

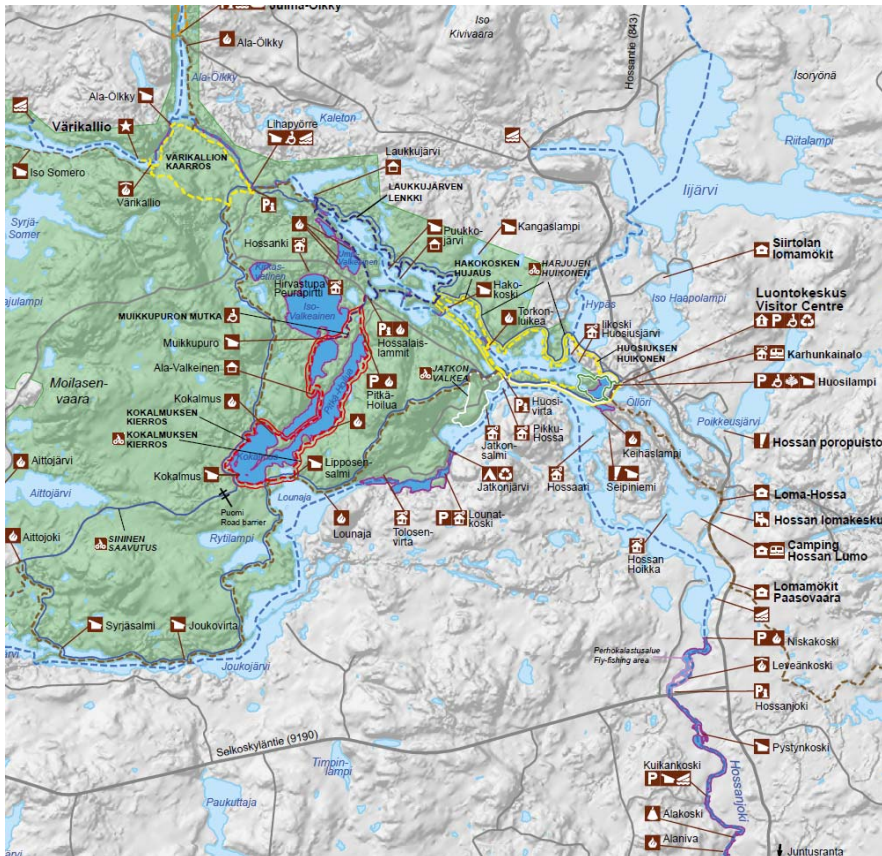
# HOSSA

## Holiday Resort Hossa Visitor Centre area





## Location and accessibility



### Airports

- Kuusamo 90 km
- Kajaani 210 km
- Oulu 250 km

### Railway station

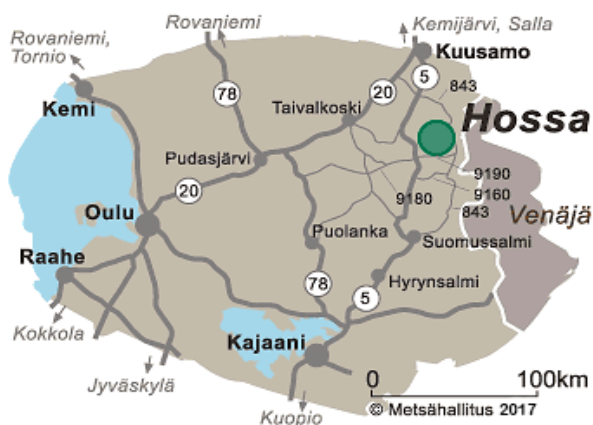
- Kontiomäki 170 km

### Distances by road

- Suomussalmi 100 km
- Kuusamo 80 km
- Ruka 100 km
- Kajaani 200 km
- Vuokatti 209 km
- Ukkohalla 142 km
- Paljakka 166 km
- Kuhmo 201 km

### National parks

- Syöte 123 km
- Oulanka 127 km
- Riisitunturi 133 km
- Rokua 212 km



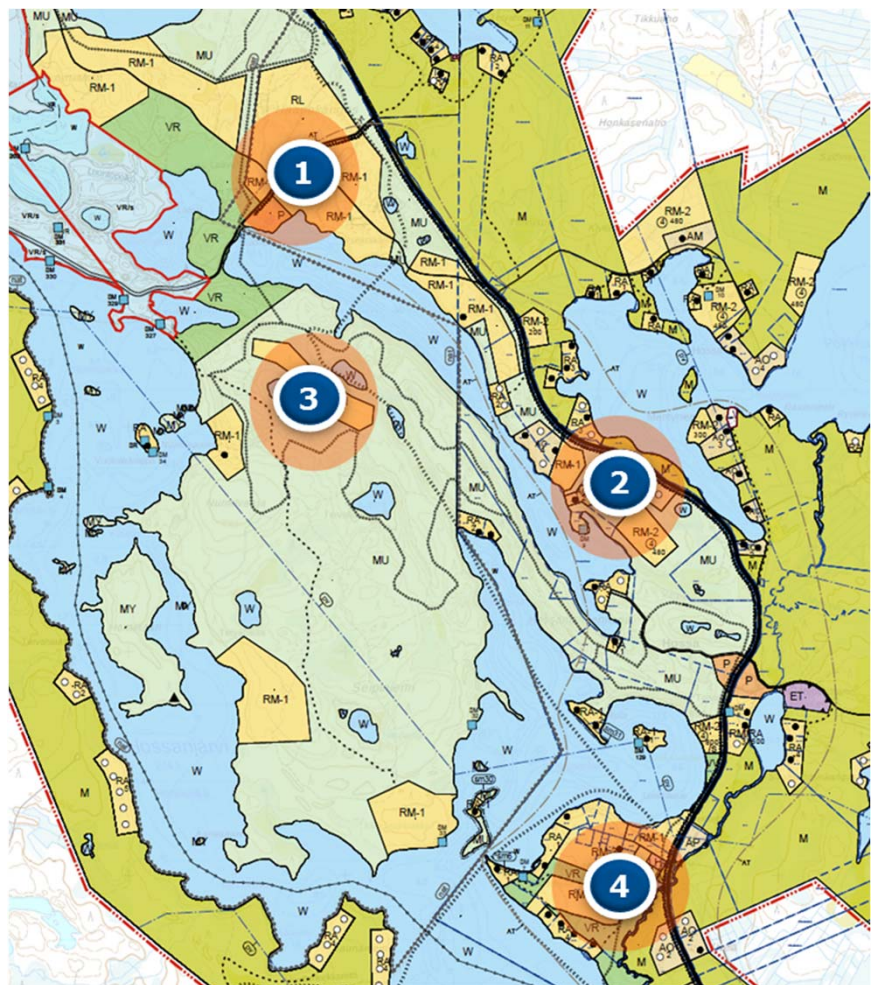


## Accommodation investments in Hossa

Hossa tourist services include Hossa Visitor Centre, camping and caravan area Camping Hossan Lumo with summer shop, hotel Hossa Holiday Center, The Spirit of Hossa Seipiniemi (restaurant, accommodation and program services), Hossan Poropuisto (restaurant and reindeer farm visits) as well as cottage and holiday apartments offered by Paasovaara holiday cottages, Loma Hossa and Siirtola log cabins.

Locations for accommodation investments in Hossa are:

- **1. Visitor Centre area**
- 2. Välikangas
- 3. Seipiniemi
- 4. Hossanniemi

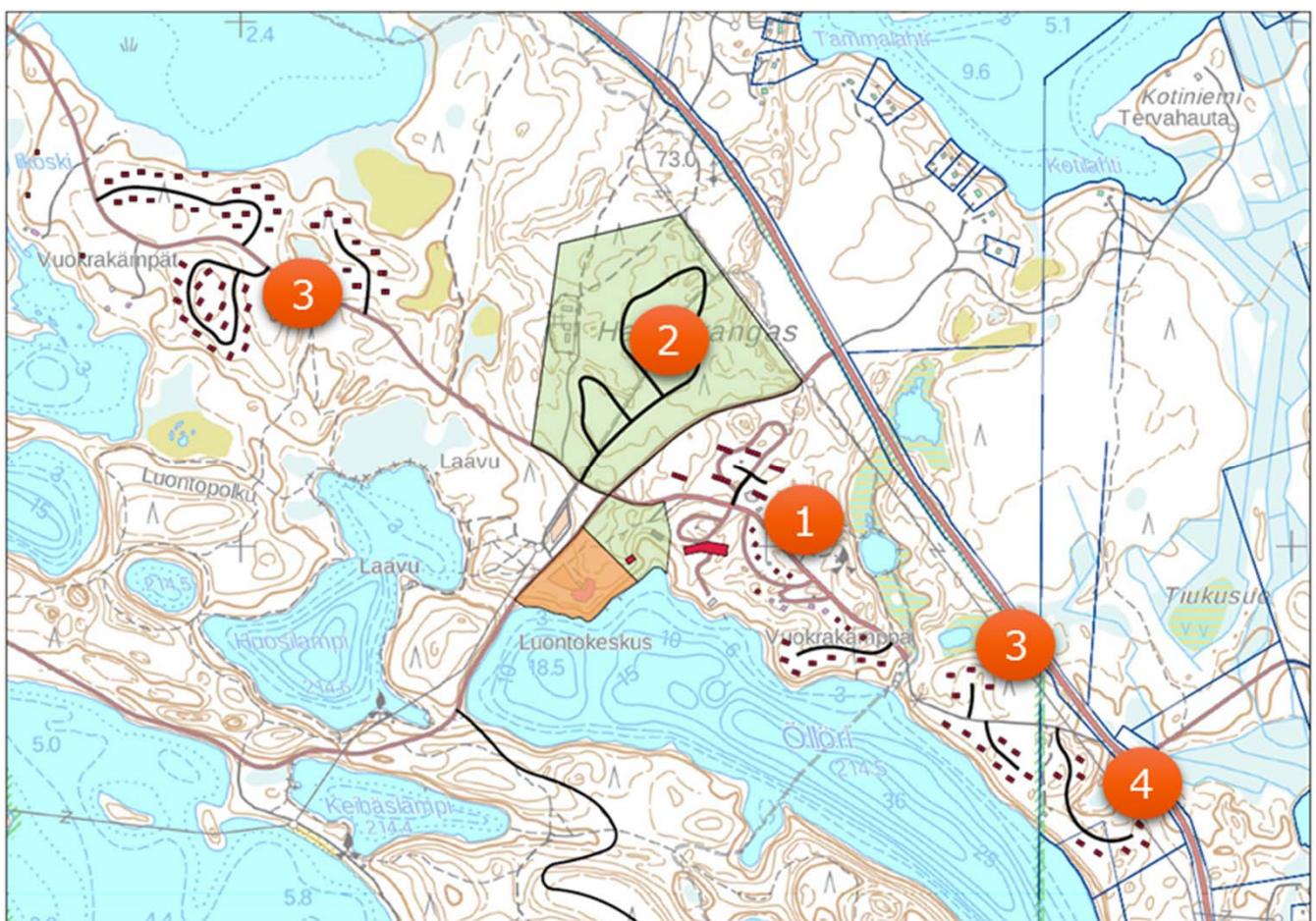


# Holiday Resort

## Description

Hossa Visitor Centre area is being developed as a nature holiday and leisure resort offering year-round accommodation and diverse, easy and safe nature activities and experiences.

Hossa Visitor Centre, the new hotel as well as holiday apartments along with the caravan area form the commercial core of the center (No. 1 & 2). Area further away from the center is reserved for the construction of privately-owned holiday homes, which can be realized as individual investments (No. 3 & 4).





## Investment opportunity: Holiday Resort

### **Main building: 2,76 M€**

- Hotel (wilderness lodge -style) approx. 1200-1400 m<sup>2</sup>, 2300 € / m<sup>2</sup>
- Approx. 30 rooms, á 25 m<sup>2</sup>
- Restaurant, kitchen, catering

### **Cabins and apartments: 4,10 M€**

- Approx. 2500 m<sup>2</sup>, 1800-2000 € / m<sup>2</sup>
- Capacity: 50 units (terraced cabins, semi-detached cabins and single standing cabins)
- Approx. 50 m<sup>2</sup> per unit

### **New caravan area and service building: 0,5 M€**

- 60 caravan spots (with electricity) + camping spots

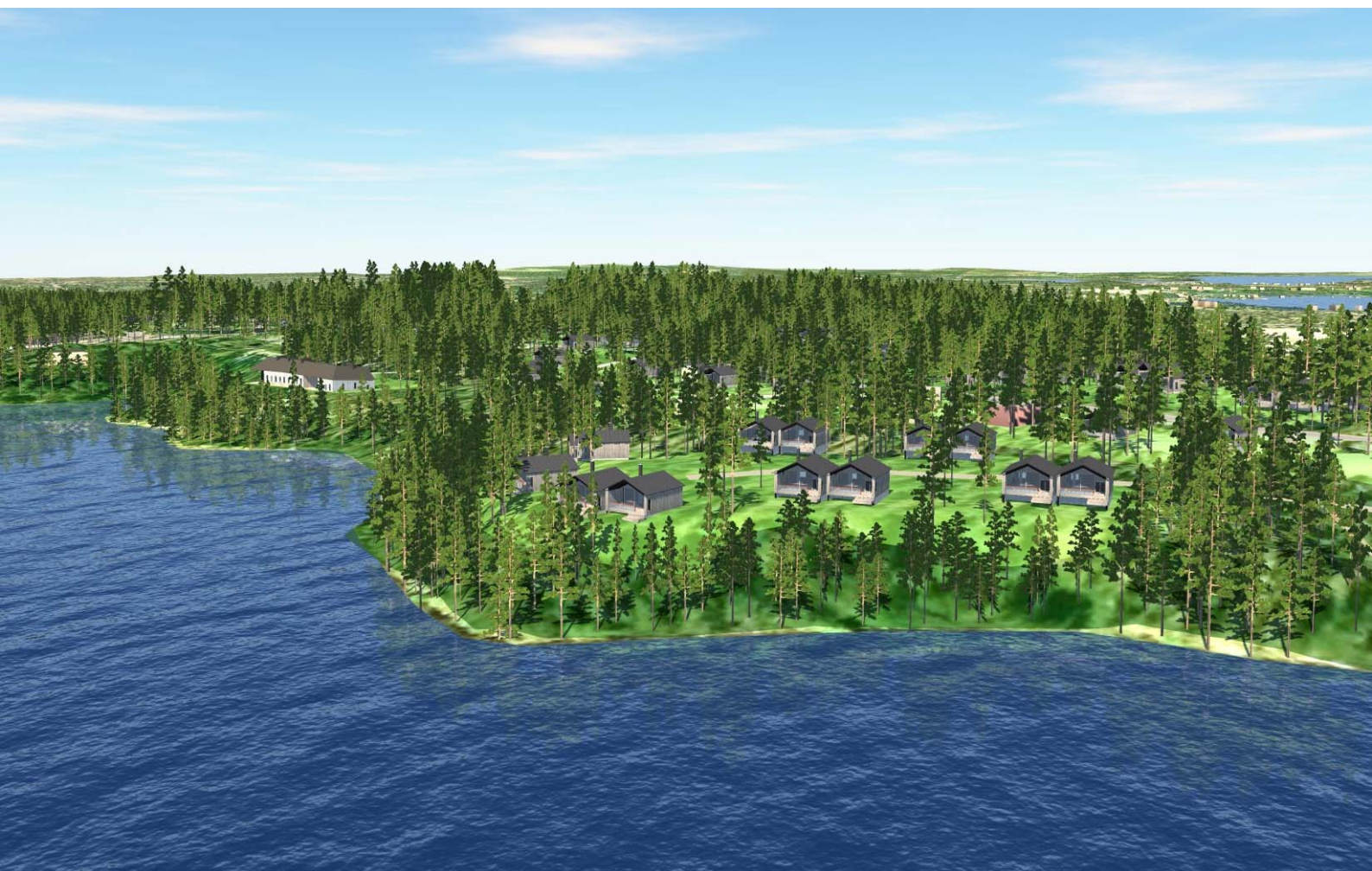
### **Furniture, equipment and planning : 1,37 M€**

- Furniture and equipment investments approx. 15 % of the total investment
- Planning costs approx. 5 % of the total investment

**TOTAL: 8,73 M€**  
**3700 m<sup>2</sup>**







## PROFITABILITY ANALYSIS

Concept: resort owner-operator

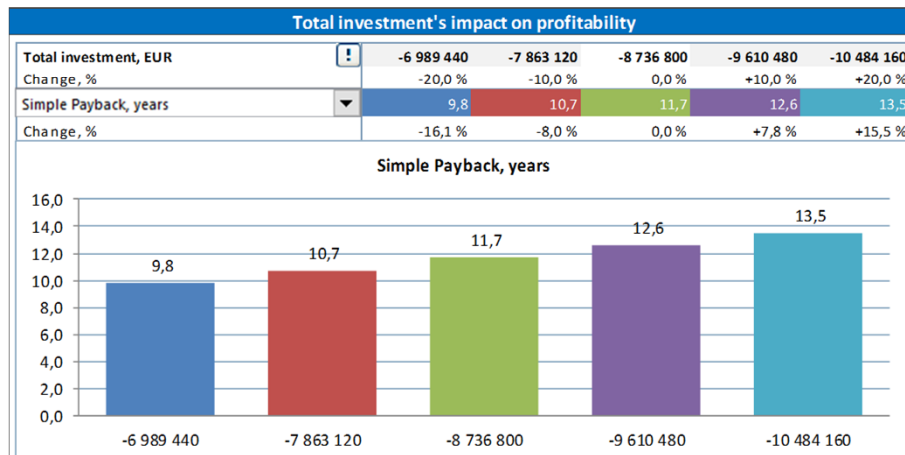
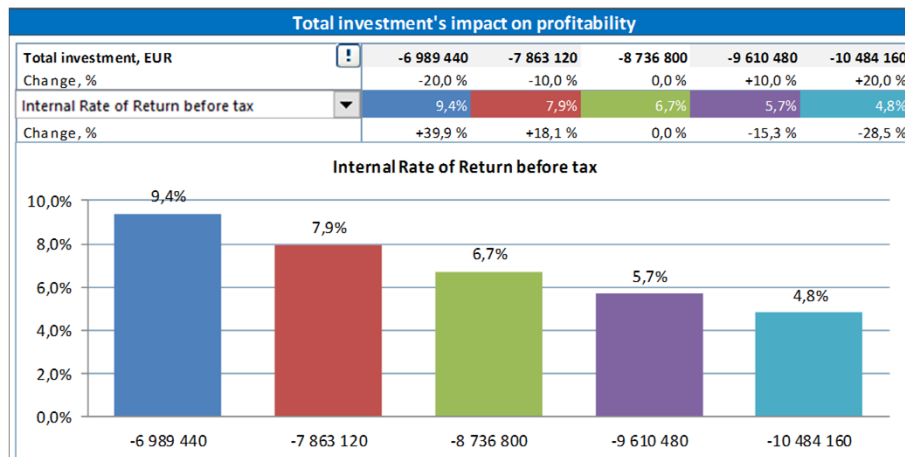
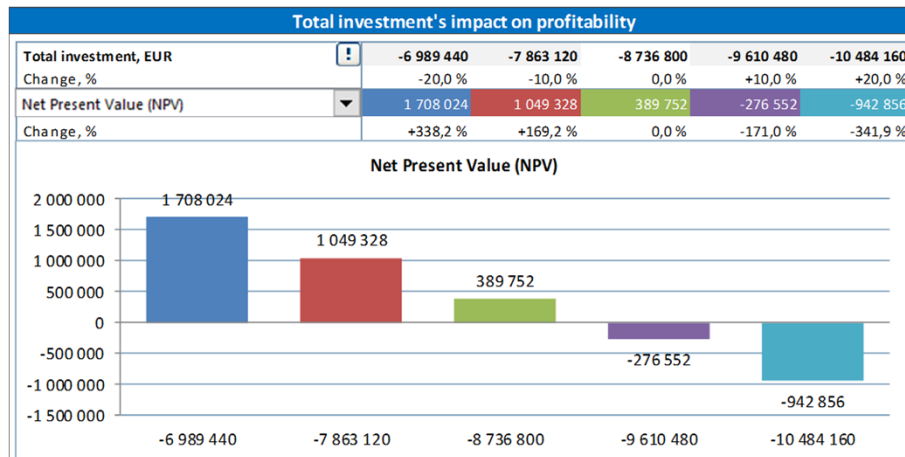
- Investor's required rate of return: 5-6 % in the long run
- Review period 15 years
- Accommodation sales (1st year) **1,211 M€**
  - Average price, hotel and semi-detached houses: 100 €/night (+1 %/yr.)
  - Average price, cabins: 120 €/night (+1 %/yr.)
  - Average price, terraced houses: 80 €/night (+1 %/yr.)
  - Caravan: occupancy rate 20 %, 22 €/night
- Restaurant and other sales (1st year) **0,49 M€**
  - Average purchase 35 € / day / person (hotel customers)
  - Average purchase 25 € / day / person (other accommodation customers)
  - Restaurant and other sales are expected to increase in line with the accommodation demand.
- **Results**
  - Net present value: 0,39 M€
  - Internal Rate of Return (IRR) before taxes 6,7 % , after taxes 5,5 %
  - Payback time:
    - 17,6 years (based on discounted free cash flow)
    - 11,7 years (based on free cash flow)

INCOME STATEMENT, 1000 EUR	Year 1	Year 2	Year 3	Year 4	Year 5
<b>INCOME</b>	<b>1 700,9</b>	<b>2 036,2</b>	<b>2 213,3</b>	<b>2 352,0</b>	<b>2 492,5</b>
<b>Hotel</b>	<b>438,0</b>	<b>530,9</b>	<b>580,8</b>	<b>620,5</b>	<b>660,9</b>
Rooms	30	30	30	30	30
Occupancy rate	40 %	48 %	52 %	55 %	58 %
Price / night	100	101	102	103	104
<b>Restaurant sales</b>	<b>489,1</b>	<b>586,9</b>	<b>635,8</b>	<b>672,5</b>	<b>709,2</b>
Restaurant (hotel customers)	306,6	367,9	398,6	421,6	444,6
Restaurant (other accommodation customers)	182,5	219,0	237,3	250,9	264,6
<b>Rental cabins / apartments</b>	<b>677,4</b>	<b>821,1</b>	<b>898,4</b>	<b>959,7</b>	<b>1 022,2</b>
Cabins / apartments	50	50	50	50	50
Occupancy rate	40 %	48 %	52 %	55 %	58 %
Average price / night	100	101	102	103	104
<b>Caravan</b>	<b>96,4</b>	<b>97,3</b>	<b>98,3</b>	<b>99,3</b>	<b>100,3</b>
Occupancy rate	20 %	20 %	20 %	20 %	20 %
Average price / night	22	22	22	23	23
<b>COSTS</b>	<b>-1 306,1</b>	<b>-1 418,1</b>	<b>-1 479,7</b>	<b>-1 528,9</b>	<b>-1 578,7</b>
Raw materials and consumables	-374,2	-448,0	-486,9	-517,4	-548,4
External services	-85,0	-101,8	-110,7	-117,6	-124,6
Staff costs	-374,2	-376,1	-377,9	-379,8	-381,7
Other operating costs	-472,7	-492,3	-504,1	-514,0	-524,0
<b>EBITDBA: Operating income before depreciations</b>	<b>394,8</b>	<b>618,0</b>	<b>733,7</b>	<b>823,1</b>	<b>913,8</b>
Depreciations	-399,4	-399,4	-399,4	-399,4	-399,4
<b>EBIT: Operating Income</b>	<b>-4,6</b>	<b>218,6</b>	<b>334,3</b>	<b>423,7</b>	<b>514,4</b>



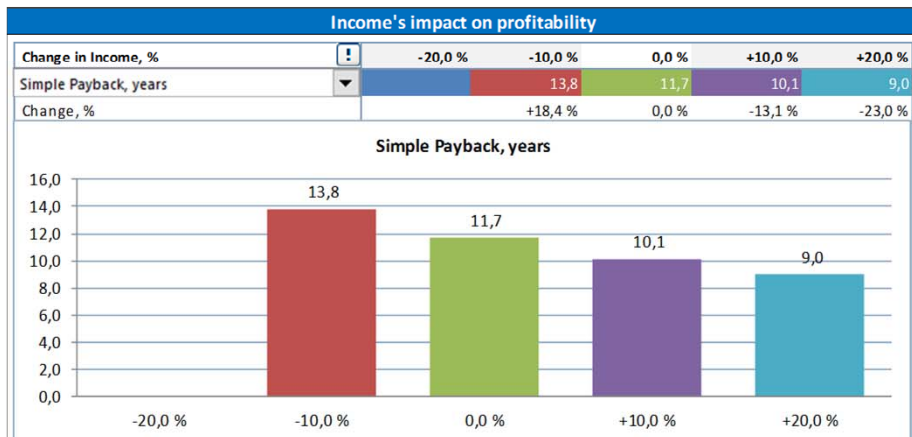
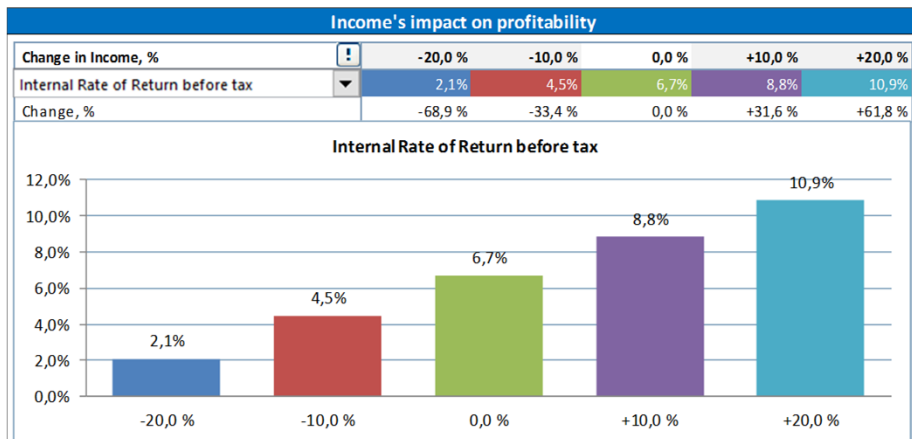
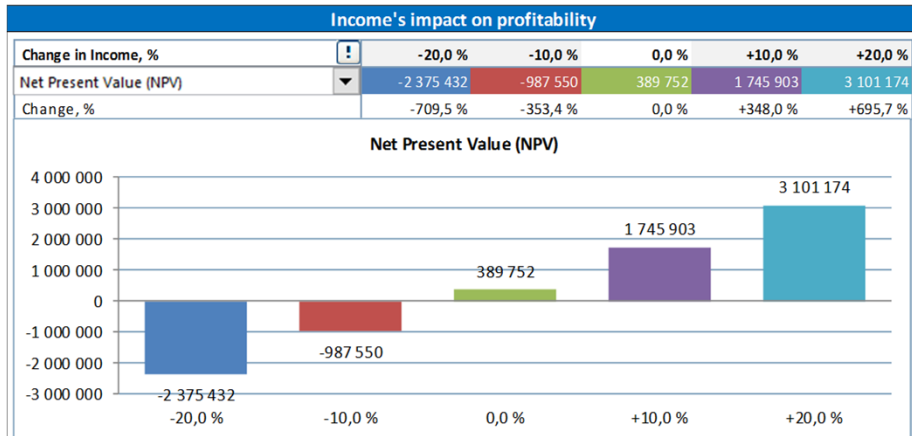
# Holiday Resort

## Sensitivity Analysis



# Holiday Resort

## Sensitivity Analysis





# Holiday Resort

## BASE ASSUMPTIONS FOR CALCULATIONS

- Investor's required rate of return 6 %
- Review period: 15 years
- Investments are fully carried out as direct private investments, so cost of capital is not included
- The income on business calculations comprise sales in accommodations and restaurant
- Cost structures generally follow typical models in the hotel, restaurant, and leisure industry. Operating margins are assumed to improve within the review period. Calculations use Finnish industry classification 5510 (hotels) and 5520 (holiday villages, travel lodges, and similar accommodations) in the first year:
  - Raw materials and consumables: 22 %
  - External services: 5 %
  - Staff costs: 22 %
  - Other operating costs: 26 %
- Income tax is 20 %
- Depreciations: Buildings 25 years straight-line depreciations, other investments straight-line depreciations within the review period.
- Accommodation rate is estimated to hold an annual 1% increase in prices per year.
- Occupancy rate changes: 1st year (40 %), 2nd year (48 %), 3rd year (52 %), 4th year (55 %) ja 5th year (stabilizes at the level of 58 %)
- Investment aids and subventions are not included.
- It is assumed that there is no separate start-up phase, and the resort is fully operational from the start.
- It is assumed that the land is rented (not purchased and owned)
- These profitability examinations provide a general view from a pre-feasibility point of view.



# Holiday Resort

## CONTACT

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