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**Business Concept &
Preliminary Budget Estimation
for the Development of a
Five Star Hotel,
Wellness & Medical Tourism Facility**

Prepared By



Table of Contents

1	The Concept.....	3
2	Project Description	4
2.1	Location	4
2.2	The Hotel Infrastructure.....	4
2.3	The Medical Center and Services	5
3	Buildings and Construction - Current Status and Value	6
4	Investment Program - Under Development	7
4.1	Buildings & Infrastructure	7
4.1.1	Main Facility.....	7
4.1.2	Auxiliary Spaces	7
4.1.3	Auxiliary Equipment.....	7
4.2	Services – Medical.....	7
4.2.1	Reception - Diagnostics & First Aid.....	7
4.2.2	Wellness.....	7
4.2.3	Rehabilitation.....	8
4.2.4	Special Care	8
5	Appendix – Summary of Investment	9

1 The Concept

The project under consideration is a Five Star Hotel situated in a unique touristic location in the area of Galatas, near the island of Poros in Greece. The site is situated in a central location of great natural beauty close to many other travel destinations and boasts both sea-line and road connections to Athens.

The core concept of the development is the accommodation of five star medical tourism services within a luxurious five star hotel facility.

Building infrastructure is at an advanced stage nearing completion, following the development of 5 new main hotel buildings (based on a frame constructed during previous developments) and the refurbishment of one older main building and 8 bungalows. The hotel has a total capacity of 291 rooms or 667 beds.

The business plan is aimed at developing an installation focusing on medical tourism. The facility will provide a series of integrated wellness, rehabilitation and special medical care services ranging from SPA, sports medicine, first aid, fitness and rehabilitation, nutrition, eye surgery, cosmetic medicine and dialysis.

The current value of the land and the development so far is estimated to be of the order of 43.600.000 € and it is projected to reach a total of 78.090.000 €, when the construction of the facility is finished. This investment will be followed by another one amounting to 15.500.000 € for the creation of the medical services facility portfolio.



2 Project Description

2.1 Location

The hotel complex is situated in Galatas within the municipality of Trizina, which is a part of the Prefecture of Piraeus. Galatas is a small town resting on the opposite side of Poros Island port on the shores of the Peloponnese peninsula. According to the 2001 census Galatas has a population of 6,000 inhabitants.

The site is very central in touristic location terms as apart from its own natural beauty, it is surrounded by several touristic locations of international recognition, such as: Epidaurus, Mycenae, Nauplion, and the islands of Poros, Aigina, Hydra, and Spetses and even Olympia.

The current tourism infrastructure in the Galatas area is small but significant and is made up of small hotels or studios. There is also a mix of residential and commercial buildings in the area mostly located close to the harbor. The complex can be reached from the harbor in less than five minutes, driving distance.

Access to this area is achieved by road through the National Road (Athens – Corinth and Corinth to Epidaurus) or by sea lines from Piraeus to Poros and then across via sea taxi. Both journeys can be estimated to be approximately one and a half hours from Athens. Driving time from the International Airport of Athens is less than two hours, while by sea lines the time needed from Piraeus to Poros is 1 hour.

2.2 The Hotel Infrastructure

The land where the buildings are located has a total area of 63.998,65 m². There are six main buildings (five new of the same design and one older one), a restaurant building, a gatehouse, five main and three smaller bungalows, and several smaller auxiliary buildings. An overview of the complex as it will be when finished can be seen below.



Building 1 is the original one currently under refurbishment. This will serve as the main reception of the complex (on the ground floor) and will also house rooms in floors one and two. The five buildings I through V are the new -almost finished- constructions. These will mainly house rooms, and within the core of their ground floors they will house auxiliary spaces such as food stores and linen stores. Building III will house the restaurant on its ground floor. The bungalows will house 2-bed rooms and mostly suites. The total buildings on site have a footprint of 12.523,29 m² and a total area of 22.913,12 m².

An additional plot of land having an total area of 22 acres has also been added to the complex. The property is not adjacent but parallel to the main facility and is connected to such via a corridor of approximately 70 meters long on the main public road connecting both plots. This plot is also to be developed under the scope of this investment.

The surrounding landscape includes biological water treatment facilities, pedestrian paths, trees and plants of various types, parking spaces, sports facilities, and three swimming pools; two for adults and one for children according to standards.

A summary of the capacity of the installations in terms of available rooms in their corresponding sizes can be seen below. The complex boasts an overall capacity of 291 rooms.

Building Designation		Room Type	Area (m ³)	No. of Rooms
New Buildings	Buildings: I, IV, V	2-bed (ground floor)	39,9	42
		2-bed, 3-bed (1st, 2nd, 3rd floor)	38,5	84
		2-bed (2nd, 3rd floor)	37,5	6
	Buildings: II, III	2-bed (ground floor)	40	24
		2-bed, 3-bed (1st, 2nd, 3rd floor)	38,5	66
		2-bed, 3-bed (1st, 2nd, 3rd floor)	37,5	4
		Suites (4th floor)	95	4
Refurbished Buildings	Building 1	2-bed, 3-bed (1st floor)	29,5 - 47	17
		2-bed, 3-bed (2nd floor)	29,5 - 47	17
	Bungalow T1 (4 buildings)	2-bed	26,1	4
		Suites	48,4 - 49,4	12
	Bungalow T2 (1 building)	2-bed, Suites	28,2	8
	Bungalow T3 (3 buildings)	2-bed, Suites	58,7	3
Total Rooms				291
Total Beds				667

2.3 The Medical Center and Services

The hotel installation will house a state of the art medical center. The center will encapsulate modern medical tourism demand and offer services such as Spa (and Thalassotherapy) Tourism, Wellness (and Fitness) Tourism, Sports Tourism (in the context of health), Accessible Tourism (for those with Health-related needs), and Assisted Residential Tourism (Ambient Assisted Living Abroad). More specifically, the services provided can be distinguished into three tiers: **Wellness, Rehabilitation and Special Care**.

Wellness services include procedures relating to personal hygiene and the aesthetics (from a non-medical point of view) and procedures for detoxification and overall revitalization of the body, including nutrition programs and healthy eating, weight control programs (systematic diets, special diets), massage, alternative therapies and more. These are combined with indoor or outdoor sports and activities such as swimming, football, volleyball, tennis, squash, basketball, fitness for children and adults, gym, aerobics, sauna, whirlpool and others.

With respect to **rehabilitation**, the installation will provide Health and care services, using modern tools and methods of medical treatment and rehabilitation physiotherapy as well as vision restoring using laser techniques.

Special care Health services are also to be provided. These services include dialysis and other simple medical procedures that require minor treatment. For such health services it is essential to have facilities which will have the capacity to undertake diagnostic procedures and preventive measures (check up) including imaging, microbiological tests and multidisciplinary clinics.

3 Buildings and Construction - Current Status and Value

Initial development was undertaken in 1970 where buildings K1 (old main hotel building) and K2 (old restaurant building) were constructed along with the bungalows. The hotel created, operated under license 006330 from the Greek National Tourism Organization (GNTO) with 172 beds and under category B³. Additional buildings were licensed in 1973 and the main body was constructed but works never finished. Under license from 06/2005 the reinforcement of the older building along with support works and completion of works commenced anew with the objective of delivering a 5-Star hotel installation.

The majority of all construction works to be undertaken are nearing the completion stage. An overview of the current status is detailed on the table below.

Description	Area (m ²)	Completion Stage
Buildings 1 - 5	17.523	80%
Building K1	2.370	50%
Restaurant K2	805	50%
Bungalows	1.121	65%
Staircases	964	100%
Auxiliary Buildings	130	80%
Surroundings	51.475	60%

Bearing in mind the general state of the local real estate market in combination with the overall characteristics of the surrounding area (the property enjoys its own shoreline) along with the uniqueness of the property, given the particular allowed uses of the land (which is near impossible to duplicate in this area due to archeological issues), the unit price that was adopted for purposes of land valuation was 25 €/m². It must be stressed that this value could be exceeded if the present was sold on its own, but in this case it is taken as an integral part of the value of the hotel complex. Therefore, the land is valued at 1.600.000 €.

A further consideration must be made here for the nearby plot that has not been included in the initial estimation. This plot will be used for auxiliary purposes, sports facilities and the like. This plot is 22 acres in area. Its valuation is somehow more conservative than the main piece of land since its coastline is not as effective as the main plot. Therefore assuming 22 €/m² the value of this piece of land is estimated to 440.000 €.

Taking into account the cost of replacing all buildings as they exist at their current construction stage, it has been estimated that the present value of the buildings (not at their final state) is 42.000.000 €. This figure includes all costs for the surroundings and all auxiliary buildings as they stand today.

4 Investment Program - Under Development

4.1 Buildings & Infrastructure

4.1.1 Main Facility

Taking into account all the necessary works that have to be carried out and are currently under way, the projection of the book value of the hotel infrastructure is estimated to reach an additional 14.400.000 € raising the total value of the main development to 56.400.000 €.

A significant cost will be also born in order for the main hotel facility to begin operations in terms of all the relevant equipment and furnishings of a five star hotel; such as linens, cutlery, ovens, washing machines, tables, chairs and many others that is essential for the every day operation. The budget estimation for this is 10.300.000 €.

4.1.2 Auxiliary Spaces

A budget of 6.400.000 € is added in order to construct further auxiliary facilities to the nearby plot of land. These include sport facilities, buildings supporting adjacent sport facilities and buildings housing other wellness, rehabilitation and special care services. This estimation is made based on a 1.600 €/m² budget for a building of 4.000 m².

To complete the development of the above plot, the construction of sport facilities is also necessary. Following an estimation of 100 €/m² for the implementation of these facilities, a budget of 1.800.000 is calculated for the remaining 18 acres.

Landscaping for the beachfront must also be considered including the construction of a small dock. New sand will need to be imported from elsewhere to improve the quality of the beach and also the removal of large rocks and other obstacles will be carried out. The estimated cost for this is 400.000 €.

4.1.3 Auxiliary Equipment

There is a wide range of auxiliary heavy type equipment that will be needed for the operation of the entire facility. This include cars and carts for transportation over small distances, ambulances for the transportation and care of customers with special needs, and boats that will be used for transportation over neighboring sea destinations and sight seeing. The estimated cost for the above is 750,000 €.

4.2 Services – Medical

4.2.1 Reception - Diagnostics & First Aid

To begin with there will be a special reception service coupled with a diagnostics department. This unit will perform the function of receiving guests / patients and making a preliminary assessment of their condition so that the appropriate services may be prescribed. The estimated cost for such a facility is 1.100.000 €.

Under this service there will also be a first aid station fully equipped, taking in account that the facility will house customers / patients that may already have health issues.

4.2.2 Wellness

The main wellness attraction of the entire complex will be a **SPA-Thalassotherapy** facility that will provide treatments such as: facial cleansing with a variety of products, massage, waxing, body wraps, or mud wraps, aromatherapy, skin exfoliation (including chemical peels

and microdermabrasion), nail care such as manicures and pedicures and bathing. The preliminary budget for this facility is 4.500.000 € assuming a capacity of 100 people.

Adding on to the services of the SPA there will be a complementary facility that will aim at **fitness**. This facility will cater for the needs of guests that need to exercise keep up their program or even start anew. This add-on has a budget of 400.000 €.

The wellness services are completed with a **nutrition department** that will be responsible for monitoring the diets of guests who at their request will be under supervision. The department will provide consulting services on dietary issues and will complement all other services of the facility. The estimated budget here is 200.000 €.

4.2.3 Rehabilitation

The main rehabilitation facility that will be created is a **sports medicine and ergometrics** center. This service will be targeted towards non-professionals and professionals for their training sessions. This will be combined with the Complex's excellent sports facilities. The estimated cost of this center is 600.000 €.

A **cosmetic dermatology** center¹ is also being considered. This will provide relatively simple cosmetic procedures that will be offered according to the demand that will arise for each one. Such procedures may be face lifts, laser skin resurfacing, botox and others. The cost of this unit will be 1.000.000 €.

4.2.4 Special Care

Any facility of this type would not be complete without more specialized products and services offered. One of the most important services that this facility will offer is **dialysis**. This will cater for a large percentage of the complex's guests with different types of problems but with this very common and essential requirement. This will allow guests to continue their treatment while on a holiday resort. The cost of this unit, assuming a capacity of 30 people, will amount to 3.800.000 € baring in mind the number of equipment that will be required.

A **revitalization center** including a biochemical diagnostics department is also being considered. The aim of this center is to provide specialized and customized counseling and monitoring to clients, based on DNA analysis, complementing any other services they may be enjoying within the complex. This center will cost 2.000.000 €.

An **eye care and surgery** unit² will also be constructed. This unit will perform Laser-Assisted Sub-Epithelial Keratectomy (LASEK) which is a procedure intended to correct a person's vision, reducing dependency on glasses or contact lenses; and also laser-assisted in situ keratomileusis (LASIK) an other type of refractive surgery for correcting myopia, hyperopia, and astigmatism. The unit will cost 1.900.000 €.

¹ This unit will also undertake more specialized care procedures. However it would not be useful to segregate is in terms of budget due to the inherent synergies of the equipment used.

² This unit will also encapsulate an ophthalmological center which according to definition may fall within the rehabilitation scope.

5 Appendix – Summary of Investment

The following table summarizes all the costs described in this text and gives the total estimated cost of the entire project upon its completion.

Description	Cost
Land (main)	1.600.000 €
Land (adjacent)	440.000 €
Buildings (up to date)	42.000.000 €
Buildings (projected)	14.400.000 €
Total Land & Buildings	58.440.000 €
Sports infrastructure (buildings)	6.400.000 €
Sports infrastructure (courts)	1.800.000 €
Total Sports Infrastructure	8.200.000 €
Total Transportation - Vehicles	750.000 €
Dock Construction - Coast Landscaping	400.000 €
Hotel Equipment	10.300.000 €
Total Hotel Infrastructure & Equipment	78.090.000 €
Reception Diagnostics First Aid	1.100.000 €
SPA-Thalassotherapy	4.500.000 €
Fitness Centre	400.000 €
Nutrition Centre	200.000 €
Total Wellness	5.100.000 €
Sports Medicine - Ergometrics Centre	600.000 €
Cosmetic Dermatology	1.000.000 €
Total Rehabilitation	1.600.000 €
Dialysis Unit	3.800.000 €
Ophthalmology - LASEK & LASIK	1.900.000 €
Revitalization & Special Diagnostics	2.000.000 €
Total Special Care	7.700.000 €
Total Services	15.500.000 €
Grand Total	93.590.000 €