

INFORMATION SHEET

DEVELOPMENT AND OPERATION OF GUEST HOUSE

1. SCOPE OF WORK

Housing Development Corporation (Lessor) is seeking interest parties for the Development and Operation of Guest Houses in Urban Isle. The selected party (Lessee) will be responsible for the design, development and operation of the land for the duration of the lease term.

2. LEASE RATE

- 2.1 The lease rate per square feet per month for the first five years will be the proposed lease rate of the successful Proponent.
- 2.2 The minimum acceptable lease rate per square feet per month is USD 1.00 (One Dollar) for the first 5 (Five) years.
- 2.3 The lease rate will be revised after the first five years based on market inflation $P(1+i+15\%)$ where; P = monthly lease rate for the preceding year and i= cumulative inflation for the five years which will be real estate inflation for the Male' area in the MMA statistics reports.
- 2.4 The lease rate proposed for each following year shall be equal or higher than the previous year's rental rate. Proposed lease rate which is less than the said minimum acceptable lease rate shall be disqualified.

3. ACQUISITION FEE

- 3.1 The minimum acceptable Acquisition Fee per square feet is USD 15.00 (Fifteen Dollars)
- 3.2 The Acquisition Fee proposed less than the said minimum acceptable Acquisition Fee shall be disqualified.

4. LAND DETAILS

| Lot Number | Plot Number | Plot Area (Sqft) |
|------------|-------------|------------------|
| 21732 | GH-01 | 6,965.97 |
| 21733 | GH-02 | 5,050.21 |
| 21734 | GH-03 | 4,851.72 |
| 21735 | GH-04 | 5,319.63 |
| 21736 | GH-05 | 5,414.46 |
| 21737 | GH-06 | 4,304.27 |
| 21738 | GH-07 | 4,960.33 |
| 21739 | GH-08 | 4,668.09 |
| 21740 | GH-09 | 4,685.53 |
| 21741 | GH-10 | 4,077.37 |
| 21742 | GH-11 | 4,246.04 |
| 21743 | GH-12 | 3,807.94 |
| 21744 | GH-13 | 3,801.38 |
| 21745 | GH-14 | 4,074.78 |
| 21746 | GH-15 | 4,521.27 |

5. EVALUATION CRITERIA

Proposals will be evaluated based on the following criteria and points will allocated as below:

| Criteria | Allocated % |
|---------------------------------------|-------------|
| a) Lease Rate and Acquisition Fee | 50% |
| b) Financial Stability and Capability | 30% |
| c) Business Plan | 20% |
| Total | 100% |

5.1 Lease Rate and Acquisition Fee – 50%

- 5.1.1 The Lease Rate and Acquisition Fee will be evaluated using the Net Present Value of the proposed Lease Rate and Acquisition Fee by the Proponent for the first five years after the grace period.
- 5.1.2 Proponents with the highest acceptable NPV and Acquisition Fee will be given the maximum score for the Lease rate and Acquisition Fee, whereby points shall be given as prorated for other Proponents.
- 5.1.3 NPV will be calculated as per the following formula with a discount rate of 10%

$$\sum_{0}^{n} \frac{I}{(1+r)^n}$$

n= number of years

I = rent proposed per month for each year starting from first year

r= discount rate (10%)

5.2 Financial Stability and Capability – 30%

- 5.2.1 Equity comparison against investment value – Maximum allocated 50 points
- Greater than 30% - 50 points
 - Greater than 20% and less than 30% - 35 points
 - Less than 20% - 0 points
- 5.2.2 Gearing with and without project financing – Maximum allocated 50 points
- Less than 25% - 50 points
 - Greater than 25% and less than 50% - 30 points
 - Greater than 50% - 10 points

5.3 Business Plan – 20%

The proponent shall submit a business plan including:

- 5.3.1 Operational Plan – 35 points
- The project management team structure
 - Human Resource Plan (maximum score will be given, if local staff ratio is greater than 45%)
 - Management and operational details of guesthouse
- 5.3.2 Maintenance / Facilities Management Plan – 35 points
- Proposed maintenance/facilities management structure
- 5.3.3 Marketing Plan -20 points
- Product strategy including target market
 - Pricing strategies
 - Promotional Strategies
- 5.3.4 Financial Plan – 10 points
- Financial forecast