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1. Company Description

Company Name: Levi Homes

Mission Statement: To provide high-quality, affordable housing in rural areas through innovative design and efficient project execution.

Business Objectives:

- Develop a profitable subdivision project.
- Address the housing needs in rural areas.
- Deliver high returns to our investors.

Management Team:

- John Doe: CEO, with over 20 years of experience in real estate development.
- Jane Smith: CFO, with a background in finance and investment.
- Michael Johnson: Project Manager, with extensive experience in construction management.

2. Market Analysis

Market Research: According to a 2023 survey by the National Association of Realtors, rural areas have seen a 15% increase in housing demand over the past two years. Factors contributing to this include remote work trends and the search for a better quality of life. Additionally, the U.S. Census Bureau reports a 10% increase in rural population from 2020 to 2023.

Target Market:

- Young Professionals: Individuals seeking affordable, modern housing in a peaceful environment.
- Small Families: Families looking for safe, spacious homes with community amenities.
- Retirees: Retirees desiring a serene, scenic location with low maintenance.
- Remote Workers: Professionals working from home who prefer a rural setting over urban congestion.

Competitive Analysis: The rural housing market is relatively underserved, with few competitors offering affordable, modern A-frame houses. Levi Homes aims to fill this gap by providing high-quality homes at competitive prices. Competitors include small local builders and a few regional developers.

SWOT Analysis:

- Strengths: Experienced management team, unique design, competitive pricing.
- Weaknesses: Rural location may initially deter some buyers.
- Opportunities: Increasing demand for rural housing and potential for market expansion.
- Threats: Economic downturns and fluctuations in material costs.

3. Project Description

Phase 1: Initial Planning and Preparation (6 months)

- Land acquisition: \$500,000
- Site survey: \$5,000



- **Geotechnical study: \$9,000**
- **Civil engineering design: \$80,000**
- **Permitting and approvals: \$30,000**

Phase 2: Site Preparation (3 months)

- **Clearing and grading: \$40,000**
- **Erosion control measures: \$9,000**

Phase 3: Infrastructure Development (6 months)

- **Road construction: \$900,000**
- **Utility installation (water, electricity, gas): \$360,000**
- **Septic systems installation: \$1,300,000**

Phase 4: Construction (Varies by Scenario)

- **Scenario 1: 5 Houses at a Time (Total: 175 months)**
 - **Foundation and framing: \$2,500,000**
 - **Exterior finishing: \$2,000,000**
 - **Interior finishing: \$2,500,000**
 - **Appliances and fixtures: \$750,000**
- **Scenario 2: 10 Houses at a Time (Total: 115 months)**
 - **Foundation and framing: \$3,000,000**
 - **Exterior finishing: \$2,500,000**
 - **Interior finishing: \$4,500,000**
 - **Appliances and fixtures: \$900,000**
- **Scenario 3: 20 Houses at a Time (Total: 80 months)**
 - **Foundation and framing: \$3,000,000**
 - **Exterior finishing: \$2,500,000**
 - **Interior finishing: \$4,500,000**
 - **Appliances and fixtures: \$900,000**
- **Scenario 4: All Houses at Once (Total: 33 months)**
 - **Foundation and framing: \$2,500,000**
 - **Exterior finishing: \$2,000,000**
 - **Interior finishing: \$2,500,000**
 - **Appliances and fixtures: \$750,000**

Landscaping and Common Areas (3 months)



- **Landscaping: \$90,000**
- **Common areas (playgrounds, parks, etc.): \$180,000**

Contingency (15% of total costs)

- **\$1,600,000**

Total Project Cost: \$12,000,000

4. Marketing and Sales Strategy

Branding and Positioning: Levi Homes will be marketed as a provider of affordable, high-quality A-frame houses in serene rural settings.

Marketing Plan:

- **Online Marketing:** Targeted online ads, social media campaigns, and a user-friendly website showcasing our homes and project progress.
- **Local Advertising:** Ads in local newspapers, community bulletins, and sponsorship of local events.
- **Partnerships:** Collaborations with local real estate agents and firms to reach a broader audience.

Sales Strategy:

- **Competitive Pricing:** Offering attractive prices for early buyers.
 - **Flexible Financing:** Providing various financing options to make purchasing easier for buyers.
 - **Dedicated Sales Team:** A team focused on direct sales, customer service, and relationship management.
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5. Operations Plan

Day-to-Day Operations: Overseeing construction, quality control, procurement of materials, and customer service.

Key Milestones:

- **Month 1:** Land acquisition
- **Month 2:** Site survey and geotechnical study
- **Month 3-4:** Civil engineering design
- **Month 5-6:** Permitting and approvals
- **Month 7-8:** Clearing and grading
- **Month 9:** Erosion control measures
- **Month 10-13:** Road construction
- **Month 14-15:** Utility installation
- **Month 16:** Septic systems installation
- **Month 17-33:** Phased house construction
- **Month 34-36:** Landscaping and common area development



Management Structure: Clear roles for project managers, site supervisors, and administrative staff to ensure smooth operations.

Hiring Plan: Recruitment of skilled labor, subcontractors, and support staff as needed for each phase.

Quality Control: Regular inspections, adherence to construction standards, and prompt resolution of issues to maintain high quality.

6. Financial Plan

Detailed Financial Projections:

- **Total Project Cost:** \$12,000,000
- **Revenue Model:** Sale of 100 units at an average price of \$175,000 per unit.
- **Projected Revenue:** \$17,500,000
- **Break-Even Analysis:** Break-even within 3-5 years, depending on sales pace and market conditions.
- **ROI Projections:** Expected return on investment within 5-10 years.

Funding Requirements: Seeking \$12,000,000 from investors for land acquisition, construction, and initial marketing efforts.

Use of Funds: Allocation towards land purchase, construction costs, marketing, and contingency.

Exit Strategy for Investors: Potential buyout, profit-sharing, or sale of the completed development to a larger real estate firm.

7. Risk Analysis

Potential Risks and Mitigation Strategies:

1. Financial Risks

- **Cost Overruns:** Can increase the budget by 10-20%. Mitigation: Implement strict budget controls and regular financial reviews.
- **Funding Shortfalls:** Can delay the project by 6-12 months. Mitigation: Secure funding commitments and maintain a contingency fund.
- **Cash Flow Problems:** Can halt construction temporarily. Mitigation: Maintain a robust cash flow management plan.

2. Construction Risks

- **Delays:** Can extend the timeline by 3-6 months. Mitigation: Buffer in timelines and maintain a flexible project schedule.
- **Quality Issues:** Can increase costs by 5-10%. Mitigation: Implement strict quality control measures and hire reputable contractors.
- **Safety Incidents:** Can delay the project by 1-2 months. Mitigation: Adhere to safety standards and conduct regular safety training.

3. Operational Risks

- **Project Management Issues:** Can increase costs by 5-10%. Mitigation: Employ experienced project managers and use project management software.
- **Labor Issues:** Can delay the project by 3-6 months. Mitigation: Maintain good labor relations and have backup labor sources.

4. Environmental Risks

- **Environmental Impact:** Can increase costs by 5-10%. Mitigation: Conduct thorough environmental assessments and comply with regulations.
- **Natural Disasters:** Can halt the project for 1-3 months. Mitigation: Develop a disaster response plan.



5. Market and Sales Risks

- **Demand Shortfall:** Can reduce revenue by 10-20%. Mitigation: Conduct thorough market research and have flexible pricing strategies.
- **Pricing Pressures:** Can reduce profit margins by 5-10%. Mitigation: Offer value-added services and maintain cost efficiencies.

6. Legal and Regulatory Risks

- **Permit Issues:** Can delay the project by 3-6 months. Mitigation: Engage with local authorities early and ensure compliance.
- **Legal Disputes:** Can increase costs by 5-10%. Mitigation: Have legal counsel and insurance coverage.

7. Technical Risks

- **Design Flaws:** Can increase costs by 5-10%. Mitigation: Use experienced architects and engineers.
- **Technology Failures:** Can delay the project by 1-2 months. Mitigation: Use reliable technology and have backup plans.

8. Supply Chain Risks

- **Material Shortages:** Can delay the project by 1-3 months. Mitigation: Maintain good supplier relationships and have multiple suppliers.
- **Price Volatility:** Can increase costs by 5-10%. Mitigation: Lock in prices with suppliers early.

9. Economic Risks

- **Recession:** Can reduce demand by 10-20%. Mitigation: Diversify target market and offer flexible financing.
- **Interest Rate Increases:** Can increase financing costs by 5-10%. Mitigation: Secure fixed-rate financing early.

10. Stakeholder Risks

- **Community Opposition:** Can delay the project by 3-6 months. Mitigation: Engage with the community early and address concerns.
- **Partnership Issues:** Can increase costs by 5-10%. Mitigation: Maintain clear communication and agreements with partners.

11. Reputational Risks

- **Negative Publicity:** Can reduce demand by 5-10%. Mitigation: Maintain high standards and address issues promptly.
- **Brand Damage:** Can affect long-term profitability. Mitigation: Build a strong brand and maintain customer satisfaction.

12. Environmental Sustainability Risks

- **Sustainability Standards:** Can increase costs by 5-10%. Mitigation: Integrate sustainability into the project from the start.
- **Long-Term Maintenance:** Can increase costs by 5-10%. Mitigation: Use durable materials and plan for long-term maintenance.

Flood Zone Considerations:

- **Flood Risk Assessment:** \$10,000
- **Flood Insurance:** \$150,000 annually
- **Elevation of Structures:** \$500,000 (to mitigate flood risk)
- **Drainage Systems:** \$200,000
- **Total Additional Costs for Flood Zone:** \$860,000
- **Potential Timeline Delay:** 3-6 months due to additional planning and construction measures.



8. Detailed Project Timeline

Phase 1: Initial Planning and Preparation (6 months)

- Month 1: Land acquisition
- Month 2: Site survey and geotechnical study
- Month 3-4: Civil engineering design
- Month 5-6: Permitting and approvals

Phase 2: Site Preparation (3 months)

- Month 7-8: Clearing and grading
- Month 9: Erosion control measures

Phase 3: Infrastructure Development (6 months)

- Month 10-13: Road construction
- Month 14-15: Utility installation
- Month 16: Septic systems installation

Phase 4: Construction (Varies by Scenario)

- Scenario 1: 5 Houses at a Time (Total: 175 months)
 - Month 17-175: Continuous construction in 20 batches
- Scenario 2: 10 Houses at a Time (Total: 115 months)
 - Month 17-115: Continuous construction in 10 batches
- Scenario 3: 20 Houses at a Time (Total: 80 months)
 - Month 17-80: Continuous construction in 5 batches
- Scenario 4: All Houses at Once (Total: 33 months)
 - Month 17-33: Simultaneous construction

Phase 5: Landscaping and Common Areas (3 months)

- Month 34-36: Landscaping and common area development

Total Project Duration:

- Scenario 1: 175 months
- Scenario 2: 115 months
- Scenario 3: 80 months
- Scenario 4: 33 months

9. Appendices

- Resumes of the management team

Levi Homes LLC
Business Proposal for Investors
Development of a 100-Unit Subdivision

Levi Homes



- **Detailed project timeline and Gantt chart**
- **Architectural drawings and site plans**
- **Market research data and reports**
- **Letters of intent or partnership agreements**
- **Legal documents and permits**