

DECISION BRIEF

The model works. Access is unresolved.

Reviewing the conditions of a fictional residential project.

RECOMMENDATION

Hold price approval. Establish access rights and utility capacity first, then use the financial model in discussions.

CONDITION FOR THE NEXT STEP

A capacity study is not a permit. Access drawn in a study is not evidence of an access right.

1,500 m²

Assumed saleable area

CZK 19.5m

Base residual

CZK 11.25m

Costs +10%

Residual by scenario

CZK m

19.5



Base

14.4



Price -5%

11.25



Costs +10%

INTERPRETATION NOTE

The CZK 19.5m residual is not an approved price. A 10% cost increase reduces it to CZK 11.25m.

What must be evidenced before discussing the land price?

Fictional demonstration with synthetic source documents. Site B and access strip R are not real parcels. We examine the connection between capacity, rights and economics. Prices, areas and budget are model inputs, not market observations or a property valuation.

Scenario	Revenue	Costs	Contingency	Profit	Residual
Base	CZK 120m	CZK 75m	CZK 7.5m	CZK 18m	CZK 19.5m
Price -5%	CZK 114m	CZK 75m	CZK 7.5m	CZK 17.1m	CZK 14.4m
Costs +10%	CZK 120m	CZK 82.5m	CZK 8.25m	CZK 18m	CZK 11.25m

READING THE MODEL

The study assumes access over a separate strip R. The synthetic rights schedule contains neither an agreement nor consent for it.

Source IDs refer to the synthetic source packet on page 4.

What needs to be resolved

P-F01 / INPUT

Area is a study assumption.

The study assumes 1,500 m² of saleable area. It includes neither an issued permit nor confirmed binding areas. The economics therefore describe a scenario, not approved capacity.

SOURCE: P-S01

P-F02 / TO VERIFY

Access is the decisive open condition.

Access crosses the separate strip R. The rights schedule has no agreement or consent for its use. The drawing cannot establish that access is secured.

SOURCE: P-S02

P-F03 / CALCULATION

Revenue does not substantiate the sale price.

1,500 × CZK 80,000 = CZK 120m. CZK 80k/m² is an input assumption without comparable sales. It needs separate validation before a pricing conclusion.

SOURCE: P-S04

P-F04 / CALCULATION

The contingency has a defined basis.

Costs excluding land total CZK 75m. The 10% contingency applies to these costs, not revenue, giving CZK 7.5m in the base case. The budget excludes land purchase and acquisition expenses.

SOURCE: P-S03

P-F05 / CALCULATION

An acceptable price depends on the scenario.

Base: 120 - 75 - 7.5 - 18 = CZK 19.5m. Price -5% gives CZK 14.4m; costs +10% give CZK 11.25m. Contingency and profit are recalculated under the same rules in every scenario.

SOURCE: P-S04

P-F06 / ASSESSMENT

The next checks have an order.

Check access and utility capacity first, then confirm area and budget. The rights schedule includes neither capacity statements nor a permit. Choosing a sale price first would not resolve those conditions.

SOURCE: P-S02

NEXT STEPS

01

Evidence access and utility connections.

Owner: Legal and technical teams
Deliverable: Document supporting use of strip R, confirmed utility capacity and connection-cost scope.

02

Confirm capacity and budget.

Owner: Designer and cost planner
Deliverable: Evidenced areas, planning status and a budget with the same cost boundaries as the model.

03

Recalculate the discussion limit.

Owner: Investor and analyst
Deliverable: Validated revenue, cost and tax inputs; agreed contingency, profit requirement and conditions of any offer.

The supporting evidence

Four synthetic source documents for this example. These are not actual company records, official documents or offers. Source IDs connect the evidence to the findings on page 3. Source dates belong to the model, not to market verification.

P-S01 2026-09-01	Synthetic capacity study Sections 1-2 / schematic Synthetic document. Site B: model residential project with 1,500 m² of saleable floor area. The schematic marks development area B, separate access strip R and utility connection point S. Access across R is a study assumption. The document confirms neither strip ownership, usage rights, utility capacity nor an issued permit. It is not a real map or design document; area B is not the saleable floor area.
P-S02 2026-09-01	Synthetic rights and conditions schedule Rows B, R, S and P Synthetic document. B: main area assumed held by Owner B; acquisition evidence is outside the sample. R: separate access strip outside Owner B's assumed ownership; no usage agreement or consent attached. S: connection capacity and connection cost unconfirmed. P: no issued permit attached. Schedule conclusion: the study assumes a solution that the available synthetic rights packet does not yet evidence.
P-S03 2026-09-01	Synthetic project budget Sections 1-2 Synthetic document. Costs excluding land in CZK m: construction 58; design and preparation 8; financing 4; selling 3; coordination and connections 2. Total 75. Contingency is added separately at 10% of these costs. Connections are assumed, not contractually confirmed. Land, acquisition expenses and unmodelled taxes must be deducted from the residual. All amounts are modelled excluding VAT. A drawdown schedule is not evidenced.
P-S04 2026-09-01	Revenue and sensitivity model Sections 1-2 Synthetic document. Inputs: area 1,500 m², price CZK 80,000/m² excluding VAT; no comparable sales attached. Model owner's profit requirement: 15% of revenue. Residual = revenue - costs - 10% of costs - 15% of revenue. Base: 120 - 75 - 7.5 - 18 = CZK 19.5m. Price -5%: 114 - 75 - 7.5 - 17.1 = 14.4. Costs +10%: 120 - 82.5 - 8.25 - 18 = 11.25.