Ground Lease Business Plan

Elbe Ground Land

DOCUMENT GUIDE

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Reading this business plan

Conditional investment review of a proposed Hamburg industrial landowner. No parcel tenant deed valuation or financing is secured. Financial analysis is grouped at the end.

Native heading driven contents are updated after financial integration. Update the entire table after editing.

01 / OVERVIEW

Executive summary

Scope and evidence

Defer the proposed Elbe Ground Land investment in its current financed form. Base 2027 collectible ground rent is €333,333, EBITDA €192,583 and net profit (€41,917). Minimum cash across 360 forecast months is (€1,404,474), with €1,604,474 extra uncommitted capital needed to retain the EUR 200,000 policy. First-year EBITDA debt coverage is 0.443 x against the proposed 1.25 x target.

Decision and controls

A proposed Hamburg GmbH would buy one industrial freehold and grant a commercial Erbbaurecht to a separately financed lessee. No property tenant deed valuation or financing is secured. Both Downside and Upside also run out of cash. No building income reversion gain sale refinancing or automatic rescue funds appear. The current acquisition leverage and rent need an independently evidenced viable redesign before commitment.

02 / BUSINESS

Business details

Scope and evidence

Elbe Ground Land is a working name for a proposed German GmbH. The intended investment area is Hamburg, with a shortlist of privately owned industrial parcels outside a presumed public lease allocation. No registered address, company number, managing director, shareholder list, bank account or VAT status has been confirmed. The forecast begins January 2027; proposed first rent is March 2027.

Decision and controls

Appoint the legal representative and establish the beneficial ownership, accounting and tax files before signing. Obtain a cadastral parcel and land register extract before describing an exact property. Communication details and professional appointments remain pending.

03 / STRATEGY

Business concept and objectives

Scope and evidence

The concept separates the acquisition of land from the capital required to develop an industrial building. One proposed 50-year commercial right would offer a manufacturer or logistics operator a stable land tenure arrangement while preserving the company's land interest. This is an investment and contract administration business, with no industrial production, storage operation or construction delivery by the lessor.

Decision and controls

Keep one parcel and one tenant. Base 2028 net profit €21,931 does not pay principal: debt amortization consumes EUR 200,000 annually for 20 years. A revised acquisition price rent equity or loan structure needs actual evidence and a new model. No second parcel or terminal sale offsets this case's funding gap.

04 / STRATEGY

Business model canvas

Scope and evidence

The customer is a single industrial occupier whose approved building use fits a verified Hamburg parcel. The offer is a registered long-term building right and a transparent rent review process. Revenue comes solely from ground rent. Resources are the nondepreciating land, cash liquidity, a paid owner manager and external legal, accounting and technical support.

Decision and controls

Key activities are transaction diligence, rent administration, lender reporting, tenant covenant review and land inspection. Partners include a notary, independent valuer, environmental engineer, tax adviser, insurer and prospective lender. Costs cover acquisition, paid management, gross advisory work, monitoring, insurance and land tax. Contact and negotiation channels are targeted introductions rather than high-volume retail sales.

Business model canvas

Partners Notary counsel engineer accountant insurer prospective lender	**Activities** Diligence rent administration covenant checks inspection	**Resources** Freehold land cash one paid owner manager
Value Registered industrial land tenure with explicit obligations	**Relationships** One documented commercial contract and review calendar	**Channels** Professional introductions and verified occupier contact
Segments Creditworthy industrial occupier or funded prelet vehicle	**Costs** Acquisition paid management gross advice monitoring debt	**Revenue** Collectible ground rent only no tenant building income

Proposed design. Customer demand financing suppliers and site permissions are unverified.

05 / STRATEGY

SWOT and longer term goals

Scope and evidence

S 1 is a deliberately narrow single-parcel scope with no lessor building development. S 2 is explicit rent, debt and monthly liquidity monitoring. W 1 is concentration in one lessee. W 2 is an unverified parcel and uncommitted capital. O 1 is an occupier preference to conserve building equity. T 1 is tenant default. T 2 is environmental liability and T 3 is a mismatch between rent indexing and carrying costs.

Decision and controls

Use years three to five to establish a documented collection history, maintain reserve cash and review tenant financial information. No expansion target is counted as forecast revenue. The lower-risk goal is acceptable debt coverage and evidence of an enforceable income stream, not a larger portfolio. Address concentration through tenant underwriting, security and liquidity rather than imagined diversification.

SWOT and longer term goals

Strengths S 1 S 2 Narrow scope and monthly liquidity visibility	**Weaknesses W 1 W 2** Single tenant and unverified site funding
Opportunity O 1 Occupier may conserve freehold purchase equity	**Threats T 1 T 2 T 3** Default soil duties and cost versus rent indexing

Proposed design. Customer demand financing suppliers and site permissions are unverified.

06 / STRATEGY

TOWS strategy matrix

Scope and evidence

S 1 with O 1 supports a simple commercial land proposal whose construction obligations remain with the lessee. S 2 with T 1 requires monthly cash review and early covenant escalation. W 1 with O 1 means choosing an occupier on audited credit and permitted use rather than accepting the first interested party. W 2 with T 2 means refusing acquisition until title, environment and funding are independently acceptable.

Decision and controls

The owner manager must defer commitment: Base reserve gap €1,604,474, Downside €5,514,214, Upside €751,100. Counsel technical and lender gates remain unresolved. Use verified investigations to replace commercial estimates; do not count a bigger land carrying value or supposed future building gain as liquidity.

TOWS strategy matrix

S 1 O 1 Offer focused commercial tenure and tenant-owned building	**S 2 T 1** Monitor monthly cash and escalate credit early
W 1 O 1 Select tenant using actual audited credit and finance	**W 2 T 2** Reject acquisition without title soil and funding evidence

Proposed design. Customer demand financing suppliers and site permissions are unverified.

07 / STRATEGY

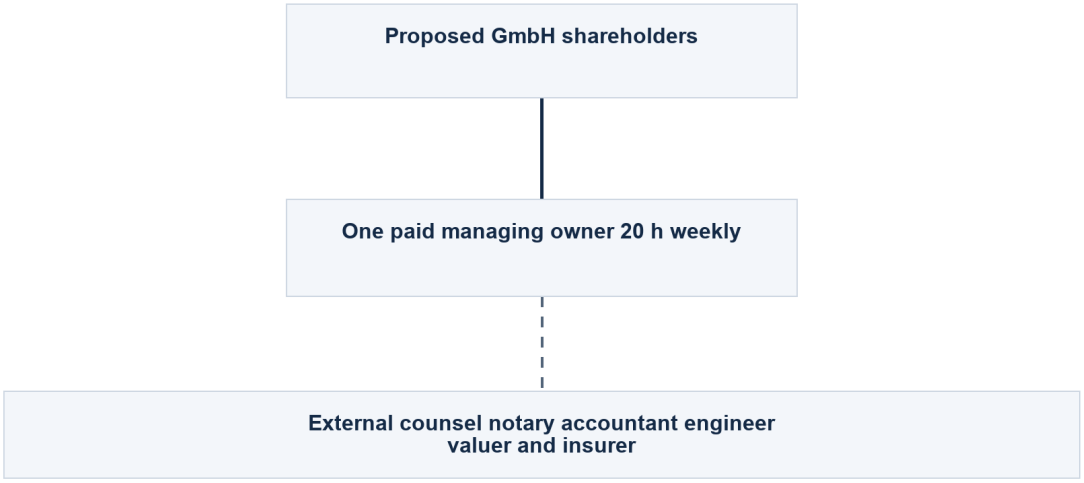
Owner and management

Scope and evidence

The plan includes one paid managing owner working 20 hours per week on investment administration, rent collection oversight and lender reporting. Gross remuneration is a planning assumption rather than evidence of an appointed person. There are no lessor building operatives or tenant employees on this payroll. Qualified external professionals support legal, tax and engineering decisions.

Decision and controls

One owner manager works 20 paid hours weekly. Annual gross EUR 55,000 plus 25% provisional employer allowance gives €5,729.17 monthly cash payroll in 2027. Salary is fully paid before rent and during default. External legal accounts technical monitoring and insurance remain unquoted. The lessee’s staff and building operations stay outside this company; their intended obligations are not secured by a signed deed.



One paid owner manager 20 hours weekly. Solid reporting to shareholders and dashed external professional support. Tenant personnel remain outside this company.

08 / PEOPLE

Owner and key personnel profiles

Scope and evidence

No founder biography, prior salary, professional qualification or property investment track record has been supplied. The managing owner and shareholders remain unidentified. The required skills are land transaction diligence, commercial credit assessment, contract administration and accurate financial reporting. Identify these gaps before presenting the vehicle to a lender.

Decision and controls

Obtain verified profiles and references for any appointed manager. Engage a German notary and independent legal, tax and environmental professionals under written scopes. Do not imply that the intended engineer or accountant is already retained. The tenant’s technical team remains its responsibility and does not substitute for independent landowner diligence.

09 / MARKET

Target customers

Scope and evidence

The intended lessee is an established industrial occupier or a separately capitalized property vehicle with a credible operating tenant and approved development finance. It needs a Hamburg location, lawful building rights and a long tenure that supports its own investment. The proposal does not target households or subsidized residential development.

Decision and controls

Prioritize firms whose audited cash generation can meet rent, building debt and their own property obligations. Require evidence of beneficial ownership, financing, permitted use and group support where appropriate. No tenant rating or signed expression of interest has been observed. One prospective occupier is not sufficient evidence of achievable rent or local market share.

10 / CUSTOMER STRATEGY

Segmentation targeting and positioning

Scope and evidence

Segment prospects into owner occupiers, industrial developers with a prelet scheme and speculative developers. Prioritize an established owner occupier or a developer with a creditworthy prelet tenant. Avoid underwriting rent solely on a proposed project's resale or refinancing. The targeted asset is commercial industrial land with an address-specific permitted use.

Decision and controls

Position the offer around a clear allocation of land, building and contract obligations. It must compete with buying freehold land, leasing an existing building and public land programmes. Validate whether the occupier values conserved acquisition capital enough to accept the proposed rent and index mechanism. The intended position is a planning choice, not an observed competitive advantage.

Segmentation targeting and positioning

Segment Owner occupier prelet developer speculative developer	**Target** Established occupier or funded scheme with creditworthy tenant
Position Clear land building and lender responsibilities	**Validation** Interviews audited credit comparables and finance evidence

Proposed design. Customer demand financing suppliers and site permissions are unverified.

11 / CUSTOMER STRATEGY

Value proposition canvas

Scope and evidence

The customer’s job is to secure usable industrial premises and finance its own building without purchasing the underlying freehold. Its pains may include scarce suitable plots, unclear tenure, development conditions and unexpected cash requirements. Its gains may include transparent rent reviews and an agreed period for amortizing building capital. These needs are hypotheses until interviewed.

Decision and controls

The proposed response is a registered commercial right with precise use, review dates, obligations and lender interfaces. Address pain through independent title and environmental diligence and a plain obligations schedule. Do not promise development permission, cheap finance, universal flexibility or a guaranteed renewal. Tenant building capex and business performance are outside the landowner forecast.

Value proposition canvas

Customer jobs Secure permitted site and finance own industrial building	**Pains** Unclear tenure development conditions and cash requirements
Gains Transparent rent reviews and long capital planning period	**Offer** Proposed registered commercial Erbbaurecht
Pain response Independent diligence and obligation schedule	**Gain response** Agreed index process and lender interface

Proposed design. Customer demand financing suppliers and site permissions are unverified.

12 / MARKET

Market size and trends

Scope and evidence

The market definition is annual Hamburg commercial industrial ground rent, measured in EUR for 2027. TAM would cover all relevant occupiers and comparable land tenure arrangements. SAM would restrict this to privately available industrial parcels with suitable planning, title and environmental conditions. SOM would be the one verified tenant contract within funding and administration capacity.

Decision and controls

No reliable commercial rent denominator or prospect conversion survey has been collected. The Hamburg 2026 property report records 42 sales of Erbbaurecht-burdened land in 2025, of which 33 were single-family residential parcels; this is transaction context rather than industrial ground-rent TAM. Do not multiply those transactions by the hypothetical rent or describe the forecast as market share.

Hamburg commercial ground rent scope 2027



Equal visual panels define scope rather than numerical size. EUR net annual spending 2027; no verified denominator or market share.

13 / MARKET CONTEXT

PESTLE analysis

Scope and evidence

Political factors include Hamburg land and industrial planning priorities. Economic factors are occupier credit, debt cost and indexed rent affordability. Social factors are employment and neighbour impacts of the tenant’s proposed use. Technology affects document control, payment reconciliation and the lessee’s building needs, with no lessor technology revenue assumed.

Decision and controls

Legal factors include registered rights, ranking, compensation and official-index clause validity. Environmental factors include historic contamination and continuing landowner duties. Responses are independent diligence, a documented use covenant and funded monitoring. The model stresses delayed rent, default, carrying costs and debt; it does not claim that a contract removes public-law responsibilities.

PESTLE analysis

Political Hamburg planning and industrial land use require address review	**Economic** Rent affordability debt cost and tenant credit drive cash
Social Tenant use affects neighbours and employment	**Technology** Controlled documents payments and inspection records
Legal Rank index clause consents remedies compensation	**Environmental** Soil and water duties remain acquisition gates

Proposed design. Customer demand financing suppliers and site permissions are unverified.

14 / MARKET

Local demand and evidence

Scope and evidence

No tenant interview, parcel inspection, broker quotation, development appraisal or lender discussion has been completed. Public transaction statistics and law establish context, not demand for this proposed plot. Prepare a dated prospect register with actual space requirements, preferred tenure, timing, maximum occupancy cost and evidence of finance.

Decision and controls

Obtain comparable offers and interview prospective occupiers before setting the initial rent. Record whether proposals concern freehold land, bare leasehold rights or completed buildings. Require a permitted-use fit and development cash plan. Reject a parcel whose apparent demand depends on approvals, access or infrastructure that have not been demonstrated.

Local demand and evidence

Parcel evidence No address survey valuation or environmental baseline	**Tenant evidence** No interview audited credit or signed terms
Finance evidence No equity commitment or lender approval	**Next decision** Obtain evidence before acquisition or rent commitment

Proposed design. Customer demand financing suppliers and site permissions are unverified.

15 / MARKET

Competitors and positioning

Scope and evidence

The alternatives are private freehold acquisition, conventional industrial building leases and public or private long-term land rights. No named competitor prices or ratings have been collected. Compare the same permitted use, site services, tenure, remaining term and development responsibilities, rather than treating a building rent as a land-rent benchmark.

Decision and controls

The proposed company competes on terms that can survive diligence and support the occupier’s building finance. It has no proven acquisition pipeline or superior credit rating. Collect live comparable terms with dates and source documents. An index-linked contract is not inherently safer if the initial rent or debt load leaves the occupier and lessor short of cash.

16 / COMPETITIVE STRATEGY

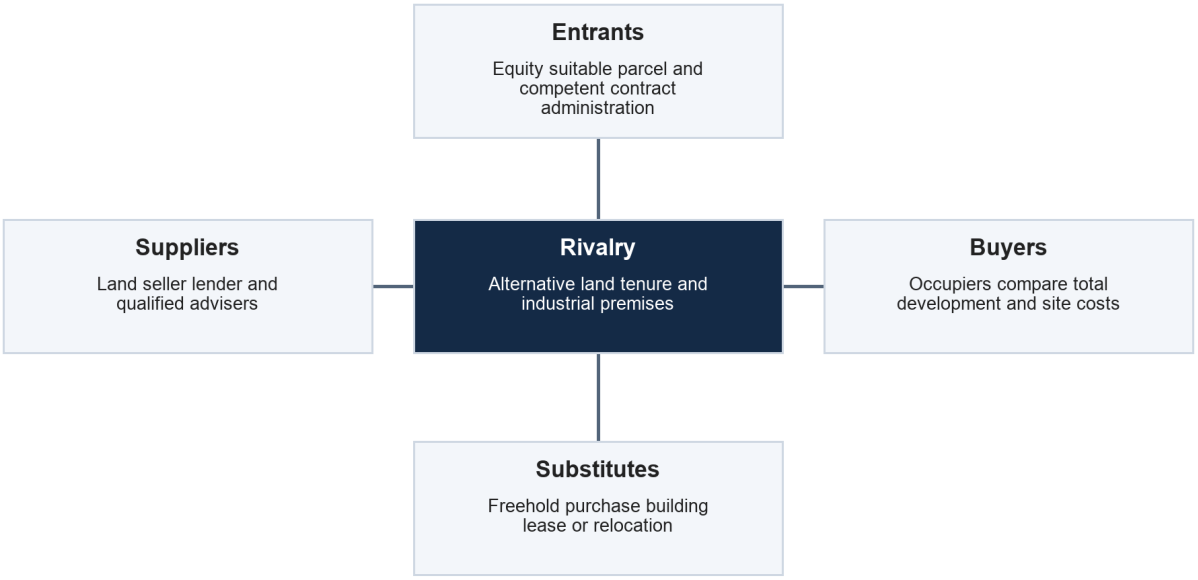
Porter five forces

Scope and evidence

Rivalry concerns alternative land tenure and completed industrial premises. Buyer power comes from occupiers comparing total site and development cost. Supplier power sits with scarce suitable land, lenders and specialist advisers. Entry requires equity, verified property and competent contract administration. Substitutes include buying freehold, leasing buildings or relocating.

Decision and controls

Respond through strict acquisition price discipline, tenant credit review and a credible debt coverage requirement. A scarce site does not prove achievable rent. Do not assume that the building's value can immediately cure default. Compare alternatives after accounting for acquisition taxes, construction obligations and the legal time needed to enforce rights.



Qualitative forces. Evidence and responses are discussed above; local commercial intensity is unmeasured.

17 / COMPETITIVE STRATEGY

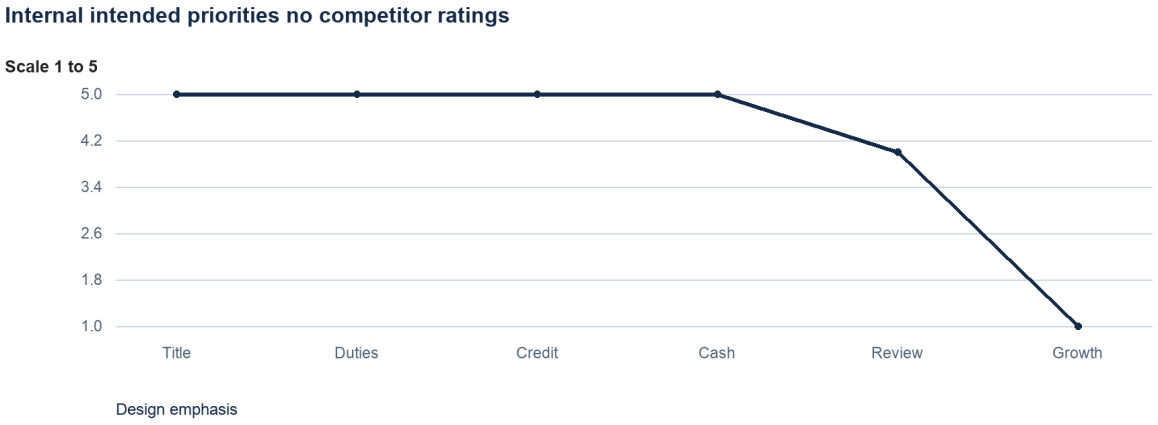
Strategy canvas

Scope and evidence

The proposed internal priorities are title clarity, obligation clarity, credit discipline, liquidity and transparent rent reviews. Rapid expansion has low priority. The chart records management’s intended emphasis on a one-to-five scale. It contains no observed competitor scores, customer ratings or verified service advantage.

Decision and controls

Test these priorities in occupier and lender discussions. If the customer values flexibility or initial cash savings more than the proposed long fixed term, revise the contract and financial model together. Preserve capital discipline even when a prospect asks for lower initial rent or more extensive owner responsibilities.



Internal management emphasis on a one to five scale. No observed competitor ratings.

18 / OPERATIONS

Location and premises

Scope and evidence

Shortlist a privately owned Hamburg industrial parcel with legal road access, suitable utility connection routes and a compatible permitted use. No address, plot area, boundary or serviced status has been surveyed. The EUR 8 million land-price input is an illustrative investment size, not a market valuation or offer on a named property.

Decision and controls

Commission cadastral and title checks, planning and access reviews, an independent valuation and environmental baseline. Distinguish existing infrastructure from unbuilt services. The landowner acquires the freehold while the tenant funds its own building. Unquantified remediation, disputed access or an incompatible use stops acquisition; the workout allowance is not a credible remediation budget.



Proposed design. Customer demand financing suppliers and site permissions are unverified.

19 / OPERATIONS

Equipment and resource plan

Scope and evidence

The lessor owns land and the records needed to administer its rights. No industrial plant, tenant building, fitout, warehouse equipment or construction work is capitalized in the company model. Basic office resources are provided within gross administration expenses rather than a material separate equipment cohort.

Decision and controls

The company needs secure document storage, rent reconciliation, an obligations calendar and access to qualified survey and environmental services. The tenant remains responsible for its equipment and building lifecycle under the intended contract. Confirm that provisions on maintenance, alterations, insurance and reinstatement are enforceable and funded by the lessee.

Equipment and resource plan

Owned asset Nondepreciating land and direct acquisition costs	**Administration** Secure files payment records and obligations calendar
External services Qualified legal tax valuation and engineering advice	**Lessee resources** Building fitout industrial plant and operations staff

Proposed design. Customer demand financing suppliers and site permissions are unverified.

20 / OFFER

Ground lease product strategy

Scope and evidence

The sole product is one proposed commercial Erbbaurecht over verified industrial land. Ground rent is the sole revenue stream. No building leasing, serviced warehouse operations, development management fee, electricity sale, parking business or brokerage income is included. This keeps the lessee’s operating revenue outside the lessor accounts.

Decision and controls

The contract needs a permitted-use schedule, term, rent start, index base and adjustment process, maintenance and insurance allocation, consent rules and lender interface. No extension or renewal income is assumed after the 30-year forecast. Additional parcel products require separate diligence, funding and a new forecast.

Ground lease product strategy

Revenue scope One commercial ground-rent contract only	**Tenure** Proposed 50-year registered commercial right
Review Symmetric CPI hypothesis applied every five years	**No extra income** No building rent development fee energy or exit proceeds

Proposed design. Customer demand financing suppliers and site permissions are unverified.

21 / OFFER

Pricing and rent economics

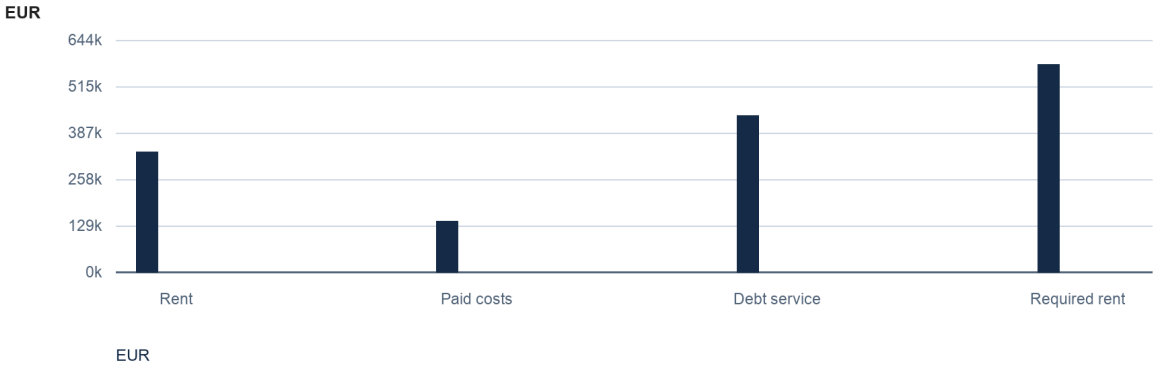
Scope and evidence

Full initial annual Base ground rent EUR 400,000 is paid monthly in advance at €33,333.33, from proposed March 2027. Recognized first-year rent €333,333 covers ten months. Every five years the model compounds the assumed 2% annual CPI path; this is not observed inflation or a confirmed legal index clause.

Decision and controls

Base 2027 paid operating costs €140,750, loan interest €234,500 and principal €200,000 exceed rent. Debt-service cash break-even before positive-profit tax is €575,250. Rent is assumed VAT exempt and all applicable costs gross unrecovered; confirm the treatment and the proposed index clause before acquisition.

First year rent and cash debt-service requirement



2027 EUR. Required rent includes paid costs principal and interest before any positive-profit tax. Model v 1.0 captured 2026-10-03.

22 / OFFER

Comparable ground rent terms

Scope and evidence

No current commercial comparables or tenant quote have been obtained. The proposed rent is not an observed market tariff. Compare EUR per year and per square metre only after surveyed area is known, using equivalent permitted use, remaining term, infrastructure, review mechanism and liability allocation.

Decision and controls

Separate bare-land rent from building rent and freehold acquisition values. Obtain independent valuation evidence and written offers. A comparable that includes services or building maintenance needs a cost adjustment. The illustrative acquisition and rental assumptions should be replaced together if actual transaction terms differ.

23 / OFFER

Brand and customer experience

Scope and evidence

Elbe Ground Land is a proposed identity subject to clearance. The customer experience is a documented diligence process, understandable contract terms and accurate rent administration. No operating property or professional certification is claimed. Public statements must not suggest a site is permitted, serviced or funded before the relevant evidence exists.

Decision and controls

Provide the occupier with a controlled document room and one accountable manager. Record questions, counsel responses and unresolved conditions. Explain index changes with the agreed data and calculation, and handle complaints through the contract process. Do not promise renewal, development completion or immediate resolution of title and environmental problems.

24 / GROWTH

Sales channels and process

Scope and evidence

Origination would use professional introductions, industrial occupier contact and independently verified broker proposals. The sequence is prospect qualification, site fit, nonbinding commercial terms, tenant credit and building finance review, then counsel-led contract and acquisition conditions. No prospect has completed that sequence.

Decision and controls

Revenue begins only at the modeled rent-start month and hypothetical gate. Actual closing must depend on secured equity and lender approval, registration requirements and acceptable diligence. A heads-of-terms document is not a recognized income stream. Keep negotiation status distinct from executed rights and collected rent.

25 / GROWTH

Launch marketing

Scope and evidence

The gross annual marketing allowance funds targeted research and professional introductions. It applies during preparation and default; it is not assumed to produce a known number of leads. A broker appointment and commission schedule remain unquoted.

Decision and controls

Measure actual qualified prospects, requests for documents and progressed diligence, rather than impressions. Do not promote an exact parcel before its sale authority and information are verified. Separate origination costs from capitalized acquisition costs. A paid introduction does not replace tenant underwriting or funding evidence.

26 / GROWTH

Retention and ongoing sales

Scope and evidence

Retention means maintaining a performing long-term contract with accurate rent reviews and a permitted, financially viable occupier. The lessor does not earn customer repeat transactions from the tenant’s factory or warehouse. Monitor payment, financial statements, insurance, building condition and compliance with consent obligations.

Decision and controls

Escalate missed payments and deteriorating tenant credit early through counsel. The downside recovery is an assumed outcome after two years without rent, not a guaranteed replacement tenant. A rent concession, assignment or restructuring needs a new cash schedule and lender review. Avoid preserving headline rent through uncollectible receivables.

27 / OPERATIONS

Daily operations and suppliers

Scope and evidence

The managing owner reconciles bank rent receipts, keeps the debt and cash calendar, and controls payments to professional providers. External engineers perform agreed site and covenant checks. The company does not manage production shifts, customer deliveries or tenant staff. One active parcel is the planned administration capacity.

Decision and controls

Use written scopes, gross fees and actual invoice terms for the notary, lawyer, accountant, valuer, engineer and insurer. The model assumes current paid costs with no supplier-credit benefit. Obtain backups for critical advice. Keep access and inspection rights consistent with the tenant’s occupation and the registered arrangements.

Daily operations and suppliers

Monthly control Bank rent debt payroll gross invoice reconciliation	**Quarterly review** Tenant credit insurance obligations and cash policy
Qualified inspection Technical land and environmental checks	**Supplier terms** Unquoted paid services no credit benefit assumed

Proposed design. Customer demand financing suppliers and site permissions are unverified.

28 / OPERATIONS

Sustainability practices

Scope and evidence

Environmental diligence must identify contamination, groundwater, flood and permitted-use issues before acquisition. Monitor the tenant’s activities and insurance against the agreed use. The owner may remain subject to statutory duties even where the contract assigns costs to the lessee. No zero-carbon or clean-site certificate is assumed.

Decision and controls

Ask the tenant to substantiate its building energy and waste arrangements within lawful occupation. The lessor does not forecast environmental credits or energy revenue. Unquantified remediation is a stop condition, not hidden inside an ordinary allowance. Budget qualified monitoring and record follow-up actions with accountable parties.

29 / OPERATIONS

Staffing and training

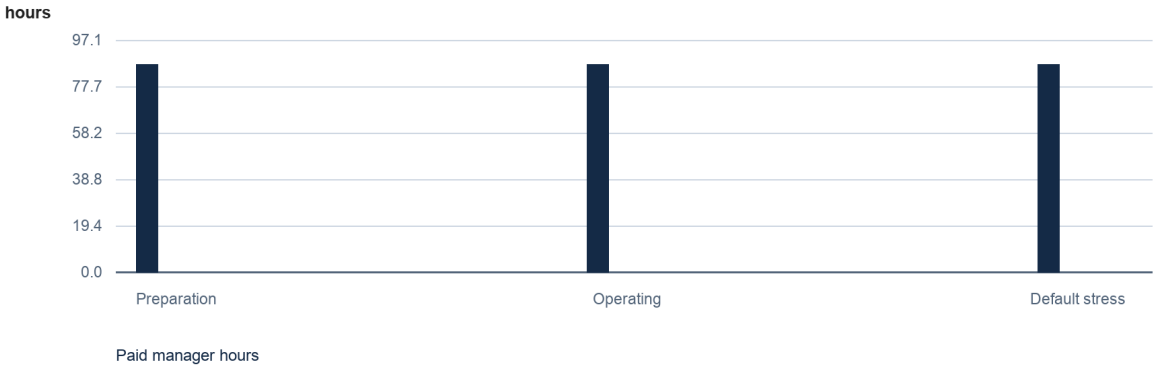
Scope and evidence

The single owner role provides 20 paid hours weekly, about 86.67 hours monthly. Gross remuneration EUR 55,000 and 25% employer allowance cost €68,750.00 annually and €5,729.17 monthly before inflation. Full salary is paid in preparation and zero rent. No tenant employees are paid or treated as free landowner staff.

Decision and controls

Train the manager in rent reconciliation, obligations calendars, document handling and escalation procedures. Legal and technical conclusions require qualified providers. Review workload when the site enters a default workout; extraordinary work uses the disclosed expense allowance and external support. Expansion requires a separately funded staffing plan.

Planned paid manager hours per month 2027



20 hours weekly times 52/12. Allocation assumption; no observed task workload. Model v 1.0 captured 2026-10-03.

30 / PEOPLE

Staff skills and fair work

Scope and evidence

The manager needs accurate bookkeeping coordination, tenant credit reading and the ability to identify advice that exceeds personal competence. Gross annual remuneration is a budgeting input, not a verified employment agreement. The 20 hour weekly role and social security status require adviser confirmation before payroll is established.

Decision and controls

Retain a provisional 25 percent employer allowance on gross pay to avoid understating costs, then replace it with an actual status-specific estimate. Establish leave, continuity and access controls. External advisers are contracted professional services rather than employees disguised as free support. The owner’s personal budget remains separate from company distributions.

31 / OPERATIONS

Legal and insurance requirements

Scope and evidence

German Erbbaurecht distinguishes the land from a registered building right. The proposed commercial deed requires notarial and specialist review of rank, permitted use, transfer and financing consents, rent security, index validity and compensation at expiry or Heimfall. Rent arrears do not create immediate repossession: the law sets a two-annual-amount threshold for an arrears-based Heimfall claim.

Decision and controls

Obtain independent advice on soil obligations, building and land insurance and lender rights. No free building reversion or compensation exclusion is assumed. The model excludes a quantified compensation or remediation provision because no deed, building value or site assessment exists; these unresolved exposures are investment gates. Tax treatment and gross expense assumptions require confirmation, including any option to tax or property trade-tax deduction.

32 / OPERATIONS

Opening roadmap

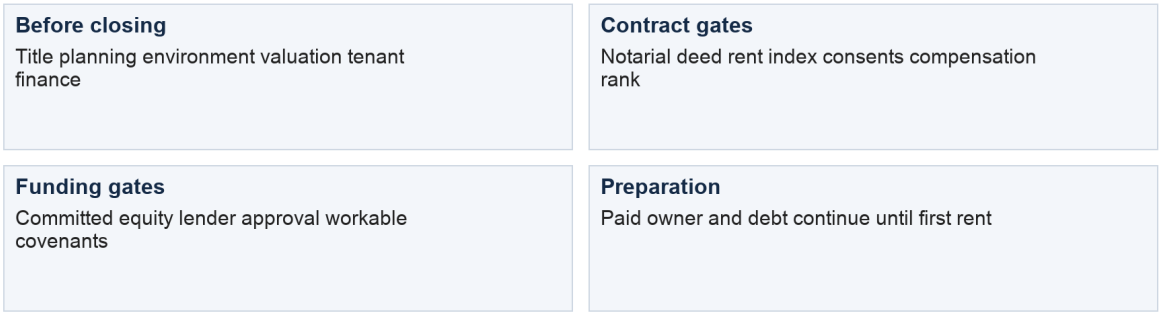
Scope and evidence

Preparation starts with the investment mandate, verified shareholders and an independently reviewed shortlist. Proceed to title, planning, access, environmental and valuation diligence; then obtain tenant credit and building finance evidence. Counsel must negotiate the commercial deed and lender interfaces before funds are committed.

Decision and controls

The current financed case fails liquidity and coverage tests. Do not commit on the hypothetical gate 1. Base assumes rent March 2027 and Downside July 2027 with fully paid manager and debt service from January. Actual acquisitions and rent commencement require secured sources executable deed and acceptable site and tenant diligence.

Opening roadmap



Proposed design. Customer demand financing suppliers and site permissions are unverified.

33 / MANAGEMENT

Risks and management actions

Scope and evidence

The main risks are tenant concentration, unverified rent, acquisition price, index enforceability, debt service, title and environmental duties. A two-year zero-rent stress does not cover every insolvency outcome. Compensation, remediation and disputed possession may require more time and cash than the hypothetical allowance.

Decision and controls

Defer commitment until a viable independently evidenced redesign. Base cash policy gap €1,604,474 and failing debt coverage are commercial blockers. The stressed 250,000 EUR workout allowance does not quantify soil remediation or compensation. Contractual allocation cannot be represented as agreed or as eliminating landowner statutory exposure.

34 / APPENDIX A

Research and evidence

Scope and evidence

Primary sources reviewed on 3 October 2026 cover German registered land rights, rent arrears, compensation, index clauses, landowner soil duties and Hamburg tax and transaction context. These sources establish the legal setting and current rates. They do not validate a parcel, rental quotation, tenant demand or future legislative stability.

Decision and controls

The retained ground-lease reference workbook was inspected for its rent, expense, debt and cash schedules. This model was rebuilt in EUR for Hamburg; it does not import US assumptions, automatic building capture or speculative exit returns. Keep a dated evidence register and source documents alongside actual diligence when a transaction is proposed.

S1 Erbbaurecht legal structure

S2 Ground rent security and arrears

S3 Expiry and Heimfall compensation

S4 Hamburg transfer tax

S5 Corporation tax dated rates

S6 Hamburg founder tax guidance

S7 Trade tax finance addback

S8 Permitted long contract index clauses

S9 Landowner soil responsibilities

S10 Hamburg property market report2026

S11 VAT exempt land rights

S12 Heimfall compensation

35 / APPENDIX B

Quotes and assumptions

Scope and evidence

All commercial figures remain planning assumptions: land price, annual rent, CPI path, costs, owner remuneration, loan rate and term, timing, default recovery and workout expense. No supplier quotation, independent valuation, lender approval or contract is represented as received. Site area and building value are deliberately unestimated.

Decision and controls

Replace inputs with evidence before investment and rebuild the workbook, model results, figures and narrative together. Record gross-versus-net treatment and quote expiry. Reject shortcuts that preserve projected yield through unverified tenant credit, unpaid management, tax relief or cash injections.

36 / FINANCIAL PLAN

Startup costs and funding

Scope and evidence

Preforecast cash uses €8,700,000 include EUR 8,000,000 land EUR 440,000 transfer tax EUR 160,000 capitalized acquisition costs EUR 60,000 setup and EUR 40,000 loan fee. Fixed proposed equity EUR 5,000,000 and loan EUR 4,000,000 leave €300,000 opening cash. None is committed.

Decision and controls

Capitalized nondepreciating land is €8,600,000. Setup and loan fees create EUR 100,000 opening retained loss. Initial cash exceeds the 200,000 policy but the full 30-year Base needs €1,604,474 additional capital. That gap is reported rather than injected. All acquisition services and terms remain unquoted.

EUR	Amount
Proposed equity	€5,000,000.00
Proposed senior debt	€4,000,000.00
Total proposed sources	**€9,000,000.00**
Total cash uses	**€8,700,000.00**
Opening unrestricted cash	€300,000.00
Minimum cash policy	€200,000.00

Preforecast acquisition and expense cash uses



EUR uses; reserve is cash retained, not an expense. Model v 1.0 captured 2026-10-03.

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Itemized startup costs

Scope and evidence

The financial schedule separates the purchase consideration, transfer tax, capitalized gross acquisition costs, expensed setup and expensed loan fee. Gross estimates assume no input VAT recovery under exempt rent. Notarial, survey, valuation and legal allocations are provisional and must be replaced by itemized quotations.

Decision and controls

No building development budget, tenant fitout, lease security deposit, historical remediation estimate or grant is included. The acquisition price is not a surveyed market value. Record quote dates and whether services relate directly to acquisition or precontract investigation before final accounting classification.

EUR cash use	Amount
Land purchase	€8,000,000.00
Land transfer tax	€440,000.00
Capitalized gross acquisition costs	€160,000.00
Total nondepreciating land cost	**€8,600,000.00**
Gross preforecast setup expense	€60,000.00
Financing fee immediate expense	€40,000.00
Total cash uses	**€8,700,000.00**

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Owner personal survival budget

Scope and evidence

Illustrative annual gross EUR 55,000 times 65% take-home proxy gives €2,979.17 monthly personal cash against €2,800.00 household expenditure. The difference €179.17 is a planning illustration, not an individual tax calculation or verified income.

Decision and controls

Housing 1500 food 500 travel 250 health 250 other 300 EUR monthly total 2800. No dividends or other income are assumed. Company cash payroll includes its 25% employer allowance and remains fully paid even when rent is absent. Obtain personal tax and social status advice before relying on this proxy.

EUR per month	Amount
Housing	€1,500.00
Food	€500.00
Travel	€250.00
Health	€250.00
Other household	€300.00
Total household	**€2,800.00**
Illustrative take home	€2,979.17
Net personal surplus	€179.17

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Financing terms and security

Scope and evidence

The uncommitted EUR 4,000,000 loan at 6% fixed planning interest repays equal monthly principal €16,666.67 for 240 months. Full-year principal EUR 200,000 and beginning monthly debt interest total €434,500 first-year debt service. Debt ends in December 2046 without refinancing.

Decision and controls

A proposed 1.25 x EBITDA debt covenant fails in 2027: actual modeled coverage 0.443 x. The workbook tests coverage in every debt-bearing year and every monthly cash position. No lender terms land ranking tenant building collateral or guarantees are agreed. The 50-year proposed contract outlasts the 30-year forecast but expiry and default compensation remain legal gates.

Proposed term	Amount or condition
Senior principal	€4,000,000.00
Annual interest	6.0% fixed assumption
Amortization	240 equal monthly principal payments
Monthly principal	€16,666.67
Cash loan fee	€40,000.00
2027 debt service	€434,500.00
2027 coverage	0.443x
Covenant target	1.25x unagreed
Collateral	Land security proposed; lender consent absent

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Revenue forecast and capacity

Scope and evidence

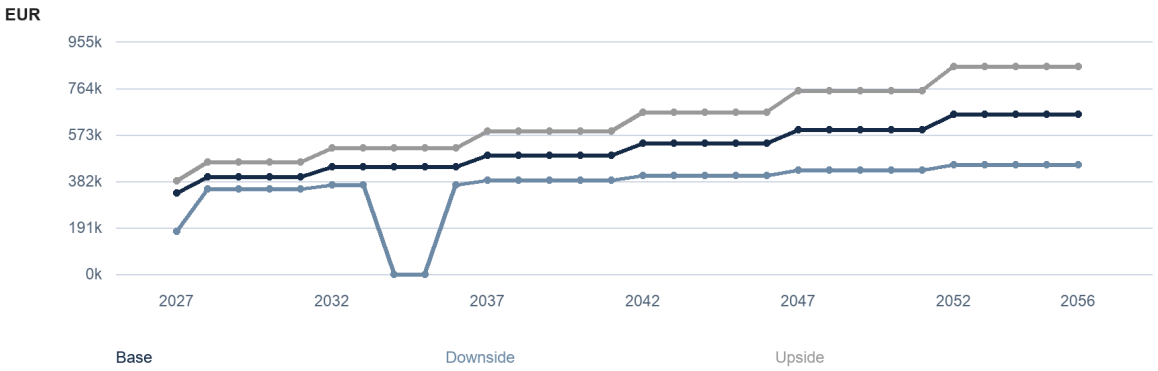
One hypothetical contract provides 2027–2029 Base collectible rent €333,333, €400,000, €400,000. Base begins March 2027; Downside July 2027. Gate 0 stops all rent. Commercial tenure is proposed 50 years with no assured renewal or owner building income.

Decision and controls

The 30-year rent schedule adjusts every five years using assumed annual CPI. Downside years 2034 and 2035 collect no rent. The contract is assumed to continue during workout; collection resumption in 2036 is an uncommitted settlement or lawful replacement-tenure hypothesis, requiring counsel and lender approval rather than automatic repossession. There is no arrears recovery or compensation-funded gain.

EUR	2027	2028	2029
Collectible ground rent	€333,333.33	€400,000.00	€400,000.00
Full annual contractual rent	€400,000.00	€400,000.00	€400,000.00

Annual collectible ground rent 2027 to 2056



EUR 30 years. Downside return is an uncommitted collection hypothesis, no automatic remedy. Model v 1.0 captured 2026-10-03.

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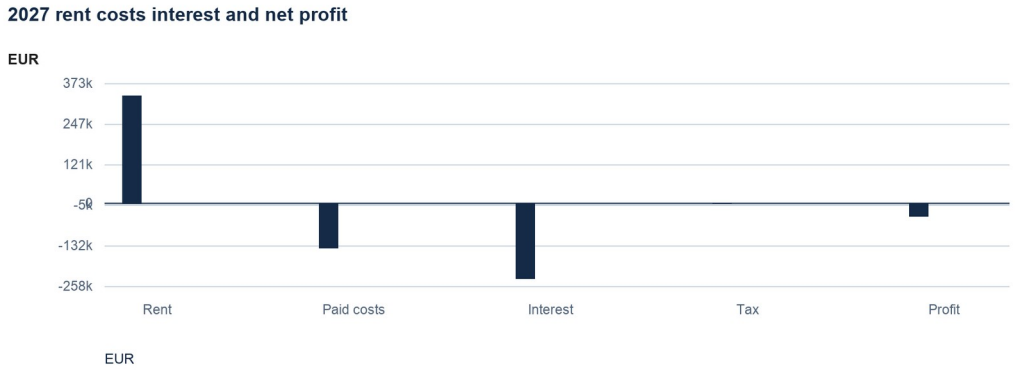
Costs and projected profit

Scope and evidence

Base annual paid owner cost €68,750, professional administration EUR 24,000 insurance EUR 8,000 land tax EUR 20,000 marketing EUR 8,000 monitoring EUR 12,000 total €140,750 in 2027. Costs rise 2.5% per year. All remain paid before rent and during default.

Decision and controls

Land has no depreciation. Initial 3 annual management results include interest and dated tax rates. Downside pays 250,000 EUR workout expense in 2034 and retains higher carrying costs; this estimate is not a site remediation or building compensation provision. Unquantified statutory exposure remains a stop condition.



EUR signed bars, principal repayment is outside profit. Model v 1.0 captured 2026-10-03.

Financial detail

EUR	2027	2028	2029
Collectible rent	€333,333.33	€400,000.00	€400,000.00
Paid owner and allowance	€68,750.00	€70,468.75	€72,230.47
Professional administration	€24,000.00	€24,600.00	€25,215.00
Insurance	€8,000.00	€8,200.00	€8,405.00
Owner land tax	€20,000.00	€20,500.00	€21,012.50
Marketing	€8,000.00	€8,200.00	€8,405.00
Technical monitoring	€12,000.00	€12,300.00	€12,607.50
Workout expense	0.00	0.00	0.00
Total paid costs	**€140,750.00**	**€144,268.75**	**€147,875.47**
EBITDA	**€192,583.33**	**€255,731.25**	**€252,124.53**

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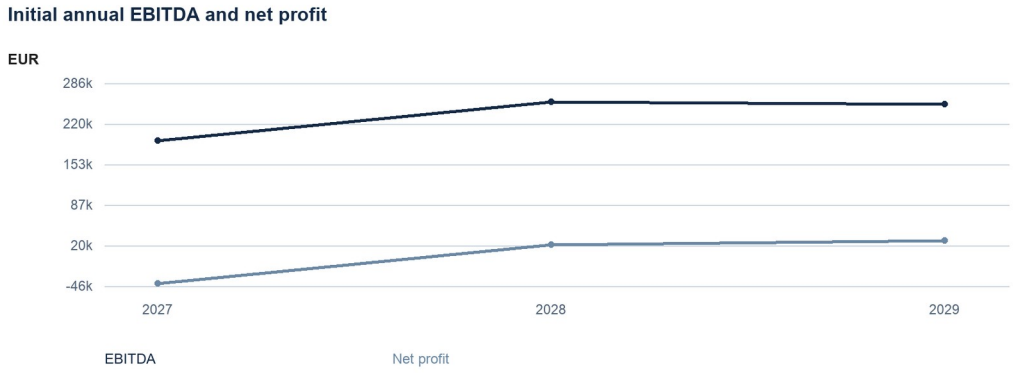
Profit and loss forecast

Scope and evidence

Base 2027–2029 net profits are (€41,917), €21,931, €28,637. EBITDA does not deduct principal. The income statement covers 30 annual periods through 2056 and the initial 36 monthly periods. Tenant sales building assets and construction expenses are absent.

Decision and controls

Current corporation rates are 15% in 2027,14% in 2028,13% in 2029,then 12% in 2030,11% in 2031 and 10% from 2032 onward. Solidarity is 5.5% of corporation tax. Trade tax is 3.5% times 470%,with one-quarter interest addback above 200,000 EUR. Conservative proxies exclude loss relief refunds and property trade-tax deductions; obtain tax advice before investment.



EUR actual projected signs; land has no depreciation. Model v 1.0 captured 2026-10-03.

Financial detail

EUR	2027	2028	2029
Ground rent	€333,333.33	€400,000.00	€400,000.00
Total paid operating costs	**€140,750.00**	**€144,268.75**	**€147,875.47**
EBITDA	**€192,583.33**	**€255,731.25**	**€252,124.53**
Loan interest	€234,500.00	€222,500.00	€210,500.00
Profit before tax	(€41,916.67)	€33,231.25	€41,624.53
Corporation tax and solidarity	0.00	€4,908.26	€5,708.80
Trade tax	0.00	€6,391.85	€7,279.05
Total current tax	**0.00**	**€11,300.11**	**€12,987.85**
Net profit	**(€41,916.67)**	**€21,931.14**	**€28,636.68**

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Cash flow and financial position

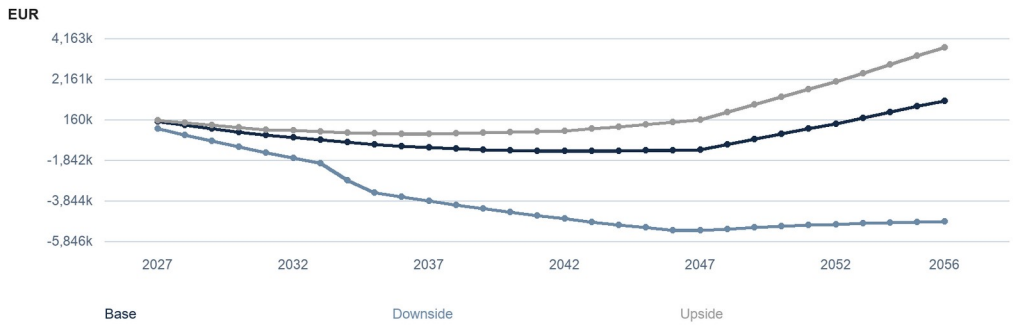
Scope and evidence

Base opening cash €300,000 falls to (€1,404,474) at its lowest point over 360 months. Annual ending cash 2027–2029 is €58,083, (€119,986), (€291,349). Full forecast debt cash service and paid carrying costs create a funding gap despite later profits.

Decision and controls

Monthly advance receipts have no credit float. Paid operating costs interest and principal run monthly; conservative annual tax is paid in December. Every annual period retains 12 monthly cash helper positions including default cost in January. Minimum cash includes opening. Negative cash is unfunded rather than an automatic overdraft or available asset.

Annual minimum intra-year cash 2027 to 2056



EUR minima include all 360 monthly cash positions and opening;200,000 policy is not injected. Model v 1.0 captured 2026-10-03.

Financial detail

EUR	2027	2028	2029
Opening unrestricted cash	€300,000.00	€58,083.33	(€119,985.53)
Operating cash after interest and tax	(€41,916.67)	€21,931.14	€28,636.68
Debt principal cash	(€200,000.00)	(€200,000.00)	(€200,000.00)
Net cash change	**(€241,916.67)**	**(€178,068.86)**	**(€171,363.32)**
Closing unrestricted cash	**€58,083.33**	**(€119,985.53)**	**(€291,348.85)**
Minimum intra-year cash	€58,083.33	(€119,985.53)	(€291,348.85)
Unfunded policy gap	€141,916.67	€319,985.53	€491,348.85

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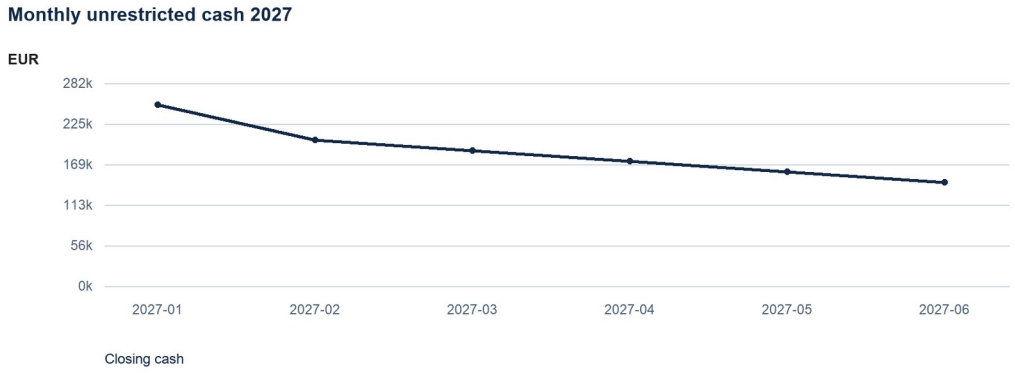
Cash flow forecast months one to six

Scope and evidence

The first six months begin with paid preparation and full owner costs and debt service. Base assumes rent from March; Downside assumes no rent until July. January opening cash follows all preforecast sources and cash uses. There is no supplier credit or unpaid owner subsidy.

Decision and controls

Displayed signed cash flows are rounded to cents. The disclosed display-rounding row makes opening plus displayed change equal closing exactly. It is not a finance input. January and February pay full owner costs and loan service before rent. Tax cash falls in December under an explicit timing proxy; actual instalments require adviser confirmation.



EUR six calendar months from Base model, not invented finance. Model v 1.0 captured 2026-10-03.

Financial detail

EUR cash	2027-01	2027-02	2027-03	2027-04	2027-05	2027-06
Opening cash	€300,000.00	€251,604.17	€203,291.67	€188,395.83	€173,583.33	€158,854.17
Ground rent receipts	0.00	0.00	€33,333.33	€33,333.33	€33,333.33	€33,333.33
Paid operating costs	(€11,729.17)	(€11,729.17)	(€11,729.17)	(€11,729.17)	(€11,729.17)	(€11,729.17)
Loan interest paid	(€20,000.00)	(€19,916.67)	(€19,833.33)	(€19,750.00)	(€19,666.67)	(€19,583.33)
Tax cash paid	0.00	0.00	0.00	0.00	0.00	0.00
Loan principal paid	(€16,666.67)	(€16,666.67)	(€16,666.67)	(€16,666.67)	(€16,666.67)	(€16,666.67)
Display rounding only	**€0.01**	**€0.01**	**0.00**	**€0.01**	**€0.02**	**0.00**
Net cash change displayed	**(€48,395.83)**	**(€48,312.50)**	**(€14,895.84)**	**(€14,812.50)**	**(€14,729.16)**	**(€14,645.84)**
Closing cash	**€251,604.17**	**€203,291.67**	**€188,395.83**	**€173,583.33**	**€158,854.17**	**€144,208.33**

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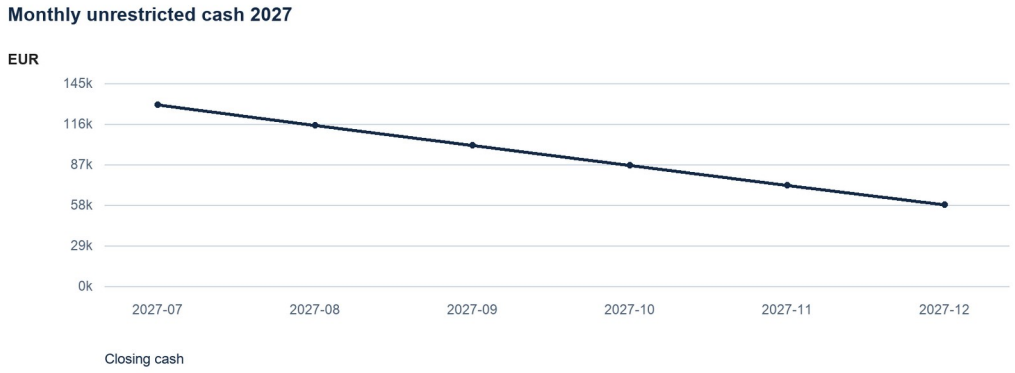
Cash flow forecast months seven to twelve

Scope and evidence

The next six months continue the same linked rent, paid costs and debt mechanics. December includes the annual modeled tax cash payment. Any contract gate failure stops receipts while paid obligations continue. No rent arrears or lessee building value is used to offset a funding gap.

Decision and controls

Displayed signed cash flows are rounded to cents. The disclosed display-rounding row makes opening plus displayed change equal closing exactly. It is not a finance input. January and February pay full owner costs and loan service before rent. Tax cash falls in December under an explicit timing proxy; actual instalments require adviser confirmation.



EUR six calendar months from Base model, not invented finance. Model v 1.0 captured 2026-10-03.

Financial detail

EUR cash	2027-07	2027-08	2027-09	2027-10	2027-11	2027-12
Opening cash	€144,208.33	€129,645.83	€115,166.67	€100,770.83	€86,458.33	€72,229.17
Ground rent receipts	€33,333.33	€33,333.33	€33,333.33	€33,333.33	€33,333.33	€33,333.33
Paid operating costs	(€11,729.17)	(€11,729.17)	(€11,729.17)	(€11,729.17)	(€11,729.17)	(€11,729.17)
Loan interest paid	(€19,500.00)	(€19,416.67)	(€19,333.33)	(€19,250.00)	(€19,166.67)	(€19,083.33)
Tax cash paid	0.00	0.00	0.00	0.00	0.00	0.00
Loan principal paid	(€16,666.67)	(€16,666.67)	(€16,666.67)	(€16,666.67)	(€16,666.67)	(€16,666.67)
Display rounding only	**€0.01**	**€0.02**	**0.00**	**€0.01**	**€0.02**	**0.00**
Net cash change displayed	**(€14,562.50)**	**(€14,479.16)**	**(€14,395.84)**	**(€14,312.50)**	**(€14,229.16)**	**(€14,145.84)**
Closing cash	**€129,645.83**	**€115,166.67**	**€100,770.83**	**€86,458.33**	**€72,229.17**	**€58,083.33**

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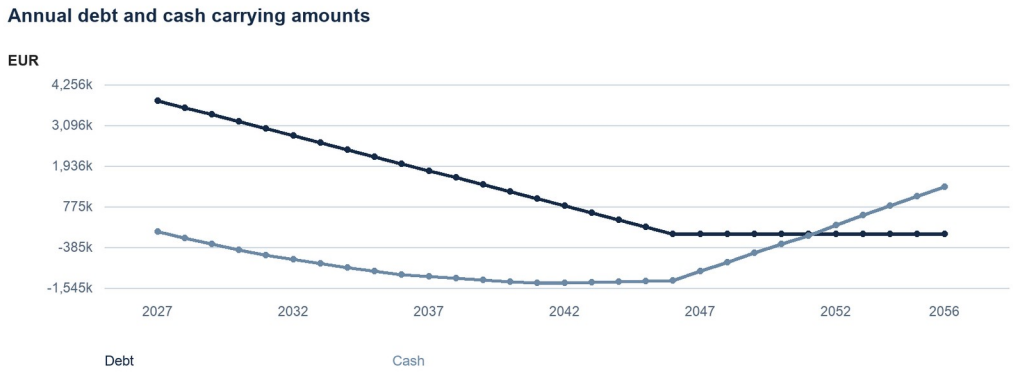
Financial position summary

Scope and evidence

Land and direct acquisition costs total EUR 8,600,000 and remain nondepreciating. Annual assets are that carrying amount plus cash; liabilities are outstanding loan debt. Equity is proposed EUR 5,000,000 plus retained earnings after EUR 100,000 preforecast expense. Monthly tax accrual is allocated from annual proxy and settled in December.

Decision and controls

A negative cash amount is a required funding disclosure rather than a secured overdraft. No tenant building goodwill reversion tax-loss asset or market uplift is booked. The management model reconciles every period; statutory accounting valuation tax and actual deed obligations require professional review.



EUR no terminal value or building reversion proceeds. Model v 1.0 captured 2026-10-03.

Financial detail

EUR	2027	2028	2029
Cash or unfunded deficit	€58,083.33	(€119,985.53)	(€291,348.85)
Nondepreciating land	€8,600,000.00	€8,600,000.00	€8,600,000.00
Total assets	**€8,658,083.33**	**€8,480,014.47**	**€8,308,651.15**
Senior debt	€3,800,000.00	€3,600,000.00	€3,400,000.00
Proposed contributed equity	€5,000,000.00	€5,000,000.00	€5,000,000.00
Retained earnings	(€141,916.67)	(€119,985.53)	(€91,348.85)
Liabilities plus equity	€8,658,083.33	€8,480,014.47	€8,308,651.15
Balance difference	**0.00**	**0.00**	**0.00**

EUR long horizon	2031	2036	2046	2056
Cash	(€614,127.51)	(€1,162,539.40)	(€1,333,020.01)	€1,345,504.66
Debt	€3,000,000.00	€2,000,000.00	0.00	0.00
Land carrying cost	€8,600,000.00	€8,600,000.00	€8,600,000.00	€8,600,000.00
Retained earnings	(€14,127.51)	€437,460.60	€2,266,979.99	€4,945,504.66

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Break even and scenarios

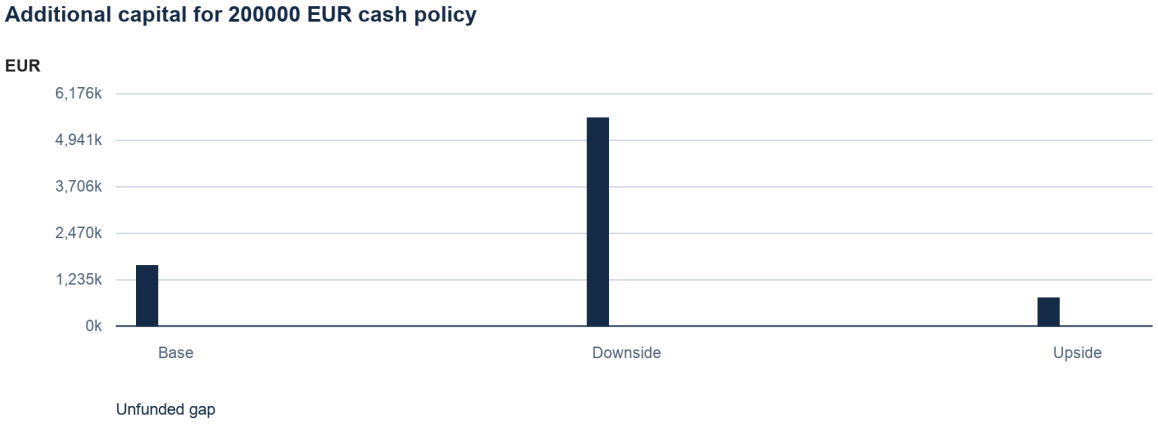
Scope and evidence

Base 2027 rent required for paid costs and cash debt service before positive-profit tax is €575,250, above collectible rent €333,333. EBITDA debt coverage 0.443 x fails the proposed 1.25 x covenant. Test actual achievable rent and revised leverage rather than treating break-even as a market quote.

Decision and controls

Base Downside Upside minimum cash is (€1,404,474), (€5,314,214), (€551,100). The extra capital to retain 200,000 EUR policy is €1,604,474, €5,514,214, €751,100; no case funds its own gap. Snapshot comparisons flag input or metadata edits as stale until import and rebuild. The 2036 Downside recovery is uncommitted and excludes compensation and remediation proceeds.

Case	2027 EBITDA	Minimum cash	Policy gap
Base	€192,583.33	(€1,404,473.71)	€1,604,473.71
Downside	€13,250.00	(€5,314,213.57)	€5,514,213.57
Upside	€242,583.33	(€551,100.00)	€751,100.00



EUR 360 month case gaps. No automatic rescue funds. Model v 1.0 captured 2026-10-03.

Model guide and completion

Scope and evidence

The retained Java Script builds one selected case,30 annual statements and 36 detailed initial monthly periods with 360 monthly cash helper positions. Blue inputs hold all three cases. Annual and monthly sheets reconcile rent, profit, cash, debt and equity; charts link to saved ranges. Comparisons record their captured inputs and report stale edits.

Decision and controls

Version 1.0 captured 2026-10-03,EUR 2027–2056 with 360 monthly cash helper positions and initial 36 detailed monthly statements. The proposed investment is deferred in all three cases. All site tenant lease valuation finance and professional cost evidence remains unverified. Save edits and import before rebuilding results and Word; future legislative rates and tax instalments require confirmation.