



# Real Estate Montenegro

**International tender -  
Ada island, Montenegro**

**October 2006**

## What is on offer

- Lease of a **truly unique** island situated near Ulcinj, Montenegro
- The Lease Agreement is for a period of up to 30 years, with further possibility of renewal, for additional periods of 15 years per renewal
- Rent based on turnover but subject to a minimum of at least 2.5 million Euros per year.
- The deadline for submitting bids – **TO BE CONFIRMED SOON!**  
(New Councilor of Ulcinj Municipality to be appointed in the first week of October 2006. Bidding date to be defined shortly afterwards.)

## Property highlights

- Premium property, a largely unspoilt triangular island with its 494 hectares (1,185 acres), flanked on two sides by the Bojana River thereby connecting directly to Skadar Lake.
- Offers a beautiful natural beach with fine grey-black sand and long continuous vistas of the beach which are unusual for the region, covering over 2.8 km in length, and a private seafront including an unobstructed view onto the Adriatic Sea.
- Connected to the mainland by a single bridge
- Currently used as a resort with 500 beds in bungalow type accomodation

## Potential

- Development of a truly unique tourist resort, providing an excellent combination of tourist attractions
- Presents all the discerning components such as exclusivity, privacy and an unparalleled nature preserve of approximately 400 hectares populated by numerous species of turtles, dolphins, birds and flora
- A great chance to include the preservation of the virgin island into the tourism concept and to create a special offer unique in the Mediterranean
- Private Caribbean-style sand beaches with an unobstructed view onto the Adriatic Sea
- Located in an area with massive tourism potential with significant investment inflow already taking place
- Canadian billionaire, Peter Monk, is investing USD 500m in a development of a luxury marina and hotel complex on the Montenegro coast
- According to official statistical data, the Montenegro tourism sector achieved a 22% revenue growth in 2005
- *Such a location should belong to the portfolio of any reputable investor and prestigious international luxury hotel operator*

## Process

- The bidders are expected to:
  - submit a preliminary development and design concept for Ada Bojana
  - ensure that the properties constructed are of the highest international design standard
  - operate and maintain the island's natural preserve;
  - to pay an annual rent based on turnover, subject to a guaranteed minimum rent.
  - to make a minimum investment of 75 million Euros during the 36 months subsequent to the signing of the Lease Agreement.
- Detailed information on Ada Bojana Island and on the tender process is included in the Tender Documents (Instructions to Bidders, Information Memorandum, and Draft Lease Agreement).
- Tender Documents are available to interested parties for EUR 10,000
- Along with the Bid, the Bidder shall submit a Bid Bond in the amount of EUR 350,000 in the form of an unconditional bank guarantee payable on first demand and issued by a reputable international bank, or in the form of a deposit in the same amount
- The deadline for submitting bids – **TO BE CONFIRMED SOON!**

# Location



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## Accessibility

- 15 kilometres from the town of Ulcinj
- 60 minutes drive from Tivat International Airport (Connections from major European cities. EasyJet flights expected to start from April 2007)
- 90 minutes drive from Dubrovnik Airport (a number of national carriers and no-frill airlines flying in on a regular basis throughout the year)
- 90 minutes drive from Podgorica Airport (the capitol of Montenegro)
- 30 minutes drive from Bar international port (with direct daily ferryboat link to Bari in Italy)

## The Island

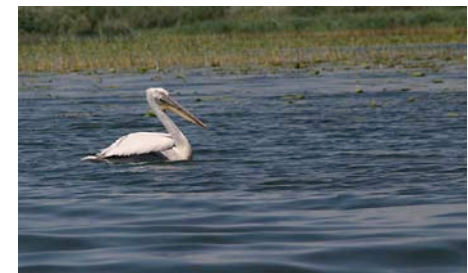
- Considered to be a natural reservation like that of a national park.
- The isle is a triangle, with the Bojana River on two sides and the Adriatic Sea on the third, therefore offering swimming in both sweet and salt water.
- The sea front is a sandy beach, 2,880 meters long, with the capacity for 13,000 people.
- The beach and the sea bottom are covered with fine sand.
- It is a haven for windsurfing, sailing, water-skiing, beach horse riding.
- The beaches that are pounded by the Bojana river are famous for wooden houses, from which the local people fish in a traditional way.
- The dense and luxuriant vegetation gives Ada the charm of the Amazon, and together with its unusual animal world it is a special micro-ecological area.

## History

- Ada Bojana is an artificially created river island.
- In 19<sup>th</sup> century in the vicinity of two smaller islands on the present location of Ada, sunk ship "Merito".
- During the years, the wreck of this ship and islands nearby gathered river sand and created this beautiful island.
- In the 1960s, the island has been opened to tourism as one of top nudist resorts in the former Yugoslavia
- It was then one of the leading naturist (FKK) resorts in Europe with thousands of visitors every year.

## Nature

- As human use has been restricted to a small area used for buildings and a part of the beach, over 95 % of the island's five square kilometres is covered by virgin habitats such as forest, marshes and dunes.
- Covered by thick vegetation that makes it a special micro ecological world, the home of rare plants and rare animals. A veritable heaven for bird watchers and plant lovers!
- Abundance of subtropical and Mediterranean vegetation, with some of the plant species being unique to Europe.
- A unique virgin area and habitat for many species such as Logger-head Turtles, Jackal, Spoonbill, Pygmy Cormorant, Stone Curlew and Levant Sparrow hawk
- A location where dolphins migrate about 30 km upstream the river Bojana, which makes this a unique phenomenon in Europe.



## Dimensions

- The island is 5.4 square km in size totalling 494 hectares (c. 1,200 acres)
- The seafront is 2.9 km long while each of the river banks is 2.8 km in length
- The sea front is a sandy beach 2,880 meters long that can cater for around 13,000 people
- Average beach width is 30m (The beach and the sea bottom are covered with fine sand)
- The "summit" of the island tops at 3.4 m elevation

# Layout



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## Current facilities

- Bridge connecting the island to the mainland
- Bungalows type "L" with 7 hexagonal clusters of 10 two-bed bungalows
- Bungalows type "A" with 180 two-bed rooms in two level buildings that draw a reversed Y shape
- Parking lot for 60 cars
- Reception
- Restaurant
- Seaside bar restaurant,
- Riverside restaurant
- 2 tennis courts and other sport grounds
- Quay for boats
- Mini market
- Childrens playground



# Current facilities



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## Current accommodation

- Resort with 500 beds in bungalows type "L" with 70 two-bed rooms and bungalows type "A" with 180 two-bed rooms.
- All rooms have an independent entrance and face either the sea or the rivermouth.
- Type A bungalows are situated in two level buildings that draw a reversed Y shape.
- Type L bungalows is a cluster of 10 bungalows arranged in a horseshoe shape with the "opening" of the horseshoe in front. The bungalows are set on a hexagonal plan and arranged by 7 groups of 10.
- The dining room is in the reception building accommodating hundred tables.
- Another dining room of the same size is located on a covered terrace.

## River Bojana

- A short 44km river that originates from Lake Skadar and meanders its way to the Adriatic sea.
- Lake Skadar is the largest lake in southeastern Europe
- Near the sea, the river splits into a few arms, forming a marshy low-lying delta area, with a few fishing villages and the island of Ada Bojana
- Despite being short, the Bojana has quite a large watershed, covering 5,187 km<sup>2</sup>, due to the whole drainage area of Lake Skadar - the largest lake in southeastern Europe - being part of it.

## Additional facilities



# Montenegro

- Population 650,000
- Area 13,812 sq km (approx. the size of Northern Ireland)
- 283km Adriatic coastline with 117 beaches, parkland, the world's second deepest canyon, ski resorts, 40 large lakes and 240 days of sunshine a year.
- Gained independence in May 2006
- **Currency EURO (no FX cost)**
- Government making strong efforts towards the EU membership
- Climate : Mediterranean
- Average °C in July : 25°C
- Average °C in January : 5°C
- Coastline : 293,5 km
- Highest Peak: Kuk 2,522 m



## Political stability

- Stable leadership
- Reform agenda
- Independence from Serbia
- On the road towards EU membership

## Economic stability

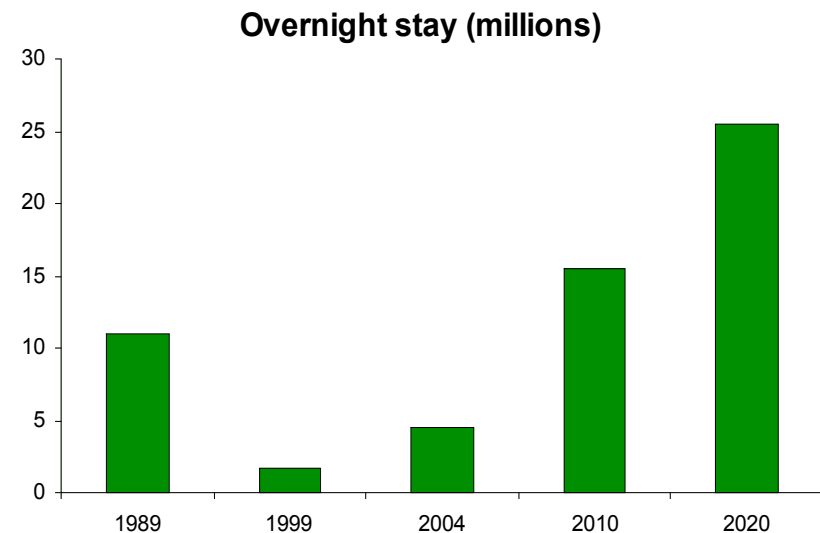
- Euro currency
- Foreign investment
- EU Financial Assistance
- Positive Economic Results

# Drivers of growth

- Infrastructure investment
  - Focus on Tourism
  - Massive Infrastructure Programme
  - Positive Impact
  
- Tourism
  - Greatest Asset
  - Sharp Recovery
  - Huge Potential

**Tourism is the highest priority on the political agenda!**

*Source: Government of Montenegro*

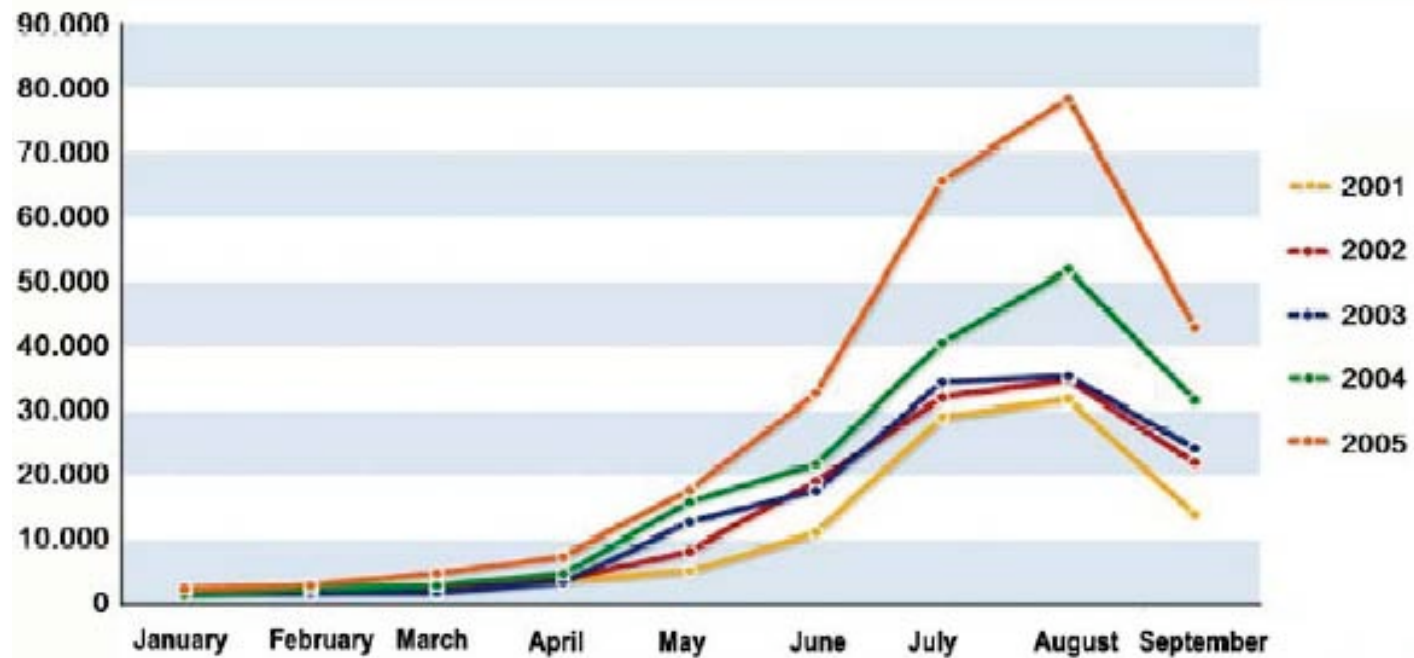


## Tourism

- Number of tourists in the first nine months of 2006 was 16.82% higher than in 2005, whilst the number of overnight stays increased by 14.71%, and revenue by 21.8%.
- The growth rate for the number of international tourists in the first nine months is very high at 47.26% , with the number of overnight stays at 31%.
- According to the Central Bank information, growth in income from tourism in the first nine months is 21.8%, and growth in number of overnight stays, according to the official data from Monstat is 14.71%, which is showing the continuation of the trend of fast growth of income achieved from overnight stays, in other words, from physical volume of traffic.

**Source: Ministry of Tourism**

## No. of international tourists 2001-05



## Contacts

- **Mio Hadzipasic**
  - Mobile: 0044 7966 973 365
  - Email: *Mio@presstopinvestments.com*
- **Shazia Nizam**
  - Mobile: 0044 7973 907 920
  - Email: *Shazia@presstopinvestments.com*