotels are the hospitality centers with different rooms. In hotel, in addition to providing the sleeping services, there are diverse and extensive services provided such as cafeteria, restaurant, swimming pool, bodybuilding halls and souvenir buying shops. In addition, there are seminar, lecture and different celebrations halls provided for correctly making use of the created equipment and particular customers' satisfaction. Nowadays, tourism is one of the most important industries in cultures and international communications development and plays an advantageous role in establishing peace worldwide. The tourism industry is interacting with different economic sections directly and indirectly and by having deep positive economic, social and cultural interactions and influences, it is considered to be one of the significant sectors. More than 900 billion dollar is the tourism turnover worldwide among which the Iran's contribution is not even 0.1%. Tourism in 3rd millennium is the most valuable money making industry worldwide in which the Iranian authorities have to attempt seriously. This attempt causes the tourists attraction, introducing the country in international level and enhancing the GDP growth.

Introduction to services application:

Since the main goal of this plan is to construct a hotel, this is evident that there is goods supplied, i.e. passengers and tourists' residence, food and goods purchasing places, which are of the service nature. In some way, the services can be considered customer's goods; because these goods are one consumed directly by individuals. As it indicates, hotel is a resting, sleeping and eating food place for tourists. Providing these services in fact is the main application of hotels. Of course, it is necessary to note that hotels have been used for other applications over time. Based on the fact that residence consists the main chain of the tourism industry, a hotel can provide different services such as residence, coffee shop, transportation, meetings services and conferences and other services alike considering their type.

Plan suggested site:

Based on the market researches, the suggested site for this plan is Khoramabad.

Raw materials:

Raw and consuming materials of different hotel sections are:

#	Raw, auxiliary materials and packing	Annual Cost mRial
1	Consumables Restaurant	31,427
2	Consumables Hall	22,995
3	Consumables hotel	3,833
	Total	58,254

Sales plan and target market:

Target market for the hotel studied can be local and foreign tourists as well as ceremonies, seminars and conferences as the services of this hotel. The sales prediction of this hotel is as follow.

#	Description	practical capacity	nominal capacity	unit price(ri al)	Annual Sale(mRi al)
1	Rent room	21,900	13,140	3,500,000	76,650
2	restaurant	365,000	219000	200,000	73,000
3	Indoor swimming pool, sauna and jacuzzi and a buffet and fitness	43,800	26280	90,000	3,942
4	Amphitheater	91,250	54750	150,000	13,688
5	saloons	255,500	153300	300,000	76,650
6	restaurant	109,500	65700	250,000	27,375
7	Breakfast dining hall	36,500	21900	120,000	4,380
8	Income stores	36,500	21900	150,000	5,475
	Total	959,950	575,970	0	281,160

Nominal and practical capacity:

The nominal capacity of this complex is booking 60 rooms daily, a restaurant with capacity of 1300 series of food and breakfast eating hall of 100 individuals capacity, swimming pool and sauna with 120 individuals capacity, Amphitheater with 250 individuals capacity and gathering hall for 365 days annually are ready to serve with capacity of 700 individuals daily. 100 individuals as the capacity of daily ticket selling for the hotel minibar is also considered. Based on the fact that nominal capacity is in ideal situation, the practical capacity of this complex is 60% estimated based on the efficiency.

Investment costs:

The fixed investment costs include 242.3 billion Rials and the working capital is 3.3 billion Rials.

Description	Total Cost(m.Rial)	%
Land purchase	1,530	1%
Site preparation and development	99,220	40%
Civil works, structures and buildings	35,417	14%
Machinery and equipment	27,800	11%
Branches And Installation	0	0%
Vehicles	3,952	2%
Service equipment	0	0%
official equipment	1,192	0%
Other and unpredicted costs	21,911	9%
Total FIXED ASSETS	241,022.00	98%
pre-production expenditures	1,273.00	1%
TOTAL FIXED INVESTMENT COSTS	242,295.00	99%
Working capital in 100% of capacity	3,291.00	1%
Other assets	0	0%
TOTAL IMVESTMENT COSTS	245,586.00	100%

Services provision costs:

Annual costs of the manufacturing process include 103 billion Rials estimated.

#	Description	Total Cost(m.Rial)
1	Raw and packing material	58,254
2	Personnel's salary	8,167
3	Energy	1,000
4	Building and livestock insurance	382
5	Repair, maintenance and spare parts	7,121
6	Marketing and Advertising	5,623

7	Unpredicted	8,055
8	Depreciation	15,113
Total operational and non-operational production costs		103,715

Economic indices

<i>Description</i>	<i>Amount-measurement scale</i>
<i>NPV</i>	<i>98631 m Rial</i>
<i>IRR</i>	<i>27.82%</i>
<i>PBP</i>	<i>2.12 years</i>

Plan and Budget Organization of Lorestan province

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project title: **4-star hotel construction**

2. Sector: tourism services

Sub sector: residential places

3. Products/Services: residential, shopping, hospitality, seminar, meetings and lectures and sport-entertaining equipment and services

4. Location: ... Free zone Economic special zone Industrial Estate Main Land

5. Project description:

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6. Annual capacity: 938050 persons , 21900 rooms / year

Project Status

7. Local / internal raw material access 100 %

8. Sale: 100% locally

- Anticipated export market 0 %

9. Construction Period 24 month

Beginning of activity

In-site beginning of activity:

End of project:

Commercial activity beginning:

Project Status

10. Project Status:

- Feasibility study available? Yes No
- Required land provided? Yes No
- Legal permissions (establishment license, foreign currency quota, environment, etc) taken? Yes No
- Partnership agreement concluded with local/foreign investor? Yes No
- Financing agreement concluded? Yes No
- Agreement with local / foreign contractor(s) concluded? Yes No
- Infrastructural utilities (electricity, water supply, telecommunication, fuel, road, etc) procured? Yes No
- List of know-how, machinery, equipment, as well as seller / builder companies defined? Yes No
- Purchase agreement for machinery, equipments and know- how concluded? Yes No

Financial Structure

11. Financial Table

Description	Local Currency Required			Foreign Currency Required Million Dollar	Total Million Dollar
	Million Rials	Rate	Equivalent in Million Dollar		
Fix Capital	242295	31000	7.82	0	7.82
Working Capital	3291	R for	0.11	0	0.11
Total Investment	245586	each Dollar	7.92	0	7.92

- Value of foreign equipment/machinery million dollar
- Value of local equipment/machinery million dollar
- Value of foreign technical know- how million dollar
- Value of local technical knows- how million dollar
- Net Present Value (NPV): 98631 Million Rial for 10 Year, discount rate: 20%
- Internal Rate of Return (IRR) 27.82%
- Payback Period (PP) 47.1%

General Information

12. Project Type : Establishment Expansion and completion

13. Company Profile:

-Name (legal /natural persons):

-Company Name:

-Address:

-Tel: Fax:

-E-mail: Web site:

-Local entrepreneur : private sector public sector other

Please attach follow documents if available

- Pre-feasibility study
- Feasibility study
- Legal permissions (establishment license, foreign currency quota, environment, etc)

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