

1° example of an operation:

The table 1 shows renovation cost of a Torcervara building of 1248 sq.m located in Rome, on two floors sub-divisible into four apartments of 48 sq.m. – four apartments of 62 sq.m. – four apartments of 108 sq.m. – four apartments of 67 sq.m. **Table 2** shows market price, renovation cost and gross income. **Table 3** show ROI and ROE

PROPERTY DATA				LINK
Address			Square Meters	Price Requested/Offered
Via Torcervara(IT)			1248	€ 312.000
Financial Exposure			Months	
Rooms	Floor	Bathrooms	Elevator	Renovation
1	-	-		si
Land Registry	Income Registration Tax		1st Home	€
			2nd Home	€
			Company	€
Renovation Cost €/sqm			Exposure	€
Light €	Medium €	Heavy €	Duration of the Operation (months)	

Table 1 : Income Statement

	Cost
Property Purchase	€ 312.000
Cost of Renovation/Construction per square meter	€ 2.596.568
Purchase Agency Fee 2%	€ 6.240
Registration Tax	€ 28.080
Mortgage Tax	€ 100
Cadastral Tax	€ 100
Notary	€ 2.000
Technical Studio	€ 3.000
Municipal Fees and Land Registry	€ 2.000
VAT	€ 0
Home staging	€ 700
Utilities	€ 3.000
Sales Agency Fee 1%	€ 0
Lawyer	€ 0

Insurance	€ 0
Contingencies 10%	€ 259.656

Total renovation cost	€ 3.213.444
Total renovation cost per one sq.m	€ 2.575

Finance Costs

	Cost
Finance Value	€ 0,00
Notary Mortgage	€ 0,00
Management Costs	€ 0,00
Expert	€ 0,00
Investigation Expenses	€ 0,00
Insurance	€ 0,00
Interests	€ 0,00
Substitute Tax	€ 0,00
Total Finance Costs	€ 0,00

Total renovation cost	€ 3.213.444
Total renovation cost for one sq.m	€ 2.575

Table 2: Market prices (€ 4000 sq.m market price Class A)

	Single of 48 sq. m. m	4 Apartments
Apartment market price (Class A)	€ 192,000	€ 768,000
Renovation cost	€ 123.600	€ 494,400
Gross income*	€ 68,400	€ 273,600
Tax 27%	€ 18,468	€ 73,872
Net income	€ 49,932	199,728

* which to pay any taxes or fees according to the tax regime

Table 2: Market prices (€ 4000 sq.m market price Class A)

	Single of 62 sq. m. m	4 Apartments
Apartment market price (Class A)	€ 248,000	€ 992,000
Renovation cost	€ 159,650	€ 638,600
Gross income*	€ 88,350	€ 353,400
Tax 27%	€ 23,854	€ 95,416
Net income	€ 64,495	257,982

* which to pay any taxes or fees according to the tax regime

Table 2: Market prices (€ 4000 sq.m market price Class A)

	Single of 67 sq. m. m	4 Apartments
Apartment market price (Class A)	€ 268,000	€ 1.072,000
Renovation cost	€ 172,525	€ 690,100
Gross income*	€ 95,475	€ 381,900
Tax 27%	€ 25,778	€ 103,112
Net income	€ 69,696	278,784

* which to pay any taxes or fees according to the tax regime

Table 2: Market prices (€ 4000 sq.m market price Class A)

	Single of 108 sq. m. m	4 Apartments
Apartment market price (Class A)	€ 432,000	€ 1.728,000
Renovation cost	€ 278.100	€ 1.112,400
Gross income*	€ 153,900	€ 615,600
Tax 27%	€ 41,553	€ 166,212
Net income	€ 112,347	449,388

* which to pay any taxes or fees according to the tax regime

Table 3: show ROI and ROE of investment

To calculate the ROI (Return on Investment) and the ROE (Return on Equity) for a 36-month period with the following values: equity €50 (price per single token/NFT), 26,498 (number of tokens/NFTs), investment cost €1,324,900, investment gain €3,213,444, and net profit €1,888,544, we use the following formulas:

$$ROI = \left(\frac{Investment\ gain - Investment\ cost}{Investment\ cost} \right) \times 100\%$$

$$ROE = \left(\frac{Net\ profit}{Equity} \right) \times 100\%$$

First, let's calculate the Net profit and Equity:

$$Net\ profit = €1,888,544$$

$$Equity = €50 \times 26,498 = €1,324,900$$

Now, we can calculate the ROI and the ROE:

$$ROI = \left(\frac{3,213,444 - 1,324,900}{1,324,900} \right) \times 100\%$$

$$ROI = \left(\frac{1,888,544}{1,324,900} \right) \times 100\%$$

$$ROI \approx 1.425 \times 100\%$$

$$ROI \approx 142.5\%$$

$$ROE = \left(\frac{1,888,544}{1,324,900} \right) \times 100\%$$

$$ROE \approx 1.425 \times 100\%$$

$$ROE \approx 142.5\%$$

The reason why the ROI and ROE are the same in this case is that the total investment is entirely made up of equity (there is no debt). When an investment is fully financed with equity, the ROI and ROE can be equal.