

## “Location, Location, Location”

Location, location, location, the real estate agents' mantra: Identical homes can increase or decrease in value due to location, which is the number one rule in real estate, and it's often the most overlooked rule. The Epitome of Location, Location, Location: You can buy the right home in the wrong location and improve it, but you cannot move it.

About.com

What realtors say about residential real estate also applies to many small businesses: The three most important considerations are location, location, location. Location is especially important for businesses in the retail and hospitality trades because they rely a great deal on visibility and exposure to their target markets.

Entrepreneur.com

“The value of a property, will rise and fall, due to its Location”

American Butterfly  
*The Theory of Every Business*

Chapter 4

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“The Locations Butterfly”

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## “Location, Location, Location”

By the time we have factored in the \$2Billion initial investment from large and small businesses plus overpay for companies which cannot project a 40% return by 2018, and added the initial \$1Billion reinvestment the total investment will be in the region of \$3.5Billion

From this, \$500Million for university operations is deducted, along with roughly the same for building and equipping the university, hospital, sports village and other municipal buildings. Added to this is investment money that goes directly to industry. For example, the energy companies that invest will own the solar arrays they purchased or manufactured.

All told, a figure in the region of \$2Billion will be left, if there is money over, the initial reinvestment will be less, if under the reinvestment will be more, so making an even \$2Billion.

As an example, at a cost of \$100Million a suitable 9 square mile mixed usage plot of land has been identified in Orlando, Florida. Half the land is preserved for nature, added to this roads, mandatory buildings, and car parks need to be accounted for, then the remaining land value is approximately \$50,000 an acre, which may sound inexpensive, as in general like for like developed land in Orlando costs around \$800,000 an acre.

However, budgeting estimates need to allow for infrastructure (roads, plumbing, cycle paths, bridges, CCTV cameras, etc). Infrastructure costs are in the range of \$600Million for the first 4-year phase. Thus the effective land price is \$650,000 an acre, leaving \$1,35 Billion for building homes, malls, retail areas and attractions

Currently in Florida, the average land value as a portion of property value is equal to 30% of the value of the home, therefore the above land + infrastructure costs vs. home construction costs seem as they should be. It is worth noting in strong economic areas such as Washington DC the land value is closer to 75% of the home.

Despite the recent failed property development in Spain and Ireland the reasons for which are unique to their own economies, property developments are still being built all over the world including the USA. If they did not make profit they would not build them, therefore it is reasonable to assume if one spends \$2Billion on a property development one would logically anticipate breaking even. That will be our starting point: a new property development expected to make neither profit nor loss.

Before moving on to “Locations Butterfly”, an important factor needs to be pointed out, which effectively means the resort development is economically sound.

This point will be framed within a question so as to evoke reasoning:

## Have you ever heard of a real estate or resort development, which did not rely on selling houses?

The properties are owned by the companies that invest, long term capital asset investments which are effectively a bonus to the trading rights, shared future technologies, branding and in general not wishing to fall behind.

Two-thirds of the villas are either lived in by their new owners or placed within a subsidized rental pool, and the balance sold at cost to those on "Spartan Contracts." This does not mean people can't buy homes, if there is a demand more will be built, and profited from, but said profits are not an integral factor to success just a bonus, thus if the resort does not sell a single home, it will still be a financial success.

## Welcome to the interactive "Locations Butterfly"

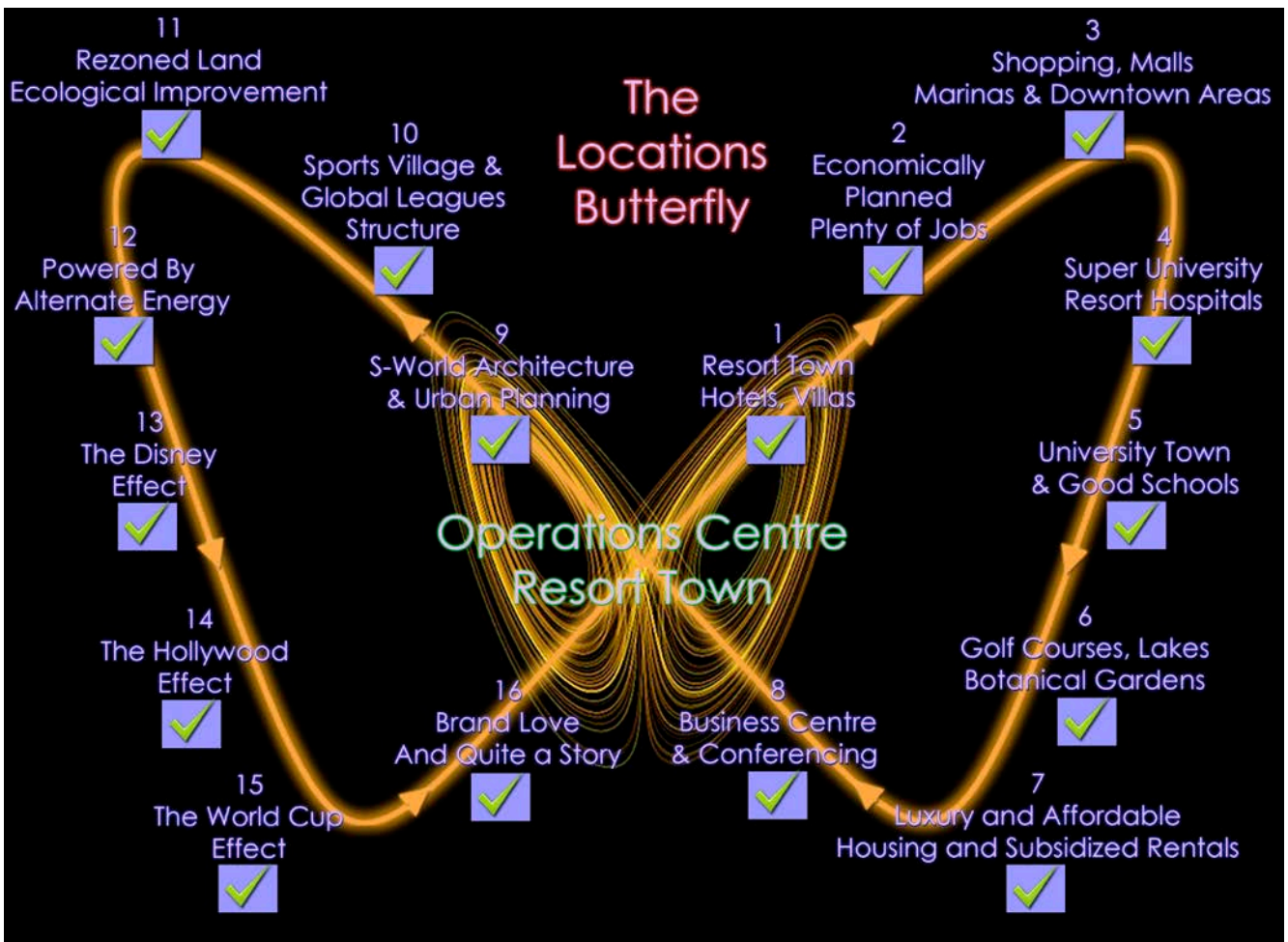
Once again we see our "butterfly effect" circular events model, with 16 more boxes to be filled in. This time it's a simpler exercise as there is no need for a spreadsheet. An explanation of each field is presented alongside the percentage figure indicating an increase in citizens' desirability to live, work, or vacation at the resort, as before a "Higher", "Ok "or "Lower" text field is presented, as before if in disagreement be it higher or lower it is preferred if an alternate estimate is in-putted as opposed to a tick or yes.

In general the Locations Butterfly adds up to 120%, so making a property worth over double its value due to its position. Some questions are more specific to residential tastes; some more specific to attracting local residents to shop and visit.

All combine to make the total as both are as relevant as each other.

Please consider not all location exercises may appeal to all people, and appreciate the resort will be carefully designed so entertainment areas are far away from retreat areas.

# “The Locations Butterfly”



**LB1. Resort Towns:** Having spent 10 years in one of the most beautiful resort towns on earth despite overwhelming literature suggesting economic factors are the biggest factor in “Location, Location, Location”, I put good vibes, beautiful scenery, and fun things to do as my #No1.

From Orlando to Fargo, resorts will be specifically planned as resorts, making the most of natural features and re-constructing geography’s where necessary, planting palm tree’s a plenty. Including high quality affordable hotels alongside “One and Only” equivalent 6 star luxury hotels, resorts within resorts, continually attracting tourism and local visitors keeping the holiday adrenaline persistently surging.

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB2. Economically Planned, Plenty of Jobs:** Holiday atmosphere and fun vibes aside, most literature suggests the overriding factor in the desirability of a location is a practical one, simply the availability of good jobs. The “American Butterfly” solution starts with five resorts per state partnering with 4,096 businesses each. The University and Operation center generates around 1,500 jobs, the hospital facilities creating a further 1,500 and municipality a few hundred more. Partner businesses trading within the resort will generate a further 4000, resulting in altogether over 7,000 jobs per resort town, including profit share. Over the long haul over 50Million jobs will be created.

Location desirability increased by 15%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB3. Shopping Malls, Marinas & Downtown Areas:** They don't call them "Mall Rats" for nothing, whether "they" are teenagers or grandmas. Shopping Malls and Marina Developments are in themselves attractions. Downtown areas full of life are also desired, for resort and university workers to unwind and tourists and residents to be entertained. Sophisticated subsidized coach systems will ferry people to and from local towns to increase habitual use and alleviate drunk driving.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB4. Super University Resort Hospitals:** There are big plans not only to assist with US medical liabilities, but to make the hospital experience as pleasurable as possible, with all medical personnel and auxiliaries having been trained in 5-star services.

Further the desire to position the hospitals well, and design their architecture as close as is practical to resort hotels. This initiative also includes the sale of hundreds of private luxury medi-villas and apartments attached to and serviced by the hospitals. Senior and retirement housing sections could also be an added attraction.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB5. University Towns & Good Schools:** If a University and good schooling in a town adds prestige. A University town staffed to and above Ivy league schools' standards adds significant prestige.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB6. Golf Courses, lakes & Botanical Gardens:** It costs \$20Million plus land to build a world class golf course, in resorts where land is plentiful a number will be constructed, where land is scarce, just the one.

Wherever possible locations will be chosen with access to a river from which large man-made sandy beaches bordering on lakes will be created, near which the resort will be centered.

As the general desire is to use land that is not forested, nature will need to be reintroduced; if one is to reintroduce nature, it makes sense to do so in botanical fashion.

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB7. Luxury and Affordable Housing and Subsidized rentals:** With the exception of the medi-villas, private estates and golf estates, as resort profitability comes from the suppliers and the university lead constructing company, there are effectively no developer costs. If there is an obvious demand, one can quite happily build and sell houses without a developer mark-up, effectively making them half the price of similar houses in the local area.

It will however be up to the individual resorts to set prices, if the demand is there and prices rise. The "Location, Location, Location" factor will already be in effect, which will be the case for initial resorts. With the advent of the 14<sup>th</sup> and 15<sup>th</sup> resorts when the story is older news, and is an advantageous move, the ability to sell houses at half their comparable local value is very useful.

To bolster the sales market, most of the properties initially created for investors if not lived in personally or by staff will go into a rental pool for around eight years, where rents will be at 75% of other comparable rents in the area, making resort employees' salaries stretch farther, which indeed has a retail advantage for the shops.

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB8. Business Center, Exhibition Hall & Conferencing:** Business Travel is a \$200Billion a year industry in the US, after "American Butterfly" is enacted, most talk of business in the US will be about S-World & Businessbook. Therefore, plush business centers with large conferencing area and exhibition halls are mandatory projects. Within the exhibition center a permanent hall for all construction supplier companies will be built.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB9. S-World Architecture & Urban Planning:** S-World 3D Virtual world offers the ability for anyone to simply design their own house and furnish it, or choose from thousands of designs and make adjustments until it's as perfect as can be depicted.

As for the City design, maybe not for the first set of resorts, but certainly for the second, a global competition would be conducted within the S-World platform, with competing individuals and teams presenting the best, most spectacular resort designs. With tens of millions in prize money for the winning designs, it's far more than just a game and would be featured for several months in leading print resources.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB10. Sports Village & Global Leagues Structures:** The sports village has been placed inside the mandatory buildings contingency alongside the university, hospital and business center. It is not a commercial operation, it is free for all, indeed if one is on a "Spartan Contract", usage is mandatory, and if one is working for and company within the network, usage increases EEE points (to be detailed later)

Further to this the POP \$100 Million economic stimulus per year offered in resort credits, sees competitions and leagues spread out into the local community. With 8 sports championed, offering prize money for all that enter, not specific to the best of the best, each sports league will have 10 subsections, first split 50/50 for women and men then: Under 21's, Any Age, 35 to 50, Over 50 and over 25% body fat ratio. All told, within the catchment area, every person could be playing semi-pro sport. However as the majority of prize money is paid per game in resort credits, all are continually week by week incentivized to visit their local resort to spend their credits.

Quick note: Due to the Quantum Scoring profit vs. revenue system, the \$100 Million in network credits offered to the local community immediately sees around \$55 Million in direct profit alongside \$25 Million in taxes for federal and local governments. Alongside this, comes additional revenue spent in resorts via competitors on their visits, advertising and sponsorship revenue, a colossal saving in long term medical bills,

excellent PR and branding for each resort, improved teamwork, mental skills, and alertness for staff and locals alike. All told, the sports prize initiative becomes a network profit centre.

The various community sports leagues become feeder leagues for professional sports persons on Spartan or other network contracts. From the outset of American Butterfly, or as named then "The Spartan Theory" before the concepts of Chaos Science, POP and compatible finite mathematics, the network make-up was already numerically defined within a knockout league structure. Originally inspired for the "FIFA Global League", concept, a concept they greatly covert. The number set, particularly "16," was specific to the teams in a league playing 30 league matches a year, and still having enough of a break for a knockout competition every odd year.

All resort network leagues will be sub leagues for global leagues, thus giving all global citizens a fair chance at sporting success. If they play well in their community leagues, they will be recruited to the individual network leagues, from which even in the lowest division substantial prize money is offered. For instance, if one was to win the bottom division network league cycling league, one would win far more than the winner of The Tour De France. If one were to win at Golf, they would win more that the winning of the US Open, if one were to win the Tennis, one wins more than Wimbledon. I appreciate this may sound too good to be true, but I can assure you it is easily within budget.

If one gets oneself to higher divisions, say for instance one of the two Central and North American continental network premier divisions, the winning team would win more than the winners of the World Cup and The English Premier League combined, and once one plays for the Global league the prize money starts to get ridiculous.

From these events and for all professional leagues advertising revenue will be substantial, however of equal benefit will be support for one's local network and visitation to the network to watch events.

Please note prize money will always be equal for men and women.

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB11. Rezoned Land for an Ecological Improvement:** While the rezoning of farmland offers a price advantage, the money saved will be used to buy forests due for clearing in developing nations, to be named Sienna's forests and forever preserved.

Research so far has seen all residentially-zoned land abundant with trees, many of which would need to be felled. In an Ecological Economy the felling of many trees is unacceptable, indeed a "not a single tree down" policy is desired. Farmland is already an artificial eco-system, crops giving out little oxygen. The make-up of each resort must primarily express respecting nature, indeed benefiting from its presence, and will in all cases create a carbon footprint improvement.

The main factor however, comes simply from having a larger choice of locations in the first place.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?



**LB12. Powered by Alternate Energy:** The initial investment process projects Oil and Energy companies granted the opportunity to produce Solar Arrays via the suppliers' business model. By 2018 the resorts are desired to be powered exclusively by green energy, with excess energy produced for their local grid. Power will be without cost for mandatory buildings such as the SURH's.

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB13. The Disney Effect:** As resorts are desired to be a place of fun, theme parks will of course be created. However, the "Disney Effect" is an initiative to provide extensive child care facilities: Crèches, Montessori Schools, and in general good schools for all children.

The formative years of children shape their entire lives, plus mothers and fathers need the flexibility and trust of quality timeless (open 6am to 10pm) schooling and care centers to be able to work efficiently.

Another strong advantage is attracting families to vacation in the resorts

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB14. The Hollywood Effect:** At over \$31 Million in funding per year, the dedicated Sports Film and Advertising departments receive the second highest annual budget of all university operations, employing over 350 staff, with two thirds allocated to film and advertising. A glamorous division attracting glamorous people to the resort and whilst this may mean little to some, fickle or not, celebrity and glamour is a pull for many.

The POP1 media budget will see around \$50 Million a year in additional filming budgets where all business products are photographed and filmed for their websites and S-World virtual shops. Alongside this, documentaries, "Smart Adds" (Ad's that are entertaining and subtle) and, if appropriate, even reality TV shows will be created for, or around, businesses.

Within each resort, a designated area entitled "Little Hollywood" will be built, suitably distanced from all residential areas. "Little Hollywood" will be for all intents and purposes, a resort within a resort, with shops and entertainment venues operating as usual. However filming takes priority. An example would be a Mercedes dealership, where if the street is being used for filming, the dealership could be inconvenienced as it may not be able to take a client for a test drive, but on the other hand, Mercedes will continually see their logo and the dealership in films and series.

Little Hollywood will also have a large film studio and campus alongside a variety of unique outdoor scenes, which can be used by all networks, alongside a downtown area. For many in the local community, particularly the 20 and 30 something's, the little Hollywood resorts within resorts will be the place to be. Little Hollywood's also becomes a significant tourism attraction.

Lastly, of course, comes a large variety of local TV channels, including all sports leagues, often featuring friends, sons, daughters and grandchildren of people within the local community, a continuous advert for the local resort and the wider network.

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB15. The World Cup Draw Effect:** With the first of two initial phases expecting five resorts planned per US State, each within an area nearly three times the size of Jamaica, the benefits to the local community of the first phase of resort networks being situated close by, are substantial as local property values will rise, alongside which, the billions of dollars pumped into the local community will see an economic improvement to the local area in general. All attractions included, most will enjoy the entertainment value of having a new environment to visit.

The actual positioning of resorts will be initially decided upon via the S-World UCS simulation, with many originally planned and virtually built, being refined down to a choice of four, after which a State by State, Weekend on Weekend stadium event and a "World Cup" style-draw will be held to decide the final location.

The general interest in the S-World UCS process and the following draw, assisted greatly by the local, state and national PR machines raising awareness of the resort's existence and location, such awareness in comparison to other developments, increases the amount of people who consider visiting and purchasing property.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

**LB16. Brand Love and Quite a Story:** In a similar fashion to "The World Cup Draw Effect", the "American Butterfly" story will in general be big news. Immediate economic benefits appreciating alongside the long term economic benefits, in particular, securing Medicaid and Medicare for all and so protecting all US pensions. Then, of course there are the ecological and philanthropic endeavors.

Location desirability increased by 5%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

Total increase in value of property due to increased desirability initiatives: +120%

**America Butterfly Question, AB7:** Has the case been made that the various location factors will enhance the location desirability by at least 100%

Location desirability increased by 10%: Higher \_\_\_\_\_ OK \_\_\_\_\_ Lower \_\_\_\_\_?

On a final note, it needs to be noted since the beginning of the financial crisis in affluent areas, house sales profits have fallen by 40%. If and when the financial crisis ends, which after all is the object of this exercise, real estate should return to 2006 prices. In such an event including location factors, if you are in agreement that the various location enhancing exercises as presented in the Locations Butterfly are equal to 100% including the return of economic growth a \$1,000,000 investment could well return \$3,400,000