

A tropical beach scene with a woman in a yellow dress in the foreground, palm trees, and a blue sky.

The Lotoalofa Resort Project

Living in paradise the Samoan way

Destination Samoa / Resort Site / Project / Environment / Market / Financial / The Team

Executive Summary



The South Pacific is certainly one of the very few Paradises left in the world and among all the South Pacific Islands, Samoa is one of the most beautiful with its untouched nature, strong living culture and safe environment with no dangerous animals and sea life.

After 15 years of experience in operating and building resorts on the island, one simple secret has been the key to a huge success. Simply showing and teaching every aspect of the unique culture and the way life is lived every day.

Investment benefits are great in Samoa, not only because the government favors the tourism industry with tax holidays, also because of the very low minimum payment rate of US\$ 1.20 / hour and that English is widely spoken and understood.

The proposed resort site is exceptional in many ways with its fine white sand and no corals, reaching far out from the beachside. A large reef, building a quite lagoon, safe for swimming at all time, protects the site. The not yet surveyed land stretches 5 km inland, through a tropical forest, before reaching the main road. The size of the land will therefore depend on the requirements. The land can be leased for 30 years with an option to extend another 30 years.

This unique 4 star resort can be reached in about 45 minutes from the international airport or the capital city Apia. The resort will provide 30 bungalows (including over water bungalows) in various categories, all luxuriously equipped and made in traditional Samoan style. A budget living area will also be available with 20 traditional Fales (huts). A seafront tree restaurant will be built in one of the large banyan trees on the land. The site will also include a SPA, fitness, diving facilities a cultural experience center and much more.

The resort will focus on giving the guests a genuine Samoan experience in totally natural surroundings, showing and teaching the Samoan skills in handicrafts, herbal medicine, dancing plus offering local cuisine.

Obviously we care about the environment and will therefore take use of solar power and efficient wastewater treatment. We will grow organic fruits and vegetables on our own plantations.

Samoa is in a strong growing phase when it comes to tourism and currently we receive about 60.000 real tourists / year into the country. This is predicted to grow quickly with the new upgrade of the international airport and new flights from China. The current main markets are New Zealand, Australia and the USA.

The main reason for coming to Samoa is romance & relaxation, weddings, culture, sports, local food and a unique Samoan Experience.

Our calculated total investments for the resort would be US\$ 9,465.000. The operating costs for the first year would be US\$ 1,018.630. The net profit over 5 years will be US\$ 10,884.174 with lots of scope to increase rates over time.

There is always a small risk for natural disasters on all South Pacific islands. During the last 100 years we have had 10 major events of natural disasters in Samoa, mainly hurricanes and one tsunami. All resort buildings will be insured against hurricanes, earthquakes, fire and tsunamis.

The Team: We have assembled a local experienced team to manage and operate the resort.



Experience a unique culture...



Samoa is all about family... Welcome home!



Endless horizon...



Irresistible turquoise water



Stunning waterfalls...



Samoan taxi service



Beach & fun...



Untouched nature with no dangerous animals and sea life.



Romance...



Authentic experience...



Relearning the forgotten skills...



Pure bliss...



Strong Christianity



Stable democracy and no ethnical tension

Samoa The Destination



Samoa is considered the heart of Polynesia. It has a 3000 year-old way of life called Fa'a Samoa that underpins a memorable visitor experience.

Samoa is a postcard of natural beauty consisting of ten islands, each offering very distinct and different environments to explore. Blessed with stunning land and seascapes, and friendly people who are proud of their country, there are many versions of paradise for you to discover.



Beautiful and green...



Mountains up to about 1000 meter (3300 ft)...



Plenty of waterfalls and natural beauty...

People & Economy



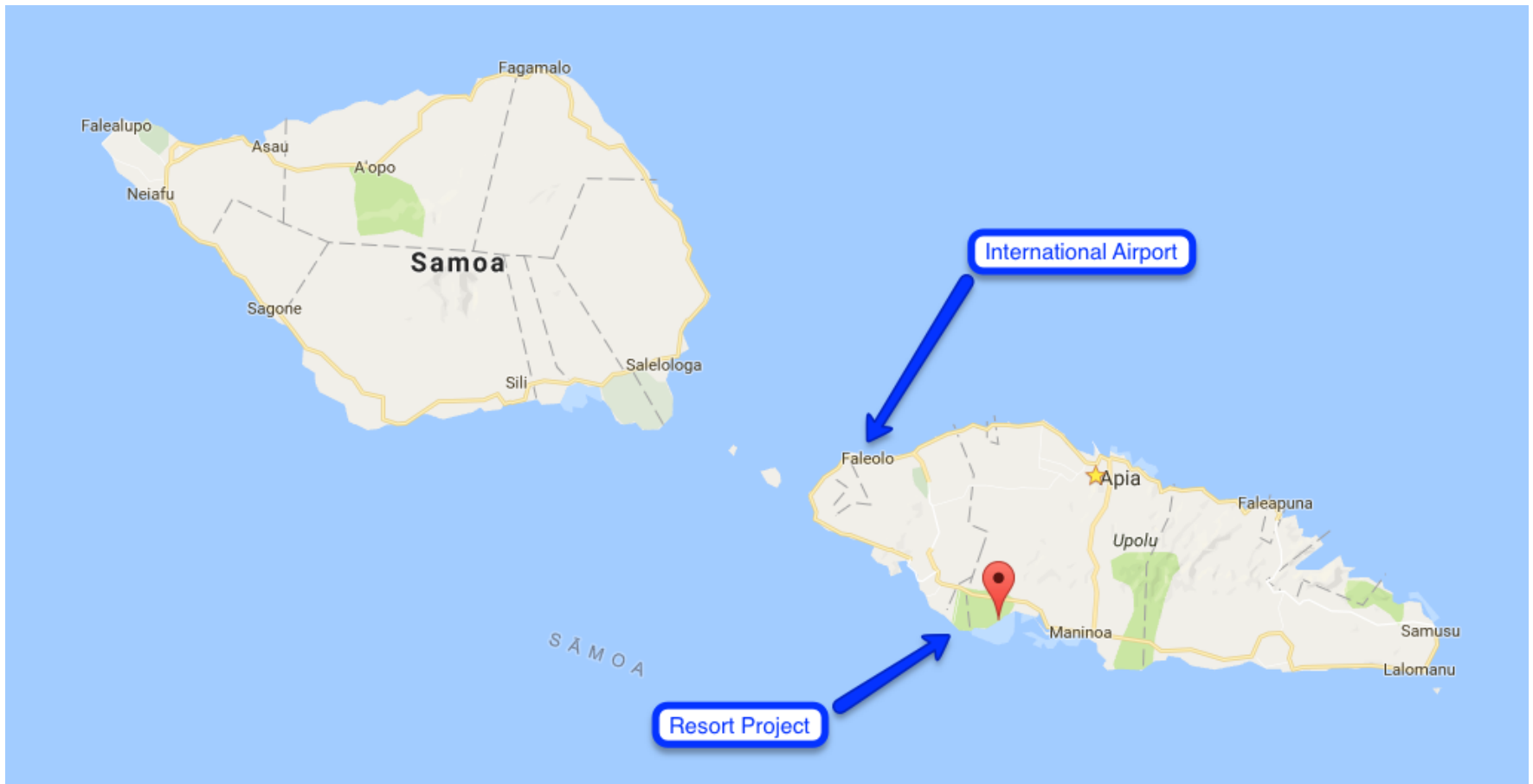
- The government favors the tourism industry which is the main revenue earner in Samoa.
- Low hourly minimum payment rate, 3 Tala (about US\$ 1.20).
- Average yearly income, 10.000 Tala (about US\$ 4000)
- English is the second language and widely spoken and understood.
- Low tax rate (29%) with tax holidays available.
- Total Samoan population 2017 is about 194.000.

The Resort Site



The site is located in the village Saanapu. Although a part of the village, the site is very secluded, 5 km off the main road with a large forest in between. The area is untouched by any development and the nearest neighbor, the former Virgin Cove Resort, is close by but not yet developed.

The beach has lately been used for the famous “Survivor” program filmed by both a US and Australian team. These film teams have already been building a simple access road through the tropical forest.



The site is about 45 min drive from the international airport, which is great compared to most resort developments, located on the south east-coast with 1.5 hours drive to the airport. The roads are good and you can easily reach the capital Apia in 45 – 50 minutes.

The last 5 km before arriving to the resort site, goes through a tropical forest, which will add to the feeling of being on a secluded and remote piece of paradise...



The land is customary land, belonging to a family in the village whom we have ongoing negotiations with. The customary land cannot be sold, only leased for 30 years plus an option to extend the lease for another 30 years.

The land stretch from the beach the whole way up to the main road, about 5 km inland. Any suitable part of the land can be leased for the resort project. The land still needs to be properly surveyed.

We have a very personal relationship with the landowner after living in the village, developing Virgin Cove Resort for 5 years time. The owner family and the village are still waiting for us to use the land.



This beach area is unlike any other beach in Samoa, with its fine white sand, no corals and totally safe for families and children to swim any time of the day. The main reef is far away, providing a quite and protected lagoon. There are no dangerous animals or fishes. The water temperature is 28 C or 82 F.

The nature is untouched with an abundance of coconut trees and big, many 100 years old banyan trees. One large banyan tree is located close to the seafont, allowing for an extraordinary tree restaurant.



A fresh water pool is available in the forest that could provide all the water for a future resort



This is the view you will have when you wake up in the morning...

The Project



The resort will be in the **4 star category** with 26 bungalows on the beach and at least 4 over-water fales. All bungalows will be built in Samoan traditional design, harmoniously blending into the natural environment. Although Samoan in flair and feeling, each bungalow (fale) will be luxuriously styled with all comfort, using natural building materials. We will also provide 20 Fales (huts) for budget travellers wanting to have a real Samoan experience.

Front office and administration buildings will be in the back where people naturally arrive to the resort. A unique tree restaurant with amazing ocean view forms the central point of the resort.



Simple natural and beautiful bungalow (fale) design



Standard Sea view bungalow with thatched roof



In harmony with nature and the
Samoan culture



Beachfront & Over-water Fales





Amazing candle-light tree restaurant in one of the large banyan trees.

We will serve delicious and healthy food directly from the sea or our own plantation.



How We Are Different



This is all about a unique Samoan cultural Experience

The key to success is very simple... **Don't give people what they have at home.** Still, this is what most resorts are doing to please their guests.

We want to give our guests a unique Samoan cultural experience that deeply touches their hearts, something authentic and genuine that they will never forget.

We will show you how we cook...



Scraping coconuts for the coconut cream



Making the Sunday UMU



All naturally grown in our own garden or at the resort plantation.



Let's go to the plantation to get our food for dinner



Food is everything in Samoa. We love to grow our own vegetables, fruits, taro, breadfruits and more. We use our coconuts to make coconut cream, which is mixed with taro leaves, onions and salt. After baking it for about 45 minutes in our UMU you have the most beautifully tasting "Palusami". People are coming to Samoa just for this one. Let us teach you how to make it...

Experience the old Samoan tradition...



Ava (Kava) ceremony



Drink from our home made coconut cups, also sold in our shop.

Cultural performance in natural surroundings...



Daily cultural tours and nature walks...



Daily tours showing how to weave baskets, hats and mats. How to make herbal medicine from native plants. Climbing a coconut tree, how to open a coconut and much more will be a part of your every day resort experience.

Cultural center to learn about our history...



Every important meeting starts with an AVA Ceremony... Then, we will tell you the stories and legends about Samoa...



Let's go fishing the Samoan way...



Go fishing with our boys in a Samoan outrigger canoe. Get the small fish inside the lagoon or the big fish outside the reef.



Living the traditional way...



Try living the traditional Samoan way... A simple Fale (hut) with thatched roof and woven coconut leaf blinds as walls. The bed is on the floor under a mosquito net. This is a natural experience you will never forget.

Wedding in mother nature...



This is also part of what we are doing...



Yoga



Sunbathing



Spa Treatment



Snorkeling & Diving

Before Leaving the Resort...

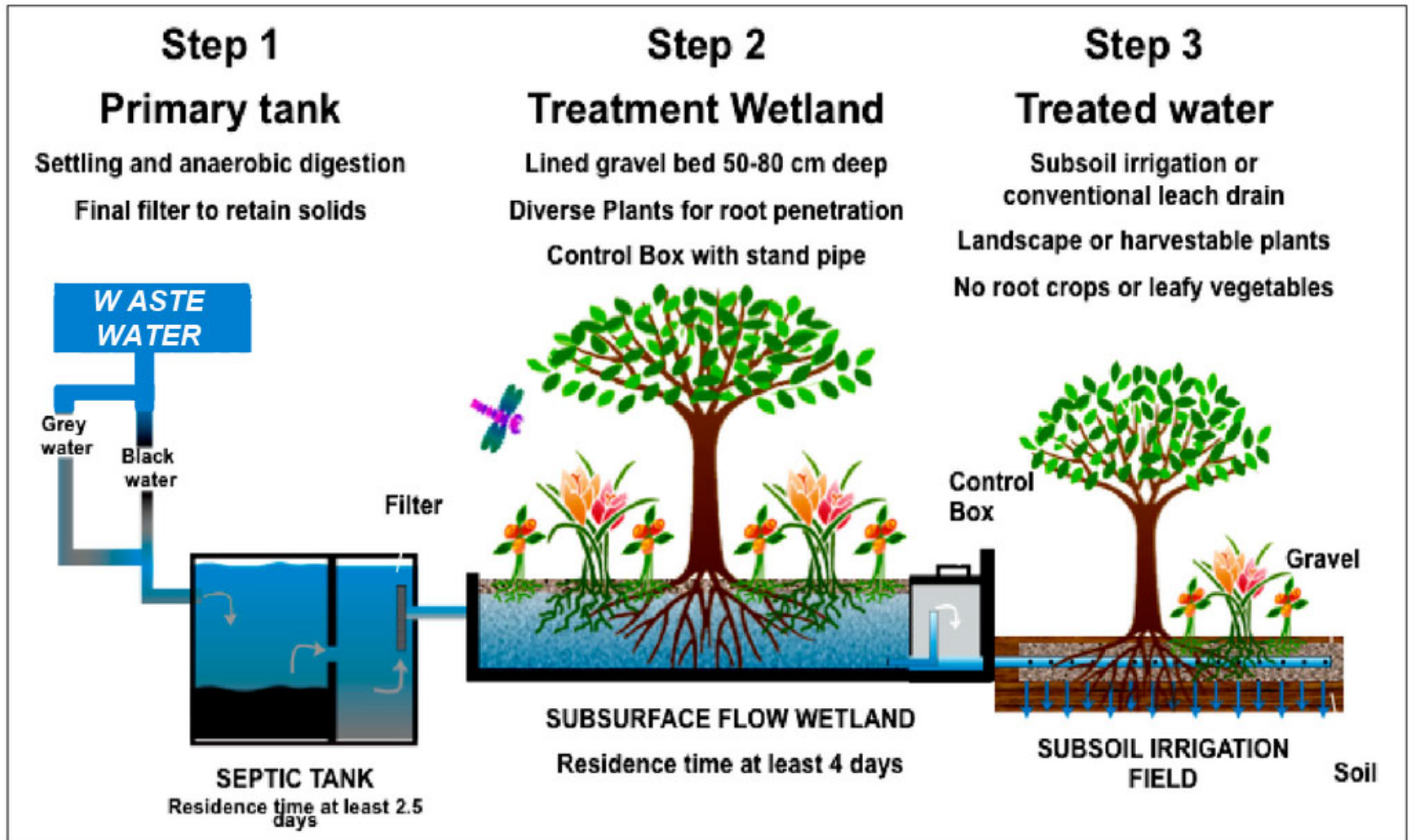


We want you to fly... feeling amazing, filled with peace, love, happiness and good energy.

The Environment



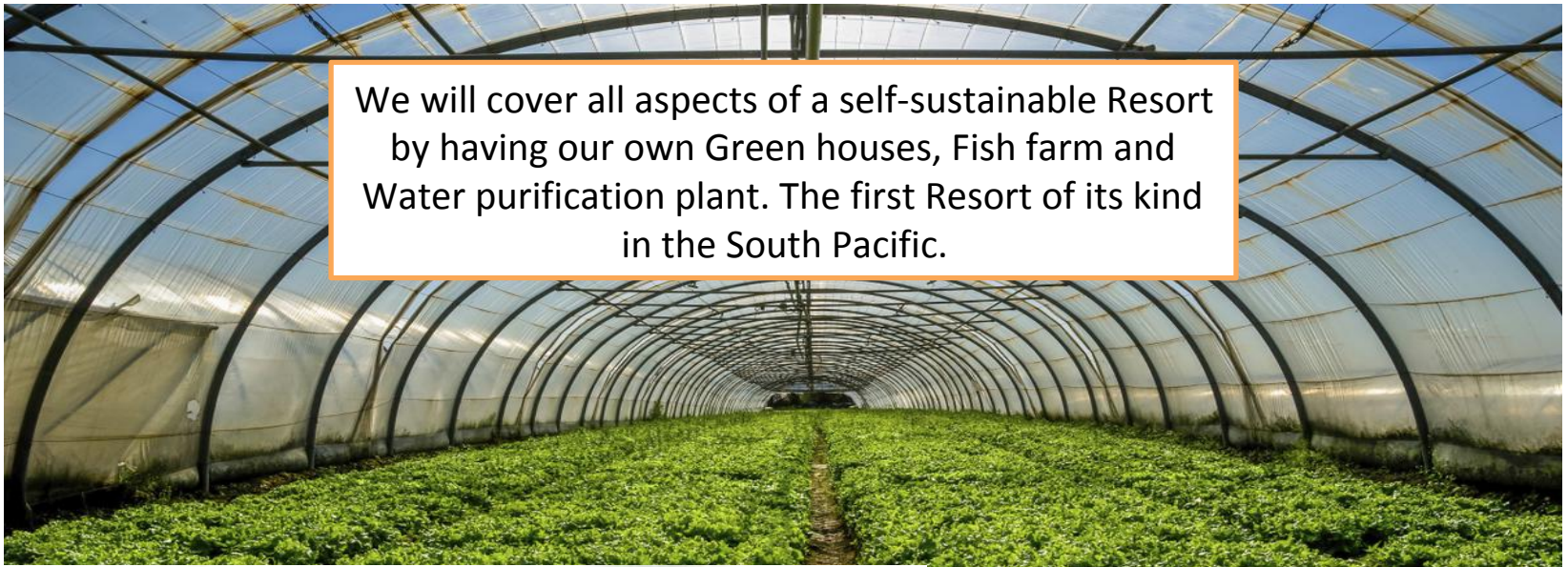
The resort will generate its own power and hot-water supply using the latest solar technology.



The resort will have its own waste water treatment plant furthering the growth of a beautiful garden.

Green House - Fish Farm - Drinking Water Purifying

We will cover all aspects of a self-sustainable Resort by having our own Green houses, Fish farm and Water purification plant. The first Resort of its kind in the South Pacific.



The Market





Samoa has a brand new upgraded airport, allowing for future expansion and a large number of arrivals.
Currently Samoa has direct flights from:

- **Australia** - from Sydney and Brisbane
- **New Zealand** - from Auckland
- **USA** - from Honolulu
- **American Samoa**
- **Fiji** - from Nadi

Direct Flights from China will begin in 2019.

Statistics

Samoa has currently about 170.000 visitors per year (60.000 are tourists)

Samoa Bureau of Statistics

Fig. 4: Total Visitors, by Country of Usual Residence

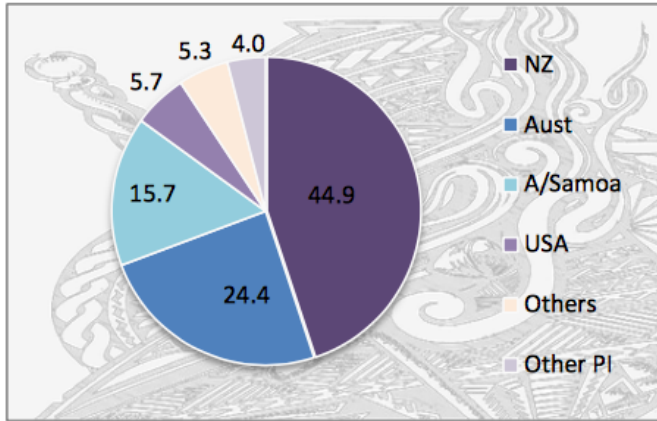


Fig. 6: Total Visitors, by Purpose of Visit

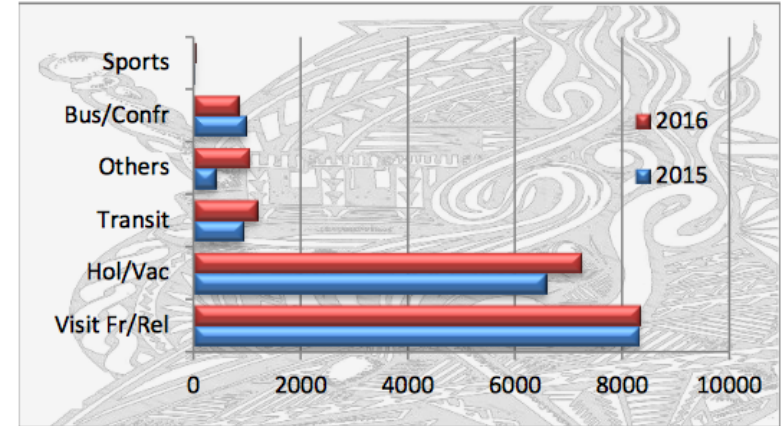


Fig. 8: Total Visitors by Duration of Stay

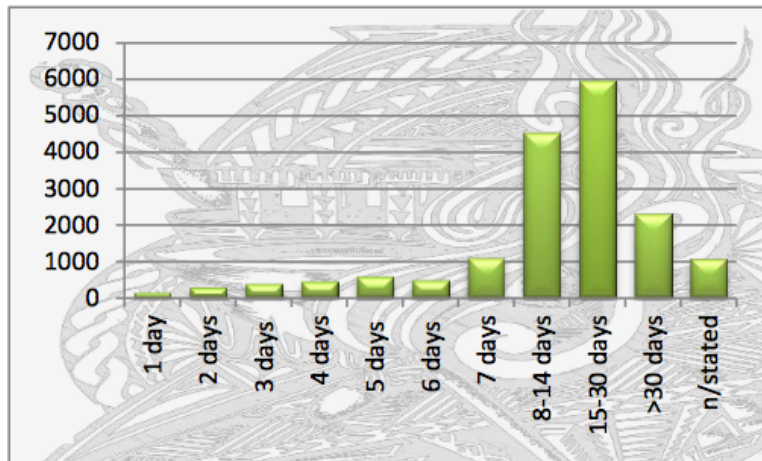
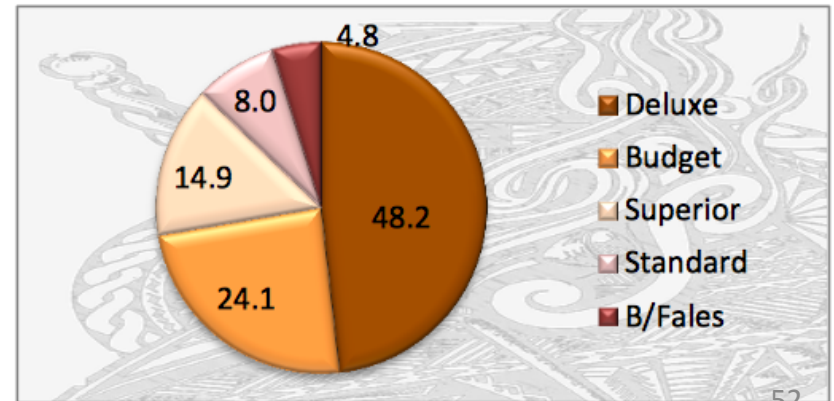


Fig. 10: Visitors Staying in Hotels/ Motels by Type of Accommodation



Main reasons for visiting Samoa...



Romance & Relaxation



Weddings



Water Sports



Sports



Culture



Local Food

Risk Factors



A report from the **Small Island Developing States (SIDS)** shows that during the last 100 years we have had 10 major events of natural disasters in Samoa, mainly hurricanes and one tsunami.

All resort buildings will be insured against hurricanes, earthquakes, fire and tsunamis.

The raising of the sea level is affecting the costal areas and this must be taken into consideration when planning a new beach resort. Correct building materials, withstanding strong winds and rainfall must be chosen when planning the resort. Today synthetic thatched roofing materials, durable enough to survive a hurricane are available.

Samoa has s stable democracy and no ethnical tension, providing a safe place for investments and new developments. Samoa is still very much in the beginning of a profitable future in tourism.

The Finances

Project Development Cost				Year 0
SITE				
		Three years Land Lease up-front	USD	75,000
		Infrastructure, Access Road	USD	500,000
		Walkways, Bridges, Plantation Development	USD	500,000
		Waste Water Treatment Plant	USD	250,000
		Drinking Water Purification Plant	USD	200,000
		Solar Power System	USD	500,000
		Total Land Development Cost	USD	2,025,000
RESIDENTIAL AREA DEVELOPMENT				
		20 Standard Bungalows	USD	1,200,000
		6 Superior Bungalows	USD	500,000
		4 Over-Water Bungalows	USD	400,000
		20 Budget Traditional Units	USD	200,000
		Total Residential Development	USD	2,300,000
HOTEL DEVELOPMENT				
Hard Costs:		Building of Main Tree Restaurant, Bar, Office, Laundry	USD	1,400,000
		Main Tree Restaurant, Bar, Laundry Equipment	USD	400,000
		2 Traditional Beach / Forest Lunch-Restaurants plus equipment	USD	640,000
		Reservation & Accounting Software Plus Computers	USD	40,000
		Contingencies	USD	100,000
		Total Hard Costs	USD	2,580,000
Construction Soft Cost:		Architectural, Engineering, Legal fees	USD	240,000
		Total Soft Cost	USD	240,000



AMENITIES				
	Building of Spa, Fitness, Pool, Shop, Conference Center		USD	880,000
	Equipment Cost		USD	240,000
	Speed Boat, Canoes, Dive Equipm		USD	300,000
	Building of Cultural, Historical and Art Center		USD	500,000
	Building of green-house with all gardening equipment		USD	100,000
	Building our own fish-farm to sustain our resort needs.		USD	200,000
	Chicken and Pig farm sustaining our Resort food needs.		USD	100,000
	Total Amenity Costs		USD	2,320,000
TOTAL RESORT INVESTMENT				
	Initial Capital Investments		USD	9,465,000
RESORT OPERATING COST YEAR 1				
	Resort Operating Cost Year 1		USD	772,880
	Food & Beverage Cost of Sales Year 1		USD	245,750
TOTAL RESORT INVESTMENT INCLUDING OPERATING COSTS YEAR 1				
	Total Capital Investments		USD	10,483,630

Detailed monthly revenue calculation for the first year is available on a Microsoft Excel sheet

Accommodation Revenue Summary			Year 1
Average Room Occupancy Year 1		Occupancy 50%	
Standard Bungalow (20)			
	20 Bungalows. Average Rate USD 202.00		
	TOTAL Revenue	USD	747,910
Superior Bungalow (6)			
	6 Bungalows. Average Rate USD 284.00		
	TOTAL Revenue	USD	316,890
Over-Water Bungalow (4)			
	4 Bungalows. Average Rate USD 421.00		
	TOTAL Revenue	USD	310,965
Budget Traditional Units (20)			
	20 Budget Units. Average Rate USD 61.00		
	TOTAL Revenue	USD	444,602
Other Accommodation Related Income			
	Phone & Internet, Activity Desk, Venue Hire, Transferes, Retail from Boutique		
	TOTAL Revenue	USD	40,000
	Total Accommodation Revenue	USD	1,860,367

Food & Beverage, Spa, Watersport Revenue				Year 1
FOOD & BEVERAGE				
		Food & Beverage Revenue (30% of room revenue)	USD	546,110
		Total Food & Beverage Revenue	USD	546,110
F&B COST OF SALES				
		Cost of Sales (45% of total F&B revenue)	USD	245,750
		Total Cost of Sales	USD	245,750
SPA & WATERSPORT REVENUE				
		Spa & Watersport Revenue (10% of room revenue)	USD	182,037
		Total Spa & Watersport Revenue	USD	182,037
TOTAL F&B, SPA, WATERSPORT REVENUE				
		Food & Beverage Revenue minus Cost of Sales	USD	300,360
		Spa, Watersport Revenue	USD	182,037
		Total F&B, Spa, Watersport Revenue	USD	482,397

Resort Operating Costs			Year 1
STAFF			
	10 Upper and Lower Management	USD	275,000
	30 General Staff Members	USD	175,000
	Total Staff Cost	USD	450,000
MARKETING			
	Marketing Expenses	USD	80,000
	Total Marketing Expenses	USD	80,000
RESORT INDIRECT			
	Cleaning, Guests Ameneties, Laundry, Rubbish Removal, Uniforms etc	USD	60,000
	Total Indirect Expenses	USD	60,000
ADMINISTRATION			
	Commissions, Decorations, Flowers, Health, Phones, Training, Stationeries, Electricity, Fuel	USD	70,000
	Total Administration Expenses	USD	70,000
VEHICLES			
	1 Resort Van, 2 Office Cars	USD	56,000
	3 Rental Cars, 10 Scooters	USD	40,000
	Total Vehicle Expenses	USD	96,000
REPAIR & MAINTENANCE			
	Repair and Maintenance, Replacements	USD	10,000
	Total Repair & Maintenance Expenses	USD	10,000
OVERHEAD EXPENSES			
	Building Insurance (0.4% of Revenue), Audit Cost	USD	6,880
	Total Operating Cost	USD	772,880

5 Years Operating Forecast

Resort Revenue				Year 1	Year 2	Year 3	Year 4	Year 5
ACCOMMODATION REVENUE				50% at Usd 238	60% at Usd 238	60% at Usd 262	65% at Usd 262	70% at Usd 307
	Total Accommodation Revenue		USD	1,820,367	2,548,514	2,752,395	3,027,634	3,542,333
FOOD & BEVERAGE REVENUE								
	Total Food & Beverage Revenue - COS		USD	300,361	420,505	454,145	499,560	584,485
SPA & WATERSPORT REVENUE								
	Total Spa & Watersport Revenue		USD	182,037	254,851	275,240	302,763	354,233
TOTAL RESORT REVENUE								
	TOTAL REVENUE		USD	2,302,764	3,223,870	3,481,780	3,829,957	4,481,051



Resort Operating Expenses				Year 1	Year 2	Year 3	Year 4	Year 5
STAFF								
		Total Staff Cost	USD	450,000	465,000	482,000	525,000	525,000
MARKETING								
		Total Marketing Expenses	USD	80,000	80,000	82,000	89,000	104,000
RESORT INDIRECT								
		Total Indirect Expenses	USD	60,000	74,500	74,500	80,800	87,000
ADMINISTRATION								
		Total Administration Expenses	USD	70,000	119,780	129,363	142,299	166,490
VEHICLES								
		Total Vehicle Expenses	USD	96,000	51,000	51,000	58,000	58,000
REPAIR & MAINTENANCE								
		Total Repair & Maintenance Expenses	USD	10,000	50,970	55,048	60,553	70,847
OVERHEAD EXPENSES								
		Total Overhead Expenses	USD	6,880	13,194	14,010	15,111	17,169
		TOTAL EXPENSES	USD	772,880	854,444	887,920	970,762	1,028,506
Profit				Year 1	Year 2	Year 3	Year 4	Year 5
		TOTAL GROSS PROFIT	USD	1,529,884	2,369,426	2,593,860	2,859,195	3,452,546
		GST Payable	USD	229,483	355,414	389,079	428,879	517,882
		TOTAL NET PROFIT	USD	1,300,402	2,014,012	2,204,781	2,430,316	2,934,664
		Net Profit in %		56%	62%	63%	63%	65%
		NET PROFIT OVER 5 YEARS		10,884,174				

Resort Investment Phases

Capital Investments Phase 1. (Year 1 and 2)

Three years land lease	75,000
Infrastructure, Access road	500,000
Walkways, bridges, Plantations	500,000
Waste Water Treatment plant	250,000
Drinking water purification plant	200,000
Solar Power System	500,000
20 Standard Bungalows	1,200,000
20 Budget Traditional units	200,000
Tree Restaurant, Bar, Office, Restaurant	1,400,000
Restaurant, Bar, Laundry equipment	400,000
1 Lunch Restaurant & equipment	320,000
Reservation, Accounting Software, Computers	40,000
Contingencies	100,000
Architectural, Engineering, Legal Fees	240,000
Speed Boat, Canoes, Diving equipment	300,000
Green-House with equipment	<u>100,000</u>
	6,325,000
Resort Operating Costs Year 1	772,880
Food & Beverage Cost of Sales Year 1	<u>245,750</u>
	1,018,630

Resort Investment Phases

Capital Investments Phase 2. (Year 3 and 4)

6 Superior Bungalows	500,000
4 over-Water Fales	400,000
1 Lunch Restaurant	320,000
Spa, Fitness, Pool, Shop	480,000
Equipment costs	140,000
Chicken, Pig farm	<u>100,000</u>
	1,940,000

Capital Investments Phase 3. (Year 5)

Cultural, Historical, Art Center	500,000
Conference Center	400,000
Equipment costs	100,000
Building of Fish Farm	<u>200,000</u>
	1,200,000

The Team



Mats Loefkvist

Former general manager for major international hotels and resorts including of 6 new startups in Europe, USA and the South Pacific. Web designer and Internet marketing consultant, author, captain of large sailing yachts, and Lieutenant in the Swedish Navy.



Sia Loefkvist

Professional Polynesian dancer in Japan during 6 years. 15 years of managing resort staff and coordinating cultural activities. Mother of 6 kids.



Leon Tasi

Resort chef trained by New Zealand master chef, Kit Foe during 2 years. Restaurant chef in Apia with award winning menus. Specialized in fine dining...