



BUSINESS PLAN · INDIA

Real Estate Developer

Acquire, approve, build & sell — RERA-compliant development of residential & commercial projects

REAL ESTATE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Real-Estate Developer** business in India — a firm that acquires land, obtains approvals, and develops and sells residential or commercial projects (plots, apartments, shops or small commercial buildings). It earns development margin on sales, building value by converting land and approvals into finished, saleable real estate. This plan is framed for a small, focused first project rather than a large multi-tower development.

Real-estate development is capital-intensive but high-value, and demand for housing and commercial space in Indian cities and towns remains structurally strong. A disciplined, RERA-compliant developer that picks the right micro-market, controls costs and delivers on time can earn substantial margins while building a durable brand.

The promoter — an experienced real-estate / construction professional — structures a first project of **₹6 crore** total outlay (land + construction), typically financed with promoter equity, customer advances and construction finance. This plan models a small project; a bank/NBFC construction loan and RERA-compliant escrow of customer collections are central to bankability. *(Illustrative single-project model — figures are indicative and must be replaced with a real project's costing.)*

2. Business Description, Vision & Legal Structure

Concept: A focused developer that acquires land, secures approvals, builds quality projects, and delivers on time to buyers — creating value and a trusted brand.

Vision: To be a respected developer known for quality, on-time delivery and fair dealing in chosen micro-markets.

Mission: Convert land and approvals into well-built, RERA-compliant projects that buyers trust and that earn a fair development margin.

Legal structure options

- **LLP** — common for single/small projects with defined partners.
- **Private Limited / Project SPV** — recommended; a project-specific SPV ring-fences risk and suits construction finance.

Regulatory anchor: development is heavily regulated — RERA registration and escrow of 70% of collections, building-plan and layout approvals, environmental and local-body clearances, title diligence, and GST. Capital intensity, approval timelines and market cycles are the defining risks; discipline in land selection, approvals, costing and delivery is the core competency.

3. Promoter & Ownership

Led by a promoter with real-estate, construction or civil-engineering experience. Delivery uses architects, contractors, a project manager, and legal/title and RERA advisors. A project SPV holds the project; ownership and profit-sharing among partners/investors are editable inputs.

4. Market Analysis — India

India faces a large, persistent housing shortage and growing demand for organised commercial space, driven by urbanisation, income growth and household formation. Post-RERA, buyers favour credible, compliant developers with clean titles and on-time delivery. The market is local and cyclical; success comes from the right micro-market, product and price point.

Demand drivers

- **Housing shortage** & urbanisation.
- **Rising incomes** & household formation.
- **RERA trust** favouring credible developers.
- **Commercial / retail** space demand.
- **Affordable & mid-income** housing focus (with scheme support).

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Real-estate development demand in India	Very large
SAM	Demand in the firm's target micro-market/segment	Substantial
SOM (per project)	Units sold in the project	Project-specific

Target segments

- Mid-income home buyers.
- Affordable-housing buyers (scheme-eligible).
- Plot/land buyers & investors.
- Small commercial/retail buyers.

5. Competition & Competitive Advantage

Landscape: established developers, local builders, and organised branded players. The firm competes on location, product quality, pricing, on-time delivery and trust.

The firm's edge

- **Right micro-market & product** selection.
- **RERA compliance & clean titles** (buyer trust).
- **Cost & timeline discipline.**
- **Quality construction** & delivery record.
- **Fair, transparent dealing.**

6. Products & Pricing

Product	Revenue model	Indicative basis
Apartments / flats	Sale per unit	₹/sq ft
Plots / land parcels	Sale per plot	₹/sq ft/yard
Shops / small commercial	Sale per unit	₹/sq ft (premium)
Villas / row houses	Sale per unit	₹/unit
Amenities / parking	Add-on charges	Value

Pricing is ₹/sq ft benchmarked to the micro-market, with development margin = sale value – (land + construction + approvals + finance + marketing). RERA phasing and escrow govern collection timing.

7. Go-to-Market — Marketing & Sales

- **Pre-launch & launch** pricing to build early momentum.
- **Broker & channel-partner** network for sales.
- **Property portals & digital** marketing.
- **Site & sample-flat** experience.
- **Home-loan tie-ups** (banks/HFCs) to enable buyers.

Sales approach

Approvals & RERA → pre-launch → phased sales with construction progress → deliver & hand over → brand for the next project. Early sales fund construction; on-time delivery builds the brand and channel trust.

8. Operations Plan

- **Location:** a project site in a demand micro-market with clear title and connectivity.
- **Process:** land acquisition/JV → title diligence → design & approvals → RERA registration → construction (contractor/PMC) → sales & collections (escrow) → handover.
- **Execution:** architects, structural consultants, contractors, and a project manager; quality and safety control.
- **Compliance:** RERA, approvals, environmental, labour and safety norms; escrow of collections.
- **Capacity:** project-based; scale by taking on the next project once the current is de-risked.

Project workflow

Stage	Activity	Gate
Land	Acquire / JV	Title clear
Approvals	Plans & RERA	Sanctioned
Build	Construction	On schedule
Sell	Phased sales	Absorption
Handover	Delivery & OC	Completion

9. Regulatory, Licences & Compliance (India)

- **RERA registration** of the project; 70% escrow of collections; quarterly disclosures; delivery commitments.
- **Approvals:** building-plan/layout sanction, commencement & occupancy certificates, environmental clearance (where applicable), fire/NOCs.
- **Title & land:** clean title diligence, conversion/land-use, stamp duty & registration.
- **Business & tax:** project SPV; PAN/TAN; GST on under-construction sales; labour & safety compliance.

10. Organisation & Manpower Plan

Role	Project
Promoter / Developer	1
Project Manager / Engineer	1-2
Site supervisors	2-3
Sales & CRM	2
Accounts & compliance	1
Architects/contractors	Outsourced

Construction labour is via contractors; architects, structural and RERA/legal advisors are engaged as consultants.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Land & design	Month 0-4	Land tied up, title clear, design done
Approvals & RERA	Month 4-8	Sanctions, RERA registration, launch ready
Pre-launch/launch	Month 8-12	Bookings begin; construction starts
Construction	Year 2	Phased build & sales; escrow collections
Delivery	Year 2-3	Completion, OC, handover, sell-out

12. Financial Plan (Illustrative — single small project)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with a real project's costing. They are not projections of guaranteed results, and development returns depend heavily on land cost, approvals and market absorption.

12.1 Project cost & means of finance

Project cost component	₹
Land acquisition	2,40,00,000
Construction & civil	2,70,00,000
Approvals, RERA & consultants	35,00,000
Marketing & selling	30,00,000
Finance cost & contingency	25,00,000
Total project cost	6,00,00,000
Promoter equity	1,80,00,000
Customer advances (escrow)	2,70,00,000

Construction finance (bank/NBFC)	1,50,00,000
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12.2 Projected project P&L (on completion, illustrative)

Particulars	₹
Gross sale value of project	7,50,00,000
Less: Land cost	2,40,00,000
Less: Construction & civil	2,70,00,000
Less: Approvals, RERA & consultants	35,00,000
Less: Marketing & selling	30,00,000
Less: Finance cost	25,00,000
Development profit (pre-tax)	1,50,00,000
Development margin	20.0%
Return on promoter equity	~83% (project life)

12.3 Unit economics & break-even

- **Per unit:** sale price ₹/sq ft vs. all-in cost ₹/sq ft; margin is the spread.
- **Break-even absorption:** the % of units to be sold to cover total cost — a key risk metric.
- **Timeline sensitivity:** delays raise finance cost and erode margin; on-time delivery protects returns.

12.4 Projected Cash Flow — project phases (illustrative)

Particulars (₹)	Yr1 H1	Yr1 H2	Yr2 H1	Yr2 H2
Opening balance	0	10,00,000	15,00,000	20,00,000
Equity + advances + loan	2,60,00,000	1,80,00,000	1,60,00,000	1,20,00,000
Land, construction & costs	2,50,00,000	1,75,00,000	1,55,00,000	1,10,00,000
Closing balance	10,00,000	15,00,000	20,00,000	30,00,000

RERA escrow governs how customer collections are drawn for construction. Phased sales fund the build; equity and construction finance bridge the gap. Finance cost and absorption pace are the swing factors.

12.5 Key Performance Indicators to Monitor

- **Sales:** booking velocity; absorption %; realisation ₹/sq ft.
- **Cost:** construction cost/sq ft vs. budget; approval timeline.
- **Finance:** collection vs. construction pace; interest burden.
- **Delivery:** schedule adherence; quality; OC timeline.

13. Funding Requirement & Bankability

The project uses **₹1.5 crore construction finance** alongside ₹1.8 crore promoter equity and ₹2.7 crore RERA-escrowed customer advances. Construction finance is secured against the project (land + receivables) with drawdown tied to construction milestones and escrow; the ~₹1.5 crore development profit and phased sales support debt service. Clean title, RERA registration and sales momentum are the bankability anchors.

13.1 Funding utilisation

Use of funds	₹	% of total
Land acquisition	2,40,00,000	40%
Construction & civil	2,70,00,000	45%
Approvals, RERA & consultants	35,00,000	6%
Marketing & selling	30,00,000	5%
Finance cost & contingency	25,00,000	4%
Total	6,00,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Approval delays	Experienced consultants; buffer timelines; phased approach
Cost overruns	Fixed-price contracts; contingency; tight PMC control
Slow sales / absorption	Right pricing/product; channel partners; pre-launch
Market/cycle downturn	Conservative gearing; affordable segment; phasing
Title / legal issues	Rigorous title diligence; SPV ring-fencing; RERA compliance
Finance cost escalation	Milestone-linked drawdown; fast collections; low leverage

15. SWOT Analysis

Strengths High-value margins; strong demand; brand-building; RERA-compliant trust.	Weaknesses Capital-intensive; approval-dependent; cycle-sensitive; execution-heavy.
Opportunities Housing shortage; affordable segment; JV/land-owner tie-ups; repeat brand.	Threats Market cycles; approval delays; cost inflation; large-developer competition.

16. Recommended AiSevak Tools for This Business

This developer would use AiSevak's Real-Estate vertical tools in planning & delivery:

- **Project ops:** project-costing, sales-CRM, booking/collection and RERA-disclosure tools.
- **Documentation & compliance:** title-diligence, agreement-for-sale and RERA tools (with Legal vertical).
- **Practice:** Business Plan, project-feasibility and Break-even tools to model absorption and margin.

17. Key Assumptions & Notes

- Illustrative single small project (~₹6 crore outlay); figures must be replaced with a real project's costing.
- Development margin ~20% on ₹7.5 crore sale value; return depends on land cost, approvals and absorption.
- RERA escrow (70% of collections) and milestone-linked construction finance assumed; GST on under-construction sales.
- Clean title, timely approvals and on-time delivery are foundational; figures are pre-tax and exclude GST.

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