



## Transhudson Hotel - Parshall



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# About

## THE DEVELOPER

North Dakota Developments LLC are a specialist commercial and residential developer building quality hotels for the oil and service sector. Their objectives are simple: provide the highest quality accommodation solution, incorporating the wants, needs and budgets of the workers; thereby creating a 'home away from home'.

For them, their reputation is of paramount importance and something they will never

compromise on. Their clients and customers will always receive the best customer care and product without fail.

They are currently undertaking commercial developments in and around oil fields in the USA, to provide superior hotels for oil and construction workers, as well as those in the service sector, for both short and long-term rental basis.

## THE SUCCESSES

Their project successes to date include the four high quality Great American Lodge sites located around the Bakken oilfield. Great American Lodge Watford City, saw phase 1 open in late 2013, phase 2 opened in May 2014 and phase 3 will follow on this year. Trenton presents 343 rooms under management and the Montana site is due to open soon. Their newest addition of Great American Lodge Watford East, rounds off an already fantastic portfolio of products. Now we are pleased to introduce their latest project, Transhudson Hotel, Parshall.

Increasing its span by looking to develop hotels in other locations within the Bakken

Formation, their newest venture - Transhudson Hotel, Parshall - is situated in the west of North Dakota, in the City of Parshall. The hotel will be in the new Bolkan Plaza, which will provide various food and recreational outlets for the workers alongside the offered accommodation. The discovery of the Parshall Oilfield in 2006 was the catalyst for the North Dakota oil boom, and continues to ensure North Dakota remains to be one of only five US states to have achieved a production output of one million barrels of oil per day and is now second only to Texas.



## THE BAKKEN REGION

The world we live in continues to be dictated by the supply and demand for commodities and there are few commodities that are more important in the world than oil. As the world's largest consumer of oil, the USA is in an incredibly fortunate position to have

discovered one of the largest oilfields ever, known as the Bakken Formation Region in North Dakota. This is new, current and causing waves across the USA as engineers, oil workers, and laborers flood to the area in search of jobs and opportunities.

## THE OPPORTUNITY

The oil boom in North Dakota is allowing them to defy the laws of economics during the current climate. With larger oil reserves than Saudi Arabia and the UAE combined, the pressures from this rapid growth are evident.

As a result of this incredible prosperity, counties located within the Bakken Formation have the lowest unemployment rate in the USA, with less than 1% in some locations.

Currently only a tiny fraction of the rising 45,000 oil and service workers have suitable accommodation. The vast majority are sleeping in their cars, tents or trailer parks.

The situation creates an incredible, untapped opportunity to provide accommodation for the thousands of cash-rich workers struggling to find somewhere to live. This is where North Dakota Developments comes in.

## THE BENEFITS

- Assured net yield of 15.55% per annum for three years
- Full title deed with purchase of hotel suite
- Purchase price plus 10% buy back after three years
- Multi purchase discounts

# Transhudson Hotel

## NORTH DAKOTA DEVELOPMENTS

North Dakota Developments have chosen to broaden their offering with the introduction of multi-storey hotels to their portfolio. Transhudson Hotel, Parshall will continue to follow the high standard set by previous projects within their collection and will

fulfil the same ever-growing need for accommodation in the Bakken region.

On 6.2 acres of land, the hotel will consist of three floors, hosting 396 suites plus 12 ADA (American Disability Act) compliant rooms.

## THE FACILITIES

Continuing to provide above and beyond, North Dakota Developments have carried over their ethos for building more than just a room, by incorporating a wide range of the following facilities:

- Entrance Lobby
- 400 Parking Spaces
- Seated Dining Facility for 160 guests
- Commercial Kitchen
- TV lounge
- Games Area
- Laundry Service & Guest Laundry Facilities
- Fitness & Meeting Rooms
- Guest Lockers
- Elevators



## THE SUITES

Delivering high standard accommodation, the suite poses 170 sq ft of spacious and quality lodgings, along with all the necessary furnishings to help make a 'home away from home' for the workers.

### WHAT'S INCLUDED?

- Double Bed with Storage Underneath
- En Suite Bathroom
- Quality Bed Linen, Mattress and Pillows
- Kitchenette area
- Wash Basin
- Fridge Freezer
- Microwave
- Coffee Machine
- HVAC Unit
- Built-in Wardrobe
- Large Flat Screen Television
- Satellite Television
- Vinyl Flooring
- Work Desk with Chair



# Finance & Figures

	1 SUITE	5 SUITES	10 SUITES
Suite Price	\$104,950	\$524,750	\$1,049,500
First Buyers Discount	\$15,000	\$75,000	\$150,000
Bulk Purchase Discount	-	\$10,000	\$25,000
<b>Investor Price</b>	<b>\$89,950</b>	<b>\$439,750</b>	<b>\$874,500</b>
Booking Fee	\$2,950	\$11,300	\$19,500
Legal and Buying Costs	\$4,800	\$20,200	\$38,200
Assured Net Yield per year (before income tax)	15.55%	15.91%	16.00%
Fixed return per year for three years*	\$13,990	\$69,950	\$139,900
Total assured income over three years	\$41,970	\$209,850	\$419,700
Compulsory buyback after year three**	\$98,945	\$483,725	\$961,950
Net return over three years	56.66%	57.72%	57.99%
Net profit over three years***	\$50,965	\$253,825	\$507,150

\*Assured - depending on choice of Management Company

\*\*Contracted at 10% above the purchase price

\*\*\*Before applicable income taxes

## EXPLANATION OF INCOME FIGURES

In order to purchase a suite at Transhudson Hotel, Parshall, a booking fee is required to hold the unit. On payment of the purchase price, legal costs are also due to be paid into the escrow account. Once the hotel is operational in Summer 2015, providing you choose North Dakota Developments Property Management to lease your suite, a three year fixed income assurance is payable at 15.55% net per annum - this is backed up by North Dakota Developments. At the end of the third year after opening, it is compulsory that North Dakota Developments buy-back the suite at the price you paid for it plus 10%. They will sell the entire hotel to a fund, re-finance or continue to own the hotel for the income because

they see the long term value in such an income producing asset. They are able to undertake the compulsory buyback due to the large asset base of the group of companies and in particular the asset value of the master plan on which the hotel sits.

The hotel is projected to achieve between \$100 and \$233 per night throughout the year once established (a few months after opening) and will result in average stabilized nightly rates of \$160 per night. This will allow the developer and the management company plenty of security to back up the fixed annual returns.

# FAQ's

## **WHAT AM I ACTUALLY PURCHASING?**

Investors are purchasing a fully furnished suite situated within a 408 room hotel. The suite comes with a title deed registered with Parshall County, North Dakota and the hotel is part of a condominium association. This modular type of accommodation conforms to all International Building Code regulations (2009 IBC), National Electrical Code (2011 NEC), International Energy Conservation Code (2009 IECC), 2009 Mechanical Code, 2009 Fuel/Gas Code and Uniform Plumbing Code (2009 UPC) so that the suites can withstand all the climate conditions likely to occur in North Dakota.

## **WHO IS THE DEVELOPER?**

North Dakota Developments, an award winning developer active in the Bakken Region for over two years and featured in global media such as the Financial Times and the renowned publication The Economist. They have offices in North Dakota - USA, Milton Keynes - UK, Singapore, Shanghai & Beijing - China.

## **WILL THERE BE ANY PROBLEMS WITH ENSURING THAT THE SUITES ARE CONNECTED TO THE FULL RANGE OF UTILITIES?**

No. They are being fully integrated with all utilities such as electricity, water, sewage and internet.

## **AM I FREE TO CHOOSE MY OWN TENANT/MANAGEMENT COMPANY?**

You can choose your own tenant at any point prior to entering a binding tenancy agreement. A company associated to the development company, are offering to lease your room for 3 years at a fixed rental income.

## **WHAT CURRENCY DO I PURCHASE IN?**

All purchases are in US dollars and payable to an escrow account handled by a US attorney.

## **CAN I PURCHASE WITH FINANCE?**

No. Investment purchases of suites are strictly by cash only.

## **HOW DO WORKERS PAY FOR THEIR ROOMS?**

In most cases the oil companies provide housing and accommodation allowances for their workers. This is one of the perks of working on an oilfield site and provides investors with long term, stable rental income.

## **WILL I NEED A USA LAWYER/ATTORNEY?**

Pearce & Durick have been appointed as the attorney to handle the escrow account on behalf of the developer. They review all legal documentation relating to this investment, handle the closing of the purchase for both buyer and seller and the registering of the title deed.

## **WHO PAYS FOR THE UPKEEP AND MAINTENANCE OF THE BUILDING?**

The management company chosen by you. The hotel management company associated with the developer leases the suite and they pay for the upkeep and maintenance costs, condominium association fees, utilities and property tax - all of which are absorbed prior to paying the fixed income.

## **CAN YOU RECOMMEND A HOTEL MANAGEMENT COMPANY?**

Yes. We would be pleased to send you information on this. For full details use the contact information overleaf and our team will be happy to assist you.

# Next Steps...

- 1 Contact us on the details below to obtain a booking form. Complete the form and pay the booking fee.
- 2 Your legal pack will be sent within one week of receipt of the booking fee and relevant paperwork.
- 3 Upon signing the relevant documents, the balance of the purchase price\* (plus purchasing costs) is paid into a US escrow account.

## FUND RELEASE

**35%** of contract price (plus purchasing costs) on signing of purchase contract.

**35%** on confirmation that the modular sections are ready to ship from the factory.\*\*

**30%** on confirmation that the building is complete and ready for occupation.

\*Investors are responsible for their own bank's transfer fees.

\*\*All modular units will be constructed and shipped to site before all suites are sold.



**TRANSHUDSON**

The rest you deserve

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