

## The Herk Estate

Hotels & Apartments | Muta, Podravska, Slovenia

**950.000€**  
property price

Profitability	Rental flow / year	Rental flow / month	Tenant area
-	-	-	1.000m <sup>2</sup>



Net size  
**1.000m<sup>2</sup>**



Build  
**2009**

### Property details

The estate includes hotels and apartments, a wellness center, agritourism facilities, historic buildings and several acres of arable land.

The very location of the property and its existing infrastructure represent a great potential for an excellent tourist product that needs a good brand, a clear vision and a target audience. Communication with representatives of other tourist destinations in the region is also extremely important, as well as a good knowledge of the location itself.

The main tourist and health programs of the complex:

- "antistress" programs,

- wellness programs,
- romantic programs,
- traditional medicine treatment,
- range of services for medical companies.

The «Property Herk» is situated close to the Austrian border, in a convenient distance from the big cities, the complex has the potential to develop a full-fledged tourist cluster.

TYPE OF INVESTMENT: LUXURY TOURIST COMPLEX "PROPERTY HERK"

BUSINESS DIMENSION : TOURIST COMPLEX IN SLOVENIA

AMOUNT TO BE INVESTED: 950 000 EURO

NET FLOOR AREA: 1000 m<sup>2</sup>

BUILDING LAND: 30 000 m<sup>2</sup> (3 hectares)

MORTGAGE: appr. 2,5% a year from The Bank of Slovenia

PROJECT VALUATION:

Market-value of the project - 3 000 000 EURO.

According to the official forensic expert of real estate collateral, the real cost of "Property Herk" - 1 800 000,00 EURO.

SITUATION:

The Herk Estate is situated at the top of a plateau amidst untouched nature, 12 km from the main road Dravograd-Maribor, at an altitude of 1,036 meters in the village of Saint-Jerney in the municipality of Muta in Carinthia.

The property offers magnificent views of the forests and extensive pastures.

This property, in its today's form, is presented on the Slovenian real estate market since 2009.

"Property Herk" has strategically advantageous geographic position. It stands on the top of the tableland and is spang in the middle of the forests and mountains, where you can enjoy a panoramic view of the picturesque surroundings of the region. Koroška is nationwide famous for its unspoiled nature and clean air. On the territory of the complex there is a private source of drinking mineral water.

PURPOSE OF THE OBJECT:

Project "Property Herk" is a prestigious tourist complex in the very heart of Slovenia. The whole area of the complex is registered as protected environmental zone (BIO).

A Hotel 4\* with 21 apartments (capacity 45 people) is situated on the territory of the complex. It was built in 2009. Also there is a wellness center, which offers a full range of services:

- 3 types of saunas,
- Jacuzzi,
- gym,
- a massage room.

The project has a growth capacity (construction of additional real estate objects). There is a permit for building a hoverway.

PLEASE NOTE!

The calculation of the project recoupment is made on the basis of the minimum lease computation. Also, we do not take into consideration the potential discount for a real buyer.

By the way, you can buy this property in mortgage from 2,5% a year.

## Investment prediction

### OBJECT CONDITION:

"Property Herk" is a successfully working company on Slovenian market. All the permits to pursuit of touristic, restaurant and hotel activity have been received. It is a ready-made business.

All the utility connections are paid, most of the land plot is suitable for the real estate development. At this stage documentation for liquid expansion of tourist facilities have been prepared in two versions.

### AUDIT OF THE PROJECT:

This complex has different paths of development. It is possible to develop touristic direction by construction additional infrastructure.

If the tourism activity is not relevant, it is possible to use and develop land by building private cottages and selling them on the market.

If investor is ready to continue this activity, current owners are willing to provide some support and assistance, namely: to teach new control frames, to transfer suppliers' contacts, advertising and PR.

## Financing calculation

<b>Cost of the object</b>	950.000€
<b>Rental flow</b> / year	0€
<b>Rental flow</b> / month	0€
<b>ROI without financing</b>	0%
<b>Payback period</b> / years	inf
<b>Effective ROI with financing</b>	0%

### Credit options

<b>Financing</b>	0%
<b>Loan amount</b>	0€
<b>Own funds</b>	950.000€
<b>Interest rate</b>	0%
<b>Period of financing</b> / years	0
<b>Period of financing</b> / months	0
<b>Monthly loan body</b>	nan
<b>Annual loan body</b>	nan

When using bank financing, the payback will be **0%** per annum on invested own funds in the amount of **950.000€** and **0%** on bank funds in the amount of **0€**.

Total payback when using bank financing will be **0%**.

For the crediting period **inf** years taking into account the repayment of the loan body and %, the profit will be **nan€** through the period of **inf** years the property will remain in full ownership of the investor with price of **950.000€**.

Total upon investment of own funds in the amount of **950.000€** we get profit over the loan term in the amount of **nan€** (rental income after all payments on loan obligations) **nan€** plus the value of the property, minus investment amount **0€**.

## CALCULATION OF PAYMENTS ON THE LOAN at an annuity (the percentage is included in the monthly payment)

<b>Monthly payment</b>	nan€
The % of the sum is: nan€	
<b>Account balance after payment</b>	nan€
<b>Total annual payment</b>	nan€
The % of the sum is: nan€	
<b>Annual account balance after payment</b>	nan€
<b>Total body% of the loan for the entire loan term</b>	nan€

## One-time Expenses

By one-time expenses we mean single, occurring once expenses that you might require during at least the first year. This may be the cost of registration of your company (d.o.o.), agency fees, etc.

<b>Agency fee</b>	3% + VAT
The price includes the full management of the transaction, the organization of inspections, bargaining, negotiation of contracts. Payment is taken after having the documents filed for the registration of property rights and the receipt and transfer.	
<b>Property tax</b>	2% + VAT
Payment is taken in the case of buying commercial real estate with a tenant or residential real estate in the secondary market.	
<b>State fee for writing property rights</b>	Payment is taken depending on the price of real estate, usually does not exceed 1000 EUR.
<b>Translation of documents</b>	15€ / 30€ / 50€
Basic translation/specialized/judicial	
<b>Interpretive services</b>	75€ / hour
<b>Opening a company, getting a TIN</b>	1.500€

## Regular Expenses

By regular expenses we mean expenses that are periodically repeated from month to month, in general, these are expenses for taxes, accounting services and bank account maintenance.

	per Month	per Year
<b>Accounting services</b>	100€	1.200€
<b>Bank account</b>	20€	240€
	<b>120€</b>	<b>1.440€</b>
<b>TAX 19%</b>		-273,60€
Simplified tax system - 19% of the company's turnover (the entire balance of the company account is net profit)		
<b>Total income without TAX</b>		<b>273,60€</b>

## Micro location

### Muta

Muta is the largest settlement and center of the Carinthia Statistical Region of northern Slovenia. Traditionally, it is part of Styria because it was part of the Duchy of Styria.

The parish church in the settlement is dedicated to Saint Margaret (Slovene: sveta Marjeta) and belongs to the Roman

Catholic Archdiocese of Maribor. It was first mentioned in written documents dating to 1349. In the 17th century it was extended and widened. There are two other churches in Muta.

## Macro location



### Population

322,545

### Employment in services

63,40%

### Employment in industry

35,80%

### Employment in agriculture

0,80%

## Podravska

The **Drava Statistical Region** (Slovene: Podravska statistična regija) is a statistical region in Slovenia. The largest town in the region is Maribor. The region has a total area of 2,170 km<sup>2</sup>.

Its name comes from the Drava River and includes land on both banks along its course through Slovenia as well as the Pohorje mountains in the northeast of the region. The Drava is used for the production of hydroelectricity and the fertile land around it is used for agriculture. The share of job vacancies in all available jobs is among the highest in Slovenia and the region has a positive net migration rate.

The region has a ski resort Mariborsko Pohorje, many recreational sports activities, historical sights, it attracts around 3.2% of the total number of tourists in Slovenia, most being from foreign countries (68.9%).