



# Pareto 22

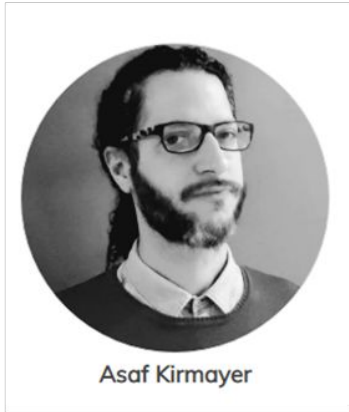
Hospitalet, Barcelona

*Project under recruitment: construction project, new  
build and sale*



# The promoter

## Members



Asaf Kirmayer



Yuval Kovesh

Asaf Kirmayer and Yuval Kovesh partners directors of the companies

### **Accommodation King Barcelona (AK-BCN S,L)**

Dedicated to property management, real estate operations and promotion

### **Sosa Investments group**

Assets company and real estate investor and promoter, 20 years of experience and many projects executed.

# The promoter

## Projects



### **2020 POBLE SEC, BARCELONA**

Integral building reform, 4 apartments.



### **2021 BALMES, BARCELONA**

New build, 2 houses, construction project and sale



### **2022 CAMP DEL ARP, BARCELONA**

Integral building reform, 2 apartments.



### **2023 SANT ANTONI ABAT, BARCELONA**

Integral building reform, 10 apartments in a co-living model

# The project

## Location



**Hospitalet** is a city adjacent to Barcelona, closely connected to it through metro lines and various transportation routes. In recent years, the city has experienced significant growth and an influx of many residents from Barcelona, mainly students and young individuals, seeking more affordable housing compared to the increasingly expensive Barcelona.

The **Santa Eulalia Market** in Hospitalet is one of the important commercial and cultural centers in the area. It's one of the well-established neighborhoods in Hospitalet, in high demand and offering a low investment risk.



The building at **Pareto 22**, located at the corner of the market, used to be a municipal library that served the residents. The streets, without vehicular traffic, are designed for pedestrians.

Public transportation: -

- 2 minutes walk from Metro Line L1.
- 2 stations away from the central Sants station.
- 15 min to the center of Barcelona.

# The project

## Description

Conversion of the first and second floors for 4 residential apartments, while retaining the ground floor for commercial purposes.

### Stages of the project:

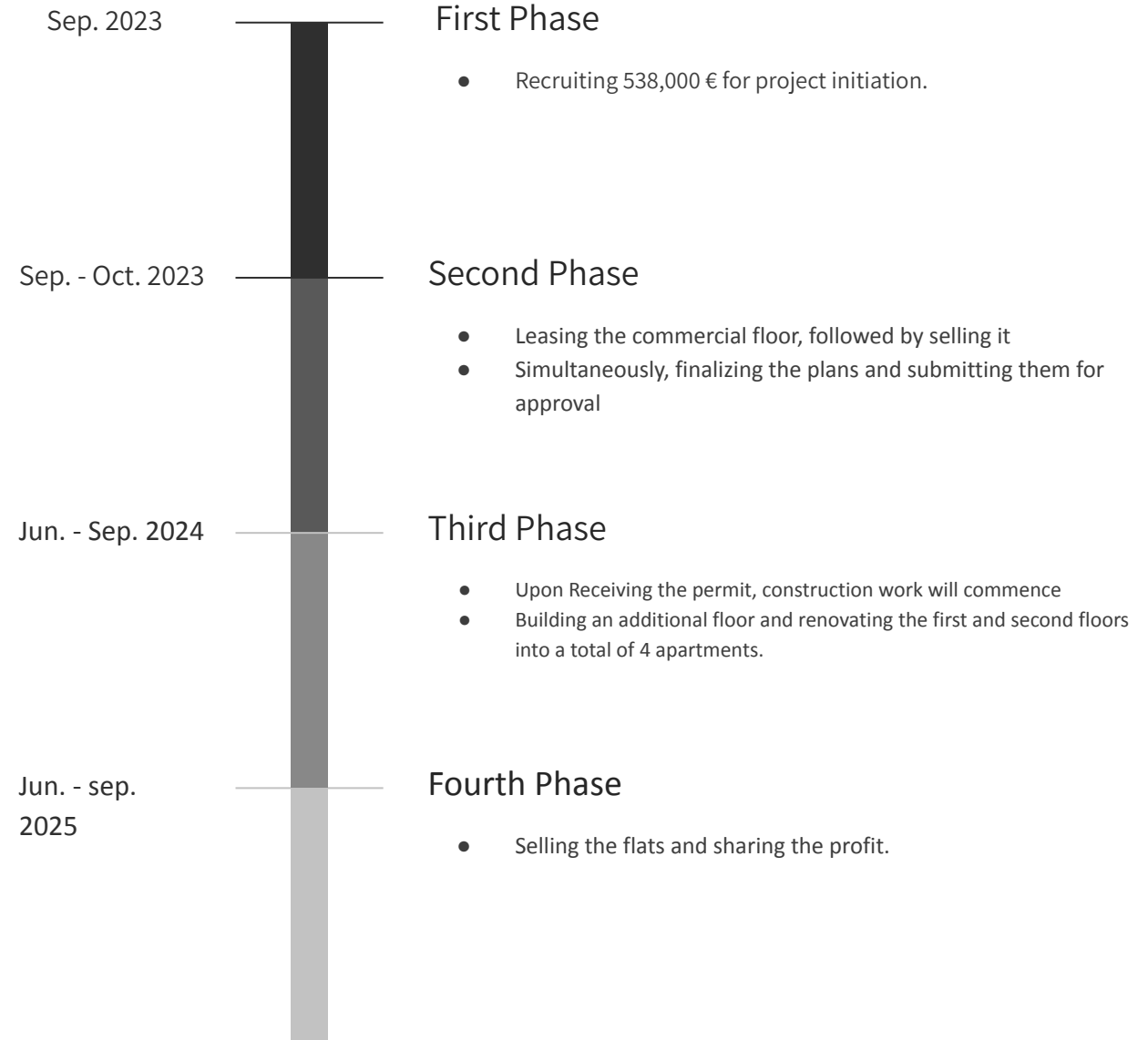
- Leasing the commercial floor and subsequently selling it.
- Constructing an additional floor, renovating the existing floor, and converting them into 4 residential apartments.
- Pre-selling the apartments "on paper" during the construction phase.
- Project duration: Up to two years.

\*The photos are for demonstration only, there might be changes in the final plan



# The project

## Timeline



# The project

## FIRST PHASE

Sep. 2023



## First Phase

- Recruiting 538,000 € for project initiation.

Sep. - Oct. 2023

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Purchase (deed) price		400,000.00 €
Agent fees		75,000.00 €
Vat agent		15,750.00 €
Vat purchase	0%	
AJD (Purchase tax)	2.5%	10,000.00 €
Lawyer & Notary public dead	1.50%	6,000.00 €
Building division costs	2.25%	9,000.00 €
Rental Contract drafting		750.00 €
Renders first phase		1,000.00 €
Additional costs		19,500 €
<b>Total Excluding works</b>		<b>538,000.00 €</b>

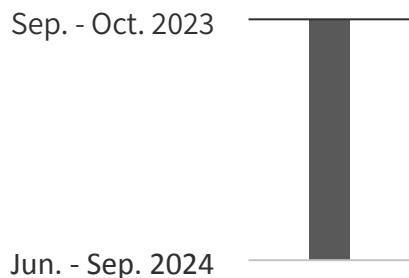
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Raising the required amount for funding the building purchase along with registration fees and additional costs for project initiation.

Completion of the fundraising round: September 15, 2023.

# The project

## SECOND PHASE



## Second Phase

- Leasing the commercial floor, followed by selling it
- Simultaneously, finalizing the plans and submitting them for approval

- A commercial floor spanning 164 sqm, situated at a corner location on car-free streets, featuring 2 restrooms and an option to design and open up the frontage. Suitable for a restaurant, bakery, or café.
- The commercial floor is leased at a price of €2,900 per month (advertisement already published, see on the right). The tenant will renovate the floor themselves and design it according to their preferences; rental income is expected to start a few months after leasing.
- Marketing the commercial floor for sale after a lease agreement is in place. Anticipated sale date: January 24.
- The proceeds from the sale of the commercial floor will fund the construction project.
- Simultaneously, finalizing the plans and submitting them for approval.
- Approval for residential construction within 8-12 months.

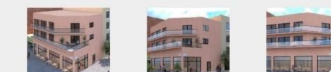
## RENT OR SALE OF GREAT PREMISES

ak-bcn

931 867 356

2

€550,000 - €2,900/month



PREMISES ON THE FIRST FLOOR AT STREET FOOT, WITH LARGE CORNER FA

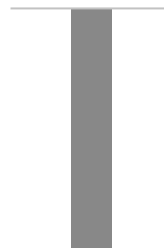
Ideal for cafeteria, bakery, snack bar, any

Chat

# The project

## THIRD PHASE

Jun. - Sep. 2024



Jun. - sep.  
2025

## Third Phase

- Upon Receiving the permit, construction work will commence
- Building an additional floor and renovating the first and second floors into a total of 4 apartments.

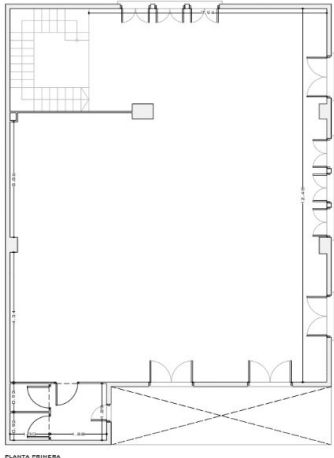
Works apartments + building		380,000.00 €
Promotion costs	3.0%	11,436.00 €
Insurance	0.8%	3,049.60 €
OCT	1.0%	3,812.00 €
Architect project	8.0%	30,000.00 €
License and tax	5.5%	20,900.00 €
Notary register, divisions, new build, etc	5.0%	19,060.00 €
Project Management (Sosa Investments)	10.0%	38,000.00 €
Unpredictable	5.0%	25,875.00 €
Extra retranqueo (low chance case)	20,000.00 €	
Vat works / Passive Vat 0% constructor	0.0%	
Vat technic	21.0%	14,280.00 €
<u>Direct costs, Bills, Alarm, Accountant, Security 24 months</u>		<u>12,000.00 €</u>
<b>Total Build Project</b>		<b>558,412.60 €</b>

- Total construction project cost:  
**€558,412**
- Construction duration: 9-12 months
- Construction funding from the sale of the commercial floor



# The project

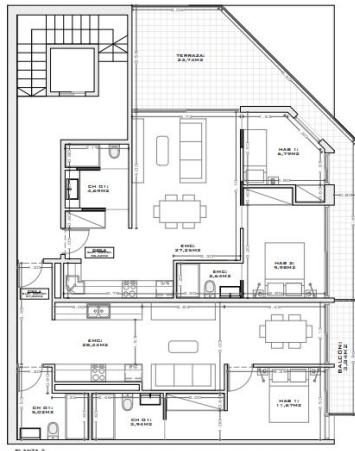
## Distribution



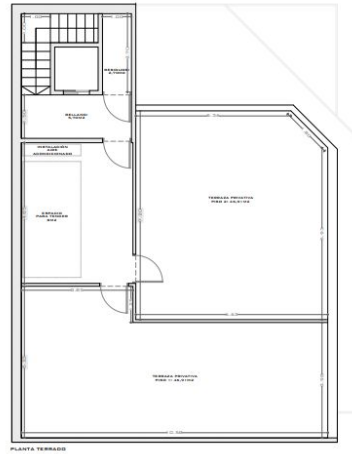
GROUND FLOOR



FIRST FLOOR



SECOND FLOOR



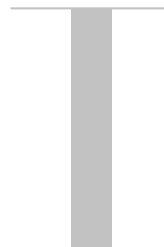
ROOF

- A commercial floor spanning 164 sqm will be renovated and designed by the tenant.
- The first and second floors will be converted into 4 residential apartments.
- First Floor:
  - Apartment of 66 sqm + 17 sqm balcony
  - Apartment of 54 sqm + 43 sqm private rooftop
- Second Floor:
  - Apartment of 54 sqm + 21 sqm balcony
  - Apartment of 54 sqm + 43 sqm private rooftop
- An elevator will be installed.

# The project

## FOURTH PHASE

Jun. - sep.  
2025



### Fourth Phase

- Selling the flats and sharing the profit.

	Build M2	Terrace/Roof	B.R	Bath	M2 w, price	Total works	Sale price for M2	Total sale	Lowest Price Sale
Retail floor	164				160.00 €	26,240.00 €	2,900.00 €	535,000.00 €	481,500.00 €
1 <sup>a</sup> -1 <sup>a</sup>	66	17	2	2	1,170.00 €	77,220.00 €	4,100.00 €	305,450.00 €	274,905.00 €
1 <sup>a</sup> -2 <sup>a</sup>	54	43	1	1	1,170.00 €	63,180.00 €	4,000.00 €	302,000.00 €	271,800.00 €
2 <sup>a</sup> -1 <sup>a</sup>	54	21	2	2	1,320.00 €	71,280.00 €	4,100.00 €	250,100.00 €	225,090.00 €
2 <sup>a</sup> -2 <sup>a</sup>	54	43	1	1	1,320.00 €	71,280.00 €	4,000.00 €	273,333.33 €	246,000.00 €
Communal spaces	40				1,800.00 €	72,000.00 €			0.00 €
<b>Total</b>	<b>432</b>	<b>43</b>				<b>381,200.00 €</b>		<b>1,665,883.33 €</b>	<b>1,499,295.00 €</b>
Agent Cost (4.48%)								74,631.57	67,168.42
Total After Agent Cost								1,591,251.76 €	1,499,294.96 €
<b>Net Profit project</b>								<b>515,339.16 €</b>	<b>423,382.36 €</b>
<b>Yield Project</b>								<b>47.9%</b>	<b>39.4%</b>
<b>Net Profit on cash</b>								<b>1,053,501.76 €</b>	<b>961,544.96 €</b>
<b>Yield on cash</b>								<b>97.92%</b>	<b>79%</b>

**Return (Yield) on the capital raised:**

**79% - 97.92%**

**Return (Yield) on project cost:**

**39.4% - 47.9%**

# The project

## Business Keys

- **TOTAL PROJECT COST:** 1,075,912 € (Building + Construction Project)
- **BUILDING COST:** 517,000 €
- **FIRST ROUND RECRUITMENT:** 538,000 € (The promoter invests 40,000 €)
- **RETAIL FLOOR PRICE( will fund the construction project):** 525,000 €
- **CONSTRUCTION PHASE COST:** 558,412 €
- **SECOND ROUND RECRUITMENT (Depends on the development of the project):** 50,000 €
- **RETURN ON PROJECT COST:** 39.4% - 47.9%
- **RETURN ON INVESTMENT:** 79% - 97.2%

**Project Duration:** 1.5-2 years

**Receiving Permits:** 8-12 Months

**Construction Phase:** 9-12 Months

### INVESTMENT MODEL Waterfall

- First Yearly 15% (IRR) - will be given to the investor
- Full catchup to 15% yearly - will be given to the promoter
- Extra IRR will be given 30/70 - 70 to the investor and 30 to the promoter

# The project

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# Market Research

## Flats for sale in the Santa Aulalia Market Area



**Aprestadora 81**  
New Build

M2: 73 Cons. (62 Util)

Price: 305,000€

Price per M2: : 4122€

Ter: Yes, Small  
BR: 2  
Bath: 1

Link:  
<https://www.idealista.com/inmueble/101990246/>



**Aprestadora 81**  
New Build

M2: 74 Const

Price: € 224,000

Price per M2: : 3270€

Ter: no  
BR: 1  
Bath: 1

Link:  
<https://www.idealista.com/obra-nueva-inmueble/97321469/inmueble/93250244/>



**Aprestador 90**  
New Build

M2: 82 Const

Price: 365,000 €

Price per M2: : 4451€

Ter: Yes, Big  
BR: 3  
Bath: 2

Link:  
<https://www.idealista.com/obra-nueva-inmueble/93041940/inmueble/91639812/>



**AV santa Eulalia 129**  
New Build

M2: 86 const

Price: 355,000 €

Price per M2: : 4128€

Ter: Balcon only  
BR: 3  
Bath: 2

Link:  
<https://www.idealista.com/obra-nueva/97497773/inmueble/97518035/>



**Narceis Monturiol 96**  
New Build

M2: 102 Const

Price: 428,000 €

Price per M2: : 4196€

Ter: yes, big  
BR: 3  
Bath: 2

Link:  
<https://www.idealista.com/obra-nueva/98477154/inmueble/100504065/>



**Aprestadora 81**  
New Build

M2: 71 Const

Price: 360,000€

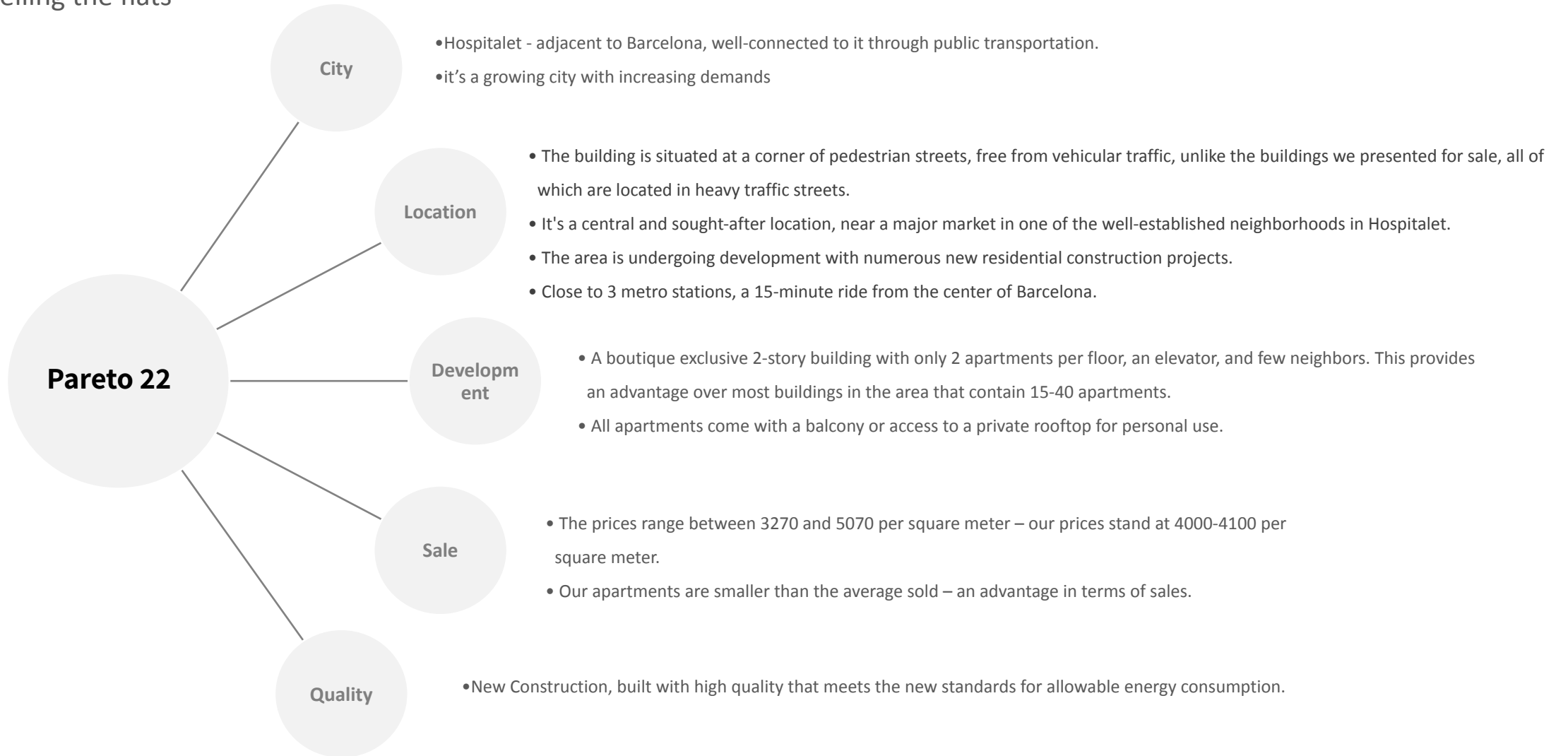
Price per M2 : 5070€

Ter: yes, big  
BR: 2  
Bath: 2

Link:  
<https://www.idealista.com/inmueble/97321469/>

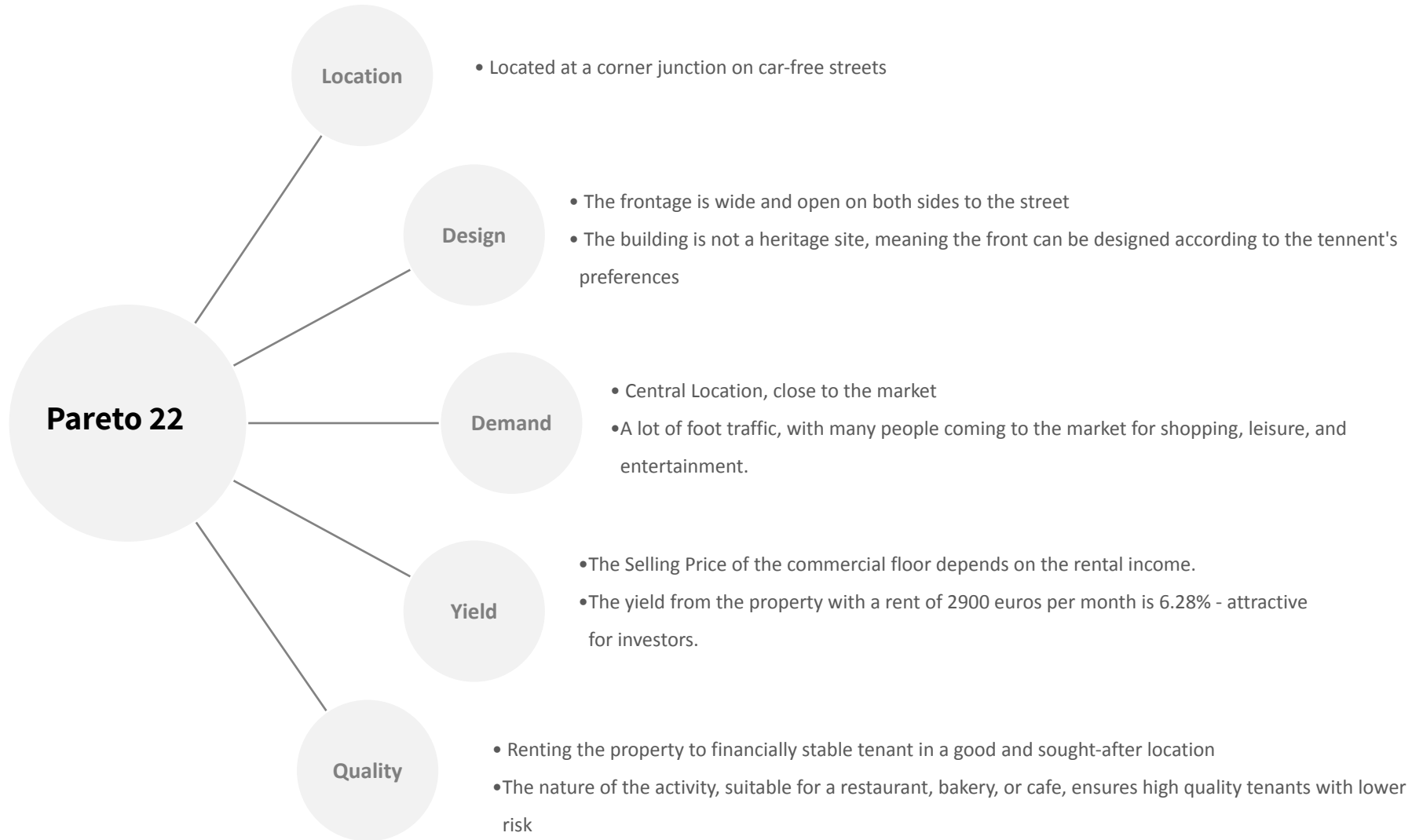
# Successful Project Keys

## Selling the flats



# Successful Project Keys

## Renting/Selling the Commercial Floor



### **Pareto** Retail for Rent

M2: 220  
Price: 4,900€ Per Month

Price M2: : 22.27€

Front: 5 M2  
Toilet: 2

Link:  
<https://www.idealista.com/inmueble/99331189>

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# Risk and Risk Management

No sale of the commercial floor

Unlikely, in case the commercial floor is not leased, or leased but not sold, it is the responsibility of the entrepreneur to apply for a mortgage that covers the project's costs or to conduct another round of fundraising.

Difficulties with renting/selling the commercial floor

Selling the commercial floor for less than 525,000 euros will require an additional fundraising or a mortgage application to cover the remaining project balance - with the responsibility lying with the entrepreneur.

Project cost exceeds the original plan

Under the responsibility of the entrepreneur - additional fundraising of funds, or infusion of funds from the entrepreneur.

Project duration exceeds original plan

12 months to obtain approvals - a conservative timeframe. Investors are protected through the use of profit waterfall investment model.

City hall demands correction of the corner of the building

This will entail additional expenses of 20,000 euros. These were taken into account in the expenditure planning.

Difficulties with selling the flats

Unlikely, the price in the business plan is 10% below the market price.



# Contact information



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