Sosa Construction Business Plan

Custom homes for affluent clients in Greater Victoria

Prepared for Sebastian Preston

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Sosa Construction will develop into a boutique custom home builder serving clients who value architecture, careful workmanship and a well managed building experience. We will compete through focused differentiation: a defined affluent customer group, a limited service area and a deliberately small number of projects.

The brand will combine vintage work trucks with preserved patina, purple Sosa polos and hoodies, and frequent social media content showing real construction. Each truck will be mechanically assessed and retrofitted for its intended work. The visual identity will attract attention; our project delivery, communication and aftercare must earn the client's trust.

Our first investment priority is the capacity to deliver a home properly. That means experienced construction leadership, a credible trade network, accurate estimating, sufficient working capital and the required licensing and warranty arrangements. We will build evidence through selected smaller projects while developing those capabilities.

Vertical integration will follow demonstrated demand. Specialist carpentry and millwork are nearer opportunities. A sawmill will require a separate investment case covering feedstock, processing, drying, grading, customers and capital returns.

The financial schedules are management planning scenarios in Canadian dollars. They describe the funding and operating performance needed to support this strategy. Proposed prices, staffing, conversion rates and investment amounts require validation before commitments are made.

Contents

The plan connects the proposed positioning to the activities, people and capital required to deliver it. Financial forecasts begin with a foundation year and add custom home revenue only after the relevant operating requirements are met.

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Services and delivery	15 to 24	Preconstruction, design, budgets, contracts and quality
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Key financial schedules

Page 19 presents a worked custom home budget. Page 37 reconciles the first annual marketing budget. Page 38 sets out proposed initial funding and its uses. Pages 39 and 40 explain and calculate the three year income forecast. Page 41 reconciles annual cash and the first year's quarterly cash movements. Pages 42 and 43 examine holdbacks, payment delays and operating downside.

Planning conventions

Year 1 means the first funded year of regular operations, rather than a guaranteed calendar start. Years 2 and 3 describe a possible progression after builder readiness. Revenue represents work performed within each year; a signed contract is recorded separately as backlog. The company will not treat the entire value of a multiyear home contract as first year revenue.

All dollar amounts are Canadian dollars. Financial tables exclude recoverable GST, income tax and land acquisition unless explicitly stated. Nonrecoverable input taxes belong in the relevant cost. References appear as numbered source citations, with the source register on pages 48 and 49.

Executive summary

We intend to build custom homes for affluent owners in Greater Victoria. The core business will be construction on land owned by the client, supported by paid preconstruction and selected premium renovations. This approach allows Sosa to earn construction revenue without initially carrying the acquisition, financing and resale exposure of speculative development.

Our strategy is focused differentiation. We will serve buyers with the budget and willingness to pay for design fidelity, careful finishes, predictable communication and documented quality. The proposed brand is deliberately recognisable: purple uniforms, vintage trucks with patina and frequent construction content. Its purpose is to help prospective clients remember Sosa and understand the people behind their home.

Commercial approach

We will qualify the owner, property, budget and decision process before investing heavily in an estimate. A paid preconstruction agreement will define the work needed to establish feasibility, develop a cost plan and resolve major design decisions. Construction will proceed only when scope, funding, approvals, insurance and delivery capacity are adequate.

The illustrative custom home pricing target is a 25% builder fee on defined reimbursable direct costs. This produces a 20% gross margin on the resulting construction revenue before company overhead. It is a proposed commercial target, not an observed local market rate. Fixed price work will be accepted only when the design and risk allocation support it.

Growth and financial requirements

The foundation year assumes $540,000 of renovation and preconstruction revenue. A first custom home adds partial construction revenue in Year 2, with two overlapping homes supporting Year 3. The resulting planning revenues are $540,000, $1.69 million and $2.82 million. Profit before income tax is $12,000, $147,800 and $295,600 respectively, after the founder compensation included in overhead.

Initial funding is modelled at $150,000, comprising $100,000 of equity and a $50,000 loan. These are funding targets, not confirmed funds. Later custom home operations assume a separately approved revolving facility, with its interest included in the forecast. Warranty security and a sawmill require additional project analysis.

Investment priority

We will develop experienced construction leadership and reliable delivery before expanding the fleet or buying a mill. Integration will be judged against supplier alternatives and its effect on the home building business. An investment that consumes cash, adds operational complexity or distracts the founder must demonstrate a corresponding commercial benefit.

Company foundation and growth path

Sosa Construction is the trading brand around which this plan is built. Sebastian Preston will lead its development. The proposed operating base is Greater Victoria, with a local service area that allows regular site attendance, close supplier relationships and consistent supervision.

The immediate company task is to turn practical construction experience and an identifiable brand into a repeatable residential construction business. We will document completed work accurately, establish cost records, develop a professional client process and increase the depth of construction management experience available to the company.

Mission and operating principles

Our mission is to build individual homes that reflect the owner's priorities and perform well after handover. We will take responsibility for coordinating the construction work, explain cost and schedule decisions clearly and maintain evidence that important details were installed correctly.

We will favour a manageable workload. A small business can lose its service advantage if the founder sells more projects than its supervisors can deliver. Each additional home must therefore be supported by a named site leader, a credible trade schedule and enough liquidity to withstand a payment interruption.

Stage	Principal work	Requirement for progression
Foundation	Selected renovations and carpentry	Job records, reliable trades, positive contribution and client references
Builder readiness	Experience, systems and underwriting preparation	Qualified leadership, approved licensing and warranty arrangements
First custom home	One carefully selected owner funded home	Proven project controls and sufficient project specific working capital
Boutique portfolio	Two overlapping homes where capacity permits	Dedicated supervision, stable quality and repeatable margins

Business structure

Before long term contracts are signed, we will settle the legal entity, ownership, insurance, banking and accounting arrangements with professional advisers. Incorporation may suit the intended scale and risk, but it does not remove personal guarantees or the need for insurance and good contracts. Ownership of the brand, domain, media and project records must sit with the intended business entity.

The forecasts assume that the founder can devote adequate time to operations. Apprenticeship, study and other work commitments will be reflected in the actual launch schedule. No stage depends solely on a date. If a readiness requirement is unfinished, we will continue within a service scope that the company can lawfully and competently deliver.

Focused differentiation strategy

We will begin with focused differentiation rather than broad differentiation. The focus is affluent custom home owners in a limited Greater Victoria service area. Differentiation comes from the way we translate individual designs into well built homes and manage the owner's experience.

Broad differentiation would attempt to offer distinctive construction services to many customer groups across a wider market. That may become appropriate later, but it would spread a young company's people, marketing and systems across conflicting needs. The early business will make deliberate choices about the clients and projects it can serve best.

Activities that support the strategy

Paid preconstruction will let us resolve risks before mobilisation. Experienced supervisors will protect workmanship and coordination. A decision schedule will help clients select materials while those decisions can still influence delivery. Progress reporting will show cost, commitments, changes and upcoming work in one consistent format.

Purple uniforms and vintage trucks will reinforce recognition. Social media will demonstrate the construction process, including details that clients rarely see after completion. These activities must support the same promise: personal attention backed by controlled execution.

Strategic choice	Sosa's proposed position	Resulting operating requirement
Customer scope	Affluent owners commissioning individual homes	Budget qualification and careful discovery
Geographic scope	Greater Victoria and selected nearby sites	Frequent supervision and realistic travel costs
Basis of competition	Craftsmanship, communication and design execution	Skilled people, documented quality and client reporting
Project volume	Initially one custom home at a time	Capacity limits and staged hiring
Price approach	Explicit fee that funds the service promise	Consistent job costing and value explanation

Tradeoffs

We will decline projects that depend on unsupported low prices, unmanageable acceleration or extensive free estimating. We will also decline a large project if its requirements exceed the company's experience, insurance or cash capacity. These choices preserve the resources needed for the target customer.

Focused differentiation does not eliminate cost discipline. Clients with substantial budgets still expect honest allowances, credible bids and thoughtful alternatives. A premium is justified when the client receives benefits they value and can verify. The business must demonstrate those benefits through its work, rather than assuming distinctive branding creates pricing power on its own.

Client value and pricing power

Our client pays for a home and for the confidence that the construction is being managed properly. The strongest value proposition combines a tangible result with a clear process: the design is respected, important details are checked, decisions are explained and the owner knows what is happening.

We will define the owner's priorities during discovery. Some buyers care most about architecture and materials. Others value comfort, privacy, low maintenance or the ability to manage the project while living elsewhere. These priorities will shape the specification and the level of service offered.

Delivering benefits that can be demonstrated

Client priority	Proposed benefit	Evidence we will provide
Design quality	Careful execution of the agreed drawings and finishes	Approved samples, mockups and design review records
Cost visibility	Understandable budgets and changes	Original budget, commitments and forecast final cost
Limited personal time	A structured decision and reporting process	Weekly report and dated selection schedule
Long term performance	Attention to enclosure, comfort and maintenance	Inspection records, test results and handover information
Trust	Direct access to accountable project leadership	Named supervisor and clear escalation process

Explaining the premium

We will explain our fee through the work it funds: estimating, trade coordination, project leadership, quality checks, reporting and company capacity to support the home after completion. The contract must distinguish reimbursable site costs from services covered by the builder fee so that the same expense is not charged twice.

During design review, we will present alternatives with their effect on capital cost, maintenance, schedule and appearance. For example, a less complex roof or a standard window module may release money for the interior feature the owner values most. This is compatible with differentiation because the objective is to improve value within the client's budget.

Testing willingness to pay

Before describing a service feature as a competitive advantage, we will test it in interviews and paid proposals. We will ask buyers which problems would change their builder selection and which services they would fund. We will track the reasons clients accept or reject our preconstruction offer.

Brand recognition may help a buyer shortlist Sosa. References, relevant project evidence and a credible team must then support the appointment. The pricing target will be adjusted if qualified buyers do not recognise sufficient value, while protecting the minimum economics needed to deliver the agreed service.

Building defensible capabilities

The early company should describe its capabilities as developing, rather than claiming an established competitive advantage. A useful test is whether a resource creates client value, is uncommon among relevant competitors, is difficult to reproduce and is supported by the organisation. Substitutes must also be considered: an owner can obtain similar outcomes through another competent builder and design team.

Our trucks, colours and clothing can be copied. Their value is recognition and consistency. A more durable advantage would come from the combined performance of trusted people, construction knowledge, documented routines and a reputation earned across several homes.

Capability	Early assessment	Development action
Vintage trucks and purple uniforms	Distinctive, but readily imitated	Use consistently and measure recognition
Founder visibility in construction content	Potentially useful, dependent on delivery	Publish accurate work and respond professionally
Experienced construction leadership	Valuable, not automatically rare	Recruit carefully and retain knowledge
Reliable trade relationships	Valuable and built over time	Pay predictably and maintain clear scopes
Quality and reporting routines	Valuable if clients experience the benefit	Record execution and audit compliance
Proven referral reputation	Potentially difficult to copy quickly	Earn references through completed projects

Building knowledge that stays with the company

Each completed job will produce a cost review, a schedule review and a short record of lessons. We will record which details caused rework, which selections created delay and which trades delivered their scope reliably. This information will improve the next estimate and schedule.

We will develop standard documents for scope definition, purchase orders, change requests, inspections and client reports. They must remain practical enough for site staff to use. A routine that exists only in a manual does not create an operating advantage.

Protecting relationships and continuity

The company will reduce dependence on any single person by storing information in shared project systems, naming a backup contact and cross training key administrative tasks. Client trust should attach to the company as well as the founder. Important trade relationships will have agreed expectations and a second qualified option where feasible.

After the first completed custom home, we will reassess this capability map using actual quality, service and margin evidence. Only capabilities that produce better client outcomes and survive normal staff changes should be treated as foundations for lasting differentiation.

Market evidence and commercial outlook

Greater Victoria is a reasonable initial geography for a locally based custom home business, but the size of Sosa's specific affluent buyer segment must be established through direct research. Existing home sales provide context; they do not measure the number of owners prepared to commission a new custom home.

The Victoria Real Estate Board's September 2026 report, released on 1 October, records the following regional figures. [1]

Indicator	September 2026	Comparison
All property sales	463	16.4% below September 2025
Single family sales	239	17.3% below September 2025
Active listings at month end	3,811	3.2% above September 2025
Victoria Core single family benchmark	$1,280,100	2.0% below September 2025

Implications for Sosa

Our interpretation is that buyers have meaningful existing home alternatives and may be selective about major commitments. We should not assume an affluent owner is insensitive to uncertainty, price or the convenience of buying a completed home. The sales process must explain why building is preferable for that owner's needs.

We will therefore qualify motivation as carefully as budget. The strongest prospects may have a specific site, a design requirement that existing stock cannot satisfy or a long term intention to live in the finished home. A prospect seeking a quick speculative return requires a different risk assessment.

Evidence needed before increasing fixed costs

We will interview potential owners, architects, designers and relevant property professionals. The objective is to identify recurring project needs, realistic budget expectations and the way builders are shortlisted. We will also ask about projects that were delayed or abandoned and the reasons behind those decisions.

We will review applicable municipal permit activity where available and keep custom homes separate from apartments, secondary suites and production housing. We will build a list of genuine opportunities rather than applying a broad share of housing starts to an assumed luxury market.

Monitoring approach

Every quarter, we will update sales conditions, the quality of our own inquiries and the number of paid preconstruction engagements. These indicators will inform hiring and marketing commitments. A weak quarter in regional sales does not automatically cancel a good owner funded project, but a sustained decline in qualified opportunities should slow the company's expansion.

Service area and project selection

We will use Greater Victoria as the primary service area. Candidate locations include Victoria, Oak Bay, Saanich, North Saanich, Sidney, Central Saanich and selected West Shore sites. These are operating priorities, not a claim that every neighbourhood contains the same demand or regulatory requirements.

Travel time matters because the business depends on site attendance and quick problem resolution. The first custom home should be close enough for its supervisor and founder to attend without losing a substantial portion of the workday. Remote waterfront or island projects may be attractive, but require separate logistics and contingency planning.

Site acceptance review

Site factor	Question before acceptance	Effect on the proposal
Access	Can deliveries, cranes and trades reach the work area?	Logistics plan and equipment allowance
Ground conditions	What is known about soil, rock, drainage and slope?	Investigation and excavation risk allocation
Existing improvements	Is demolition or hazardous material work required?	Specialist assessment and staged scope
Land use	Can the intended home be approved on this property?	Feasibility work before construction pricing
Utilities	What connections or capacity upgrades are needed?	Owner budget and lead time planning
Neighbours and trees	What protection and access constraints apply?	Site layout, permits and communication

Selecting the first custom home

We will favour an owner with a clear reason to build, a workable budget, a coordinated design team and a reasonable decision process. The project should use familiar construction methods and avoid several major unknowns at once. This improves the chance of building a useful reference project while protecting the young business.

The initial service radius should be expressed as a travel and supervision requirement, rather than a marketing boundary alone. If a site requires regular ferry travel, a resident supervisor or unusual accommodation, those costs belong in the project budget and capacity assessment.

Expanding responsibly

We will review actual travel hours and delivery performance after each project. Geographic expansion will follow the availability of a reliable local trade network and site leadership. A prominent remote commission will not justify weakening supervision on existing homes.

We will also consider whether the project can be photographed and discussed with owner consent. Publicity is helpful but will never be a requirement for respectful client service. A private client can be an excellent project if its economics and delivery requirements fit the company.

Target customer segments

Our primary customer is an affluent owner commissioning a principal residence on an owned or intended site. Affluence alone is insufficient qualification. We need a client who values the service we provide, has credible funding and accepts a disciplined design and decision process.

The following segments are working hypotheses to test in discovery and market interviews. They are not demographic findings from a survey. The initial construction budget screening range is approximately $1.5 million to $4 million excluding land and applicable taxes, subject to site, specification and company capacity.

Segment	Likely priorities to test	Service response
Established local household	Long term layout, craftsmanship and trust	Detailed preconstruction and regular site meetings
Busy professional or owner operator	Limited time and clear accountability	Decision schedule and concise progress reporting
Relocating owner	Remote oversight and local coordination	Shared project records and planned visits
Design committed buyer	Architectural detail and material execution	Samples, mockups and close designer collaboration
Existing premium homeowner	A major renovation before future rebuilding	Carefully scoped renovation and feasibility advice

Understanding the decision group

We will identify everyone who influences scope, budget and approval. This may include partners, family, an architect, an interior designer or an owner's representative. The contract and communication plan will name the person authorised to approve cost and schedule changes.

Discovery will cover intended occupancy, desired rooms and outdoor areas, accessibility needs, maintenance preferences and the owner's tolerance for design complexity. We will also discuss how the owner wants to receive information and how quickly selections can realistically be approved.

Customers we will qualify carefully

A client who prioritises the lowest possible price may be better served by a different offer. A client who requests a luxury specification with an insufficient budget needs a redesign before construction. A buyer who expects a guaranteed resale profit requires an explicit separation between construction services and investment outcomes.

We will treat wealth as a funding characteristic rather than permission to overspend. The proposed process is intended to protect the client's capital. Our ideal customer appreciates that careful preparation, clear contracts and timely decisions improve the chance of receiving the home they want.

Demand validation and sales funnel

We will validate demand through paid behaviour. Social engagement and positive conversations are useful early signals, but a signed preconstruction agreement with a qualified owner is stronger evidence. The business will maintain a separate pipeline for renovations and custom homes so that small jobs do not inflate the apparent demand for large projects.

Illustrative annual custom home pipeline

Pipeline stage	Planning count	Conversion from prior stage
Relevant inquiries	50	Starting assumption
Qualified prospects	20	40%
Discovery meetings	12	60%
Paid preconstruction engagements	6	50%
Construction appointments	2	33.3%

These are targets for testing, not historical conversion rates. Two appointments do not necessarily become two starts in the same year. Permit timing, design readiness, funding and site capacity will determine mobilisation. The revenue forecast on page 39 uses its own staged activity assumptions.

First research programme

Within the first 90 days, we will aim to complete ten discussions with potential owners and ten with architects, designers or property professionals. We will record common problems, credible budget bands, selection criteria and timing. Conversations will be arranged through appropriate introductions or channels with the required consent.

We will test three elements of the offer: whether owners value paid preconstruction, whether the proposed reporting process affects builder selection and whether the brand attracts the intended audience. We will ask for concrete examples rather than prompting respondents to endorse the idea.

Measuring market access

The practical serviceable market is the set of projects we can reach, win and deliver with current capacity. We will list identified opportunities by owner readiness, geography and stage. We will not claim a dollar total addressable market until suitable data supports that estimate.

Interpreting results

If inquiries are plentiful but budgets are consistently unsuitable, we will change targeting and the website's budget guidance. If qualified owners meet with us but reject paid preconstruction, we will examine the scope, price and credibility of the offer. If engagements convert but delivery capacity is constrained, we will hire or defer starts before increasing advertising. Each stage should point to a specific commercial decision.

Competitor review and positioning

Sosa will enter a market with builders and integrated construction businesses that already display relevant project experience. We will study their public offers and completed work without assuming that branding creates an uncontested niche.

The observations below come from the companies' own websites. They establish how those businesses present themselves; they do not independently verify project quality, financial performance or customer satisfaction. [2] [3] [4]

Business	Public positioning observed	Implication for Sosa
GT Mann Contracting	Luxury custom home construction and a residential project portfolio	Buyers can compare Sosa against visible completed work
Griffin Properties	Custom luxury homes with design, construction, renovation and millwork services	Integrated services already exist in the market
Abstract	Describes origins in high end custom homes and a broader development business	Established brands may benefit from a long project history

Competitive position to test

Our proposed position is a personally led boutique builder with a recognisable visual identity and clear project communication. The business should demonstrate attention to a limited number of homes, rather than trying to match the breadth or history of larger firms immediately.

We will compare offers on relevant attributes: experience with the proposed design, named project leadership, estimate transparency, quality evidence, trade capacity, reporting and aftercare. We will not publish a competitor comparison containing unverified claims about another builder's weaknesses.

Learning from public project evidence

We will review the way established builders present case studies, construction stages, design partnerships and client outcomes. This will help define the evidence our own website needs. Photographs alone will not explain the full scope of a project; Sosa's case studies should identify its actual role and the decisions it managed.

We will also monitor how often prospects name another builder and why. A lost proposal should produce a factual note about price, experience, timing, scope or personal fit where the owner is willing to share it. This information is more useful than assuming every loss reflects insufficient marketing.

Avoiding unsupported market gap claims

We have not established that affluent owners lack access to good craftsmanship, communication or custom millwork. Those are areas where Sosa intends to compete. The early objective is to prove a credible offer to a small group of clients, then strengthen it through delivery and referrals.

Industry forces and bargaining power

The following assessment is a strategic interpretation of the proposed business model. It identifies forces that can affect margins and client selection. It is not a measured industry rating.

Competition and alternatives

Rivalry is meaningful because owners can compare established builders and many construction specialists. Relevant alternatives include buying an existing home, renovating a current property, using a production home offer or assembling a separate design and construction team. Sosa must show why its service is a good choice for the owner's specific needs.

Entry barriers include experience, licensing, warranty acceptance, trade relationships, working capital and a credible portfolio. A visible social media account is easier to create than the organisation required to deliver a complex home.

Force	Principal exposure	Proposed response
Rivalry	Several credible offers for a valuable commission	Focus on fit, proof and consistent execution
Buyer power	A large individual contract and multiple alternatives	Paid preparation, clear scope and selective appointment
Supplier power	Specialised labour, products and lead times	Early procurement and qualified backup suppliers
New entrants	Brands can emerge faster than delivery capability	Invest in routines, experience and references
Substitutes	Existing homes and other construction routes	Explain the value of a tailored home and managed process

Supplier power and integration

A supplier gains bargaining power when its input is important, difficult to replace or needed at a specific time. A critical subcontractor can exercise similar power if a project depends on its availability. Prompt payment, credible schedules and alternatives improve Sosa's negotiating position.

If a supplier can credibly enter home construction, it may have an alternative use for its resources and less dependence on Sosa. That is forward integration by the supplier. Sosa buying a sawmill would be backward integration, because it moves into an upstream input activity.

Commercial response

Integration can reduce reliance on a supplier, but it does not remove the underlying work. Owning a mill adds log sourcing, production, drying, maintenance and sales responsibilities. We will compare the total economic cost of ownership with qualified purchasing and partnership options. The first response to supplier pressure should be better planning and a reliable supplier network; an acquisition needs a separate case.

Strategic risks and responses

The business has an identifiable concept, but the ability to deliver affluent custom homes must be built and demonstrated. Our main strategic risk is expanding the brand and commitments faster than the company develops construction leadership, capital and quality control.

Strengths and weaknesses to validate

The founder can be visible in the work and communicate the company's direction personally. A distinct truck and clothing identity may support recognition. Local operations can also create close relationships with trades and clients. These are useful starting points, rather than proof of a completed luxury building capability.

Early weaknesses may include a limited custom home portfolio, dependence on the founder and uncertainty about the capital and personnel required for warranty acceptance. We will address them with appropriate experienced leadership, transparent presentation of project history and conservative contract commitments.

Exposure	Consequence	Management response
Insufficient experience	Quality or coordination failure	Match scope to experience and recruit accountable leadership
Unfunded growth	Supplier pressure and stalled work	Review a rolling cash forecast before starts
Poor project fit	Disputes and unprofitable changes	Qualify expectations and define scope early
Excessive dependence on founder	Delays during absence	Name deputies and share project records
Brand exceeds proof	Prospect distrust	Publish only accurate work and roles
Premature mill investment	Cash diversion and distraction	Separate investment review and external demand test

Opportunities and threats

The opportunity is to serve a limited set of owners who value a carefully managed individual home. Premium renovations can build relationships and project evidence while improving estimating and trade coordination. Design partnerships can introduce the company to suitable commissions.

Threats include weak demand, competing existing homes, labour availability, long product lead times, hidden site conditions and a serious defect or injury. The business will not attempt to solve all of these with a higher fee. It must prepare the work, allocate risk clearly and maintain enough resources to respond.

Strategic discipline

Every proposed expansion will answer four questions: which target client benefits, which operating problem is solved, what capital is required and what evidence supports the expected return? If the answers are weak, the investment will be deferred. This discipline applies equally to a second truck, a new employee, a larger service area and a sawmill.

Services portfolio and sequencing

The custom home is the intended core offer. Earlier services will build the capabilities and relationships needed to deliver it, while remaining profitable in their own right. We will select smaller work that helps develop relevant craftsmanship, project coordination and client references.

Proposed service ladder

Service	Commercial purpose	Scope control
Premium carpentry and exterior work	Establish quality evidence and local relationships	Defined drawings, materials and site conditions
Selected residential renovations	Build coordination experience and gross contribution	Investigation, allowances and approved changes
Paid preconstruction	Establish feasibility and a credible construction plan	Written deliverables and separate fee
Custom home construction	Deliver the main differentiated offer	Licensed operation, coordinated scope and adequate capital
Care and follow up	Support the completed home and client relationship	Defined service responsibilities and warranty process

Managing smaller work

We will avoid filling the calendar with unrelated low value jobs that prevent progress toward custom homes. A small project should meet a minimum contribution requirement, fit available skills and offer a manageable risk profile. Useful early work may include architect designed renovations, detailed exterior carpentry and finish work.

The company will distinguish ordinary renovation work from projects that trigger additional licensing, warranty or regulatory requirements. A large reconstruction or building envelope project must be reviewed for its applicable obligations before acceptance. It will not be treated as automatically eligible simply because it is described as a renovation.

Boundaries of the home construction offer

We will coordinate architects, engineers, designers and specialist trades rather than implying that all professional design and regulated trade services are performed internally. Contracts will state which services Sosa provides, which consultants the owner retains and how decisions are coordinated.

The initial plan excludes speculative land purchases and inventory homes. Those activities need a development feasibility study covering land, financing, taxes, approvals, absorption and sale proceeds. They should not be financed casually from cash required for client projects.

Portfolio review

Each quarter, we will assess revenue, gross margin and management hours by service. As custom home work increases, we will reduce smaller projects that interfere with site leadership. We may retain a limited renovation stream for established clients if it uses available capacity and maintains acceptable profitability.

Paid preconstruction process

Preconstruction will be a paid service with useful outputs even if the owner does not proceed to a Sosa construction contract. It provides the time and expertise needed to reduce uncertainty before substantial money is committed.

An initial discovery meeting will establish whether the owner, property and budget fit the business. Detailed estimating, trade consultations and scheduling will then proceed under a written agreement. A proposed fee band is $15,000 to $40,000 for a defined engagement; actual pricing will depend on design maturity, site complexity and the extent of analysis.

Deliverables and boundaries

Workstream	Planned output	Responsibility
Site review	Access and investigation requirements	Sosa with relevant specialists
Scope coordination	List of included work and unresolved decisions	Sosa and design team
Cost planning	Trade based budget with allowances and exclusions	Sosa estimator and suppliers
Scheduling	Initial sequence and major procurement dates	Construction leader
Commercial review	Proposed contract and risk allocation	Founder with legal advice

Professional design, surveys and engineering are separately contracted or expressly included. The preconstruction agreement will not imply that Sosa can guarantee approvals or certify work outside its professional qualifications.

Fee treatment

The fee will be paid against defined stages or milestones. If any amount is later credited against construction, the construction price and revenue forecast must reflect that credit. The base financial model assumes separate preconstruction revenue and no automatic credit, preventing double counting.

The agreement will state ownership and permitted use of estimates and documents, the validity period of supplier quotations, confidentiality and how additional work is authorised. If the owner pauses the project, we will issue completed deliverables and settle the stage already performed.

Decision to proceed

At the end of preconstruction, we will present the expected budget, remaining uncertainty, procurement risks and proposed schedule. The owner can proceed, redesign, investigate further or stop. A construction start will require funding evidence and the project approvals described later in this plan.

The commercial test for this service is whether the fee covers the hours and specialist input needed to produce a credible plan. We will measure those hours after every engagement and adjust the scope and price accordingly.

Design and professional partnerships

The home should be designed by the appropriate professionals and built through coordinated information. Sosa's role is to contribute practical construction knowledge, test cost and sequencing assumptions and execute the approved design. We will state our role accurately in every proposal and case study.

Working relationships

We will develop relationships with architects, residential designers where appropriate, interior designers, engineers, energy advisers and landscape specialists. Selection will depend on project needs, qualifications, collaboration and capacity. A polished portfolio alone does not establish whether a professional can support the project's schedule and coordination requirements.

At project formation, we will agree who retains each consultant, who instructs them, who approves their work and how fees are paid. The owner may retain design consultants directly while Sosa contributes estimating and construction planning. Other arrangements must be written clearly.

Resolving decisions before procurement

Design coordination will address window and door schedules, structure, enclosure details, mechanical space, lighting, millwork and finished dimensions. We will identify conflicts before products are ordered or installations conceal the affected work.

Review point	Question to resolve	Required record
Concept	Does the design fit the owner budget and site?	Initial cost plan and feasibility items
Design development	Are systems and major materials coordinated?	Design review actions and revised budget
Procurement	Are quantities, details and selections approved?	Approved schedules and purchase packages
Construction	Does a proposed change affect other work?	Reviewed instruction and change record

Samples and mockups

We will use samples or mockups where a decision materially affects appearance or installation quality. The owner and designer will approve the relevant example before repeated work proceeds. This may include a siding transition, trim arrangement, finish sample or a representative millwork detail.

The budget will include the agreed mockup scope. Late aesthetic changes after an approved example has been repeated must be evaluated for cost and schedule, rather than absorbed silently by trades.

Building a referral relationship

Professional partners will receive accurate information, predictable responses and respect for their design intent. We will earn introductions by making their projects easier to deliver. Any commercial referral arrangement must be disclosed and compatible with the partner's obligations; no undisclosed payment will form part of our client acquisition process.

Estimating and budget control

The estimate will be an operating document that becomes the basis for job costing. It will separate quantities, supplier quotations, labour assumptions, allowances, direct site costs and the builder fee. Each version will have a date, design reference and explanation of material changes.

We will progressively improve estimate confidence as site information and design decisions become available. An early concept budget must not be presented as a fixed commitment. It is useful only when its limitations and required investigations are clear.

Cost planning method

Cost element	Evidence required	Control during delivery
Measured construction work	Quantities and current trade quotations	Purchase order and committed cost record
Owner selections	Specification or explicit allowance	Selection approval and allowance adjustment
Site conditions	Surveys and relevant investigation	Defined risk allocation and documented findings
Site supervision and logistics	Resource and equipment plan	Timesheets and cost codes
Builder fee	Contract definition and calculation basis	Reconciled billing and change treatment

We will obtain competing quotations for material packages where specifications and market capacity allow a useful comparison. The lowest number will not automatically be the best offer. Scope completeness, exclusions, programme and delivery reliability must also be assessed.

Contingency and change control

The owner will retain an explicit reserve for uncertainty and discretionary changes. This reserve is not Sosa revenue until approved work is performed and billed under the contract. We will distinguish design development, a changed owner instruction and a construction error so that each is addressed under the correct responsibility.

Every significant change will record the scope, price basis, fee treatment, schedule effect and approval. Emergency work necessary to protect people or property will follow the contract's emergency procedure and be documented promptly.

Forecast final cost

Each month, the project report will show budget, committed costs, costs incurred, remaining work and forecast final cost. The forecast must include expected costs that have not yet been invoiced. A job can appear profitable in the accounts while incomplete commitments imply a loss.

After completion, we will compare original assumptions with actual quantities, labour and supplier costs. Those findings will improve future estimates. They will also show whether the premium fee is funding the services promised to the owner.

Illustrative custom home economics

The following example describes a 3,500 square foot home with a $2.10 million Sosa construction budget. It is a planning example, not a market quotation or a cost guarantee. Site conditions, specification and procurement can materially change the result. Amounts exclude recoverable GST; nonrecoverable input taxes are included in direct costs.

Construction cost category	Planning amount
Site preparation and excavation	$130,000
Concrete and foundations	$160,000
Framing and structural work	$240,000
Roofing windows siding and enclosure	$300,000
Mechanical electrical and plumbing	$220,000
Insulation and drywall	$110,000
Interior finishes and millwork	$230,000
Landscaping and exterior completion	$80,000
Site leadership logistics quality and service allowance	$210,000
Total direct construction cost	**$1,680,000**
Builder fee at 25% of direct cost	$420,000
Total Sosa construction revenue	**$2,100,000**

The $420,000 difference between revenue and direct cost is gross profit before company overhead. It equals 20% of revenue. A 25% markup on cost is therefore different from a 25% gross margin. The example construction budget is $600 per square foot for the stated scope; that figure is not an estimate of an all in property cost.

Owner budget outside the construction contract

For illustration, add $20,000 for separate Sosa preconstruction, $80,000 for owner retained design, engineering, permits and related professional costs, and a $210,000 owner reserve. The resulting planning provision is $2.41 million before land and applicable taxes. The reserve is unspent owner money, not an additional guaranteed contractor charge.

At 5%, GST on the $2.10 million construction service would be $105,000, with $1,000 on a separately taxable $20,000 preconstruction service. The treatment of other fees and any rebates must be assessed for the actual transaction. [11]

The separate professional allowance and owner reserve require project specific validation. The forecast does not assume that every home costs this amount or completes within one financial year.

Contracts fees and payment terms

The construction agreement will define scope, drawings, responsibilities, payment, changes, time, insurance, quality and dispute handling. We will have the proposed form reviewed for the actual project and entity. A clear contract supports the client experience because it explains how difficult decisions will be managed.

Proposed pricing structure

For suitably qualified projects, we will propose reimbursable direct construction costs plus a 25% builder fee on the defined cost base. This is the model's pricing target, not a statement that the market will accept it. We must identify which site leadership, procurement and administrative services are reimbursable and which are covered by the fee.

Fixed price work requires sufficiently complete drawings and specifications, credible trade prices and clear treatment of unknown conditions. A guaranteed maximum price requires its own definition of allowances, exclusions, contingency ownership and approved changes. A marketing promise must never broaden the written commitment unintentionally.

Payment and holdbacks

We will align progress applications with work performed and provide supporting records. The contract must address the owner's lender inspection process, invoice review, payment timing and appropriate suspension rights. A proposed monthly billing cycle will be adjusted to the actual working capital requirements and lawful arrangements.

British Columbia's Builders Lien Act generally requires a 10% holdback on relevant contracts and subcontracts and sets a 55 day holdback period tied to the applicable completion or other statutory trigger. Important exceptions include payments to workers, material suppliers, architects and engineers. Holdback accounts, trust obligations, lien rights and release procedures require project specific legal administration. [9]

Risk allocation and changes

We will document access assumptions, unknown ground conditions, owner supplied products, design responsibility and the consequences of delayed selections. An approved change will state both its cost and schedule effect. Cost plus billing does not excuse avoidable waste or work outside authorised scope.

Closing the contract

Completion will involve the applicable approvals, deficiencies, operating information and warranty records. Contractual completion, legal holdback release and warranty obligations are separate matters. We will track them separately in the project file so that a handover event does not produce a premature financial release.

Before signing, the owner will receive a plain language explanation of the commercial terms and the construction leadership assigned to the home.

Builder licensing and operating readiness

The custom home business will be organised around the applicable British Columbia requirements. BC Housing states that new homes generally require a licensed residential builder and home warranty insurance unless a specific exclusion or exemption applies. For a custom home contract, the licensed general contractor registers and enrols the home. [6] [7]

Qualification and leadership

For new Part 9 general contractor applicants, BC Housing describes an experience requirement of 24 months managing or supervising residential construction within the preceding five years, together with competency in seven specified areas. Its guidance permits qualifying nominees who meet the stated relationship and responsibility requirements within the applicant business. [5]

A carpentry qualification and builder licensing are distinct matters. We will develop the founder's relevant experience and obtain construction leadership that satisfies the actual company's requirements. Any nominee will have real responsibility and authority in the business. A working relationship with another licensed builder must also identify which entity is contracting, licensed and responsible for each scope.

Warranty and project approval

BC Housing describes minimum 2 5 10 warranty coverage: two years for materials and labour with specified limits, five for the building envelope and ten for the structure. Warranty provider acceptance and individual project enrolment must be arranged as required. [6]

Readiness item	Evidence required before a custom home start
Legal entity and authority	Confirmed entity and authorised contract signatories
Builder qualification	Approved licence and appropriate qualified leadership
Warranty arrangements	Provider acceptance and project enrolment
Insurance	Project appropriate policies confirmed with the broker
Construction team	Named site leader and committed critical trades
Working capital	Project cash forecast and verified accessible funding

Maintaining compliance

We will maintain a register of licences, policy renewals, training and project registrations. Responsibility will sit with the founder and the relevant construction leader, with administrative reminders and supporting records. Marketing will describe credentials only after they are approved and current.

The first custom home will remain conditional on this readiness review. A delay in approval or underwriting changes the operating forecast; it does not justify proceeding without the required arrangements. The downside plan on page 43 shows why the company needs profitable smaller work and control over fixed costs while preparing for larger projects.

Permits site investigations and professional advice

Before pricing a construction start, we will establish the approvals and investigations required for the specific property. Different municipalities, site conditions and building classifications can produce different requirements. A familiar neighbourhood is not a substitute for reviewing the actual address.

Provincial guidance states that Energy and Zero Carbon Step Code requirements depend on the building permit date and location, and that local governments can adopt higher requirements through bylaws. The City of Victoria provides separate application checklists and directs applicants to resolve applicable development permits before a building permit application. [8] [17]

Project investigation register

Area	Information to obtain	Proposed lead
Land use and title	Zoning, setbacks, covenants and approval path	Owner and design team with relevant advice
Survey and site layout	Boundaries, elevations and proposed building position	Qualified survey professional
Ground and drainage	Bearing conditions, slope and water management	Appropriate geotechnical or civil specialist
Existing buildings	Demolition, hazardous materials and utilities	Qualified assessment and demolition team
Structure and enclosure	Applicable design and review requirements	Relevant engineers and design professionals
Energy and systems	Applicable performance level and testing plan	Energy adviser and mechanical team

Budgeting uncertainty

Investigations will be sequenced so that the owner learns about major constraints before committing to an unsuitable design. We will distinguish the cost of obtaining information from the cost of resolving a confirmed problem. Unknown excavation or service upgrades will have a clear allowance or contractual treatment.

Permit fees, utility connections, surveys and consultant fees will be identified in the owner budget. They will not disappear merely because some are paid directly by the owner rather than through Sosa. The page 19 example includes an external professional and permit allowance only as an illustration.

Coordinating approvals

The project team will maintain an approval schedule showing the document needed, responsible party, submission date and effect on procurement. Construction dates will include realistic allowances for outstanding decisions and approvals. We will not guarantee a municipal processing time that the company does not control.

Before work proceeds, the construction leader will confirm the approved drawing revision and the inspections or consultant reviews required at each stage. Revised design information must be distributed to affected trades and reflected in cost and schedule forecasts.

Construction delivery and scheduling

The first home will have a named construction leader responsible for day to day coordination. The founder will oversee the commercial relationship, resource decisions and major issues. Site leadership must have enough time and authority to manage the work rather than functioning as a name on a proposal.

Illustrative programme

Phase	Planning duration	Critical dependency
Preconstruction and design coordination	3 to 6 months	Owner decisions and consultant information
Approvals and procurement preparation	2 to 6 months	Complete applications and product selections
Site work foundations and structure	4 to 6 months	Ground conditions and trade availability
Enclosure and building systems	3 to 5 months	Weather protection and coordinated installations
Interior completion testing and handover	4 to 7 months	Finish approvals and commissioning

Durations are planning assumptions and some phases overlap. The construction model allows roughly 16 to 20 months for an illustrative home; the actual programme must be built from its design, site and resources. These figures are not a promised delivery time.

Controlling the near term schedule

The site team will maintain a master programme and a three week lookahead. Each upcoming activity will be checked for approved drawings, materials, access, preceding work and crew availability. Work should enter the weekly plan only when those constraints can be resolved.

The construction leader will coordinate inspections before work is covered and ensure that trades understand the required sequence. Deliveries will be scheduled around site access and storage capacity. Expensive finishes will not arrive months early simply to make the procurement report appear complete.

Managing delays

The project report will identify the cause of a delay, work affected, available recovery options and any additional cost. Recovery may involve resequencing, a different product or additional resources. We will obtain the relevant approvals before committing to an expensive recovery measure.

Capacity and overlapping homes

Year 2 assumes one custom home. Year 3 assumes one carryover home and one additional home with overlapping activity. That overlap requires adequate site leadership and administrative support. If the first project has unresolved quality or cash issues, the second start will be deferred even if it has already been sold. Backlog will be managed as an obligation to deliver, rather than as an invitation to overbook the company.

Quality comfort and building performance

The quality programme will focus on work that affects durability, comfort and the finished appearance. We will define acceptance criteria before work starts and check critical installations while they are visible. Photographs will support the record, but will not replace the inspections or professional reviews required for the project.

Construction quality controls

Stage	Proposed control	Evidence retained
Foundations and structure	Required reviews and dimensional checks	Inspection records and approved corrections
Enclosure	Review drainage, flashings and penetrations	Detail photographs and review records
Services before closure	Confirm coordinated rough installations	Trade checks and inspection results
Interior finishes	Approve samples and inspect repeated details	Sample approvals and deficiency record
Handover	Test systems and explain operation	Commissioning information and owner orientation

Moisture and weather management

We will include temporary protection, storage, drying and weather sequencing in the project plan. The site leader will verify that materials are suitable for installation and that work is not covered before the required checks. Moisture readings and relevant acceptance criteria will be recorded where specified by the design or product requirements.

A beautiful finish does not compensate for a poorly detailed enclosure. We will work with the design team and qualified reviewers on interfaces that affect water management and air control. Products must be installed according to the approved details and applicable manufacturer instructions.

Performance claims

Comfort, energy efficiency and sustainability will be described through the actual design, installed systems and measured results. We will not describe a home as passive, net zero or certified unless the relevant requirements have been demonstrated. Local timber or an old truck alone does not establish a lower overall environmental footprint.

Defects and learning

Each defect will have an owner, correction plan and completion record. We will analyse recurring causes rather than treating every repair as an isolated event. The project budget will include an appropriate service and quality allowance; the actual accounting treatment will be established with the accountant.

After handover, a scheduled review will help identify adjustment issues and confirm that the owner can operate the home's systems. The company's service process will complement the applicable contractual and statutory obligations, with warranty notifications handled according to the relevant policy and requirements.

Safety and site responsibilities

Safety is an operating responsibility at every stage of the project. The company will prepare for hazards arising from its own work and from coordination among trades. Content production, owner visits and truck branding will fit around safe construction activities.

WorkSafeBC's guidance explains that at a multiple employer workplace the owner is the prime contractor unless a written agreement designates another party. The prime contractor coordinates occupational health and safety, while individual employers retain responsibility for their workers. We will establish the arrangement expressly for each project. [14]

Site programme

Area	Required company practice	Responsible role
Orientation	Explain site hazards, access and emergency procedures	Construction leader
Daily coordination	Review interacting work and changing hazards	Site supervisor with trade leads
Task preparation	Use competent workers and suitable procedures	Employer and relevant supervisor
Visitors	Control access and provide necessary protection	Site supervisor
Incidents and concerns	Record, investigate and correct hazards	Founder and construction leadership

Preparing the work

The safety plan will address foreseeable hazards such as work at height, excavation, lifting, temporary structures, power tools, dust, hazardous materials and vehicle movements. Procedures and equipment must match the actual task. Workers will have authority to raise a concern and stop unsafe activity through the appropriate process.

Before mobilisation, we will check applicable WorkSafeBC project notice requirements and relevant construction rules. Its construction regulation includes notice requirements and coordination obligations that must be assessed for each project. [18]

Uniforms and media

Purple polos and hoodies are part of the brand, but required protective equipment and high visibility clothing take priority on site. Clothing will be suitable for the work, including avoiding loose features around moving equipment. We will not ask a worker to remove protective equipment or repeat a dangerous action for a camera.

Filming will be assigned to a safe location and time. The site leader can stop filming when it interferes with work or creates distraction. Client walkthroughs will be planned around the day's hazards rather than treated as unrestricted access.

Follow through

Subcontractor onboarding will verify appropriate coverage and safety responsibilities. Safety records will be reviewed with project performance. We will fund the training, supervision and site arrangements needed to support the programme, rather than leaving them as an unfunded statement in the plan.

Suppliers trades and procurement

A boutique builder needs dependable specialist businesses as well as internal craftsmanship. We will create a qualified supplier and subcontractor register covering the major construction packages. Selection will consider scope, competence, insurance, relevant experience, availability and the ability to support the project after installation.

Procurement approach

We will issue a clear scope and the applicable drawing revision before asking for a firm quotation. Each comparison will identify exclusions, provisional amounts, delivery conditions and programme assumptions. A cheap quote that omits important work must be corrected before award.

Package	Main procurement risk	Proposed control
Windows and exterior doors	Long lead times and incorrect dimensions	Early approved schedules and coordinated openings
Structural components	Design changes after fabrication	Engineering coordination before release
Mechanical systems	Space conflicts and equipment availability	Early layouts and confirmed specifications
Millwork and finishes	Late selections and colour variation	Samples, drawings and production dates
Specialist site work	Availability and uncertain conditions	Advance booking and risk definition

Managing commitments

The company will maintain a procurement schedule showing approval, ordering, fabrication and delivery dates. Purchase orders will record price, scope, change procedure and delivery responsibility. We will distinguish ordered costs from incurred costs in the project report.

Supplier deposits will be reviewed for protection, lead time and cash effect. Where an owner funds a specific deposit, the documentation must identify the product, contractual arrangement and how the payment is accounted for. We will not use unsupported deposits as general company working capital.

Building trade loyalty

Clear instructions, a workable site and predictable payment are practical reasons for good trades to work with Sosa. We will give advance notice of programme changes and resolve scope disagreements promptly. The trade's experience will be included in the post project review.

Avoiding concentration

We will seek a second qualified option for critical packages where the local market permits it. Some specialist products may have only one practical source; those items will be identified early with owner approved alternatives. The procurement team will track concentration and exposure rather than assuming that ownership of one upstream activity can solve every supply problem.

The first integration opportunities will arise from repeated procurement evidence: consistent delays, excessive rework, significant purchases or an unmet specification. This evidence will inform the integration roadmap on page 45.

People hiring and capacity

The organisation will grow around construction responsibility. The founder will lead the business, clients and commercial decisions. An experienced construction leader will manage the technical and site execution requirements of custom homes. Administrative support will maintain records, billing and follow up so that site leaders can focus on delivery.

Proposed staffing progression

Stage	Company roles	Project resourcing
Foundation year	Founder and part time administration	Appropriate carpentry help and qualified trades by job
First custom home	Founder, experienced construction leadership and administration	Named site supervisor and committed specialist trades
Overlapping homes	Founder with stronger operations and office support	Adequate site leadership for both programmes
Integration trial	Existing home building team maintained	Separately budgeted specialist or operating partner

Compensation assumptions

The income forecast includes annual founder management cost of $60,000, $80,000 and $90,000, and office or operations support of $24,000, $60,000 and $90,000. These are company budgets including applicable employer costs, not personal take home income or validated local wage quotes.

Site supervision, direct carpentry and subcontract labour are included in project direct costs. They must not be added to company overhead a second time. The page 19 example allocates $210,000 to site leadership, logistics, quality and service costs; this amount still requires a detailed resource plan for the actual duration.

Hiring standards

We will assess relevant completed work, references, judgement, communication and ability to maintain records. A technically strong person who cannot coordinate trades or explain a problem may not be ready to lead a custom home. The company will verify credentials where a role requires them.

We will define each person's authority over purchasing, changes, safety and client communication. New employees will receive a practical introduction to the reporting and quality routines. Performance will be reviewed using project outcomes and behaviour, rather than solely hours worked.

Sustainable workload

The staffing plan must allow for absences, training and unavoidable interruptions. The founder cannot simultaneously sell, estimate, supervise several sites, produce daily content and operate a mill without support. The decision to add a project will therefore include a capacity assessment of every critical role. Marketing growth will be slowed when qualified opportunities exceed the company's ability to serve them.

Governance accounting and decision rights

The company will use simple management controls that remain workable as projects become larger. The founder will be accountable for commercial commitments and capital allocation. Construction leadership will have defined authority over site coordination and technical execution. The accountant and legal adviser will support the matters requiring their expertise.

Financial control cycle

Every week, we will review cash, overdue receivables, upcoming payments and project changes. Each month, we will close job costs, update forecast final cost and compare company overhead with budget. Every quarter, we will reassess capacity, pipeline quality and capital commitments.

Decision	Proposed authority	Required support
Project acceptance	Founder and construction leader	Fit, scope, resources and cash review
Trade award	Construction leader within approved limits	Scope comparison and available budget
Owner change	Authorised owner and company signatory	Price and schedule assessment
Capital purchase	Founder	Investment case and cash impact
Bank or investor obligation	Authorised entity signatories	Accountant and legal review as needed

Records and accounting

The company will use separate cost codes for each project and service. Purchases, timesheets and subcontract invoices will identify the applicable job. Owner advances, outstanding billing, legal holdbacks and taxes will be recorded distinctly.

The financial forecasts use gross construction revenue and corresponding direct cost on the assumption that Sosa acts as the principal contractor. The accountant must confirm the revenue recognition and principal versus agent treatment for the contracts actually used. A construction management arrangement can produce a different reported revenue presentation.

Cash and authority protections

We will establish practical approval limits based on cash and job size. Payment details for a new supplier or a changed bank account will be verified independently. Material payments will have supporting records and an authorised reviewer. Access to banking and project systems will be limited to the roles that need it.

The owner will receive consistent information even if a staff member is absent. Shared records will therefore include current drawings, contracts, decisions, purchase orders and contact details. We will maintain backups and an agreed retention policy.

The founder will review material commitments with advisers before signing them. This is particularly important for guarantees, warranty security, equipment debt and the proposed acquisition of an upstream business.

Client experience and aftercare

We will give the client a predictable way to understand progress and make decisions. A single consistent report is preferable to scattered texts, informal promises and a collection of photographs without explanation. The report will tell the owner what happened, what comes next and where a decision is needed.

Service standards to implement

Moment	Proposed client experience	Operating requirement
Initial inquiry	Acknowledgment within one business day	Shared inquiry register and backup contact
Discovery	Clear discussion of fit and budget	Prepared questions and written next step
Preconstruction	Defined outputs and review dates	Engagement scope and milestone record
Construction	Weekly update and monthly cost review	Site reporting and job cost close
Handover	Guided introduction to the home	Deficiency list and operating information
Aftercare	Logged request and clear response	Assigned service contact and follow through

These are proposed service targets. The company will advertise them only when staffing and systems can reliably support them. Urgent safety or property concerns require an appropriate immediate response rather than waiting for the weekly report.

Decision management

The selection schedule will show the date each choice is needed, the available allowance and the consequence of delay. We will provide sufficient information for the owner to decide, including samples or options where appropriate. A reminder alone is not useful if the owner has not received the information needed.

We will record meeting decisions and instructions in the project system. Where an informal conversation changes scope, the commercial and design implications will be documented before the affected work proceeds.

Handling disagreement

We will explain the issue early, state what is known and propose a next action. A scope or quality disagreement will be assessed against the contract and approved information. Staff will not make conflicting promises to resolve a complaint quickly.

Building a relationship after completion

Handover information will include product details, maintenance responsibilities, consultant or trade contacts where appropriate and warranty documentation. Aftercare requests will be categorised, assigned and closed with the owner informed of the outcome.

We will request a review or introduction after a meaningful successful milestone. A client must feel free to provide honest feedback. The strongest marketing result is an owner who can describe specific reasons they trusted the company with their home.

Brand identity and purple uniforms

The brand will combine a construction company's competence with a recognisable personal style. Purple Sosa polos and hoodies, vintage trucks and a consistent visual treatment will make the business identifiable across sites, social media and client meetings.

Proposed identity system

Element	Proposed specification	Use
Primary purple	Hex 5B2D82 as an initial colour reference	Apparel, selected graphics and brand accents
Supporting colours	Cream F3EBDD and charcoal 242124	Clear backgrounds, lettering and print
Clothing	Purple polos and durable hoodies with Sosa branding	Meetings and suitable work settings
Truck lettering	Legible Sosa name and contact route	Recognition from normal viewing distance
Photography	Real work, people, details and controlled natural colour	Portfolio and educational content

Colours are proposed design references, not an existing formal brand standard. Actual embroidery, fabric and paint samples will be checked before ordering. We will preserve legibility and avoid complex graphics that become unreadable on clothing or a moving vehicle.

Uniform programme

The founder and relevant staff will wear consistent clothing appropriate to the task. Client meeting polos will be clean and presentable. Work hoodies will be durable and replaced when their condition undermines the intended appearance. Required protective clothing will remain visible and suitable for the site.

The first clothing allowance will be modest and included in general operating costs. We will order samples before a larger batch, check fit and wash performance, and use the same approved artwork across suppliers. Branded apparel will not be presented as a substitute for workmanship or conduct.

Brand voice

We will speak plainly about how a home is built. Content will explain decisions, demonstrate details and acknowledge the people doing the work. The tone can retain the founder's personality while remaining appropriate for a client entrusting the company with a substantial investment.

Relationship to the finished home

The owner can choose contemporary, traditional or other suitable architecture. Sosa's retro visual identity does not require every home to have a vintage design. The brand describes the company; the home should reflect the client's agreed brief. This flexibility expands the range of projects that can fit focused differentiation without diluting the service promise.

Vintage trucks and retrofit economics

We will begin with one vintage work truck whose patina is visually appealing and whose mechanical condition can support its intended use. Patina will mean a preserved surface character, not unresolved structural corrosion, leaks or unreliable operation. The truck should strengthen the brand while meeting practical work requirements.

Initial vehicle investment assumption

Component	Planning allowance	Scope
Vehicle purchase	$15,000	Suitable inspected candidate
Mechanical repairs and retrofit	$20,000	Necessary repairs and approved practical upgrades
Branding storage and interior fit	$5,000	Lettering, secure tools and useful cabin improvements
Total first vehicle capital	**$40,000**	**Included in the initial funding plan**

These amounts are unquoted planning allowances and include nonrecoverable taxes where applicable. The work will be repriced after inspection. Purchase will be conditional on a credible repair scope, parts availability and total ownership cost.

Retrofit priorities

We will assess the frame, brakes, steering, tyres, lighting, drivetrain, restraints and load suitability with qualified providers. Secure storage, sensible ergonomics and dependable starting are operational priorities. Any powertrain, chassis or other material modification will be reviewed for inspection, registration and insurance implications before work proceeds.

ICBC's collector vehicle application restricts collector use to pleasure and prohibits business or commercial use. The Sosa work truck therefore requires an insurance and registration arrangement appropriate to its actual commercial activity; age alone does not make discounted collector coverage suitable. [10]

Operating discipline

Year 1 budgets $12,000 for fleet operation, including fuel, maintenance and vehicle insurance. The actual split will be quoted and recorded. We will have a backup transport plan for a breakdown so that the marketing vehicle does not become a single point of failure.

Before purchasing a second truck, we will compare its practical use, incremental leads and full annual cost with a conventional vehicle or temporary hire. Maintenance and lost work time count as part of the brand's cost. Filming the retrofit can create useful content, but media exposure is not a reason to accept a poor vehicle investment.

The initial plan covers retrofitting Sosa's own fleet. Selling vehicle retrofit services to others would require a separate capability, insurance and business assessment.

Social media marketing strategy

We will use frequent social media to make Sosa visible and help prospective clients assess our work. The programme will show construction decisions, craft, people and finished outcomes. The truck retrofit and purple uniforms will provide recognisable recurring elements within that content.

The objective is qualified inquiries and trusted introductions. Reach and follower growth will be monitored, but they will not justify spending if the audience cannot become a suitable client, partner or employee.

Proposed publishing rhythm

Channel activity	Target frequency	Purpose
Short construction videos	4 each week	Demonstrate process and create local recognition
Photo carousels or detail posts	2 each week	Explain decisions and present useful evidence
Site stories	3 to 5 days each week when suitable	Show current work and answer questions
Longer project videos	2 each month	Explain a project or a major construction stage
Website article or case update	1 each month	Create a durable account of relevant work

This is a demanding target and will be tested against available work and editing capacity. If the company cannot maintain quality at that frequency, it will reduce volume before publishing inaccurate or repetitive content.

Content themes

The main themes will be craft details, budget and design decisions, project progress, trade expertise, truck restoration and the founder's business journey. Educational content should answer a real buyer question, such as why a flashing detail matters or how a late window selection affects the schedule.

We will identify Sosa's actual role in every project. A partner's work may be credited and shown with permission. An example image or future concept must be labelled clearly so that it cannot be mistaken for a completed Sosa home.

Production process

The founder will reserve approximately six to eight hours a week for capture, review and audience responses, subject to operating capacity. A paid editor can turn planned footage into publishable material. The annual content budget appears on page 37, and founder time is included in the management role.

Permissions and judgement

We will obtain appropriate consent for client homes and identifiable people, respect privacy requests and avoid exposing security details. Filming will follow site safety requirements. Music, images and other third party material must be licensed for the intended commercial use.

First month content calendar

The first month will demonstrate the proposed identity while building useful proof. If a custom home is not yet underway, content will accurately show smaller work, preparation and the truck project. We will not manufacture a luxury portfolio to meet a posting target.

Four week publishing plan

Week	Four short video subjects	Two supporting posts
1	Founder introduction; truck assessment; a carpentry detail; preparing a job	Service area and process; completed detail with scope explained
2	Retrofit priority; trade introduction; checking dimensions; protecting a work area	Budget decisions; approved clothing sample
3	Progress walkthrough; material selection; quality check; a common owner question	Before and after with permission; preconstruction deliverables
4	Truck progress; explaining a schedule; finish demonstration; project lesson	Monthly project summary; how to arrange discovery

Longer videos will cover the truck assessment and a real project walkthrough. The website update will explain paid preconstruction, using a sample process rather than invented client results.

Capture plan

Before visiting a site, we will list the detail or decision worth showing and agree an appropriate filming time with the site leader. Footage will include context, the work itself and a brief explanation. This reduces the need to recreate an activity or interrupt workers repeatedly.

We will maintain a shared content folder with permission status, project name, Sosa's role, approved credits and publication history. A short review will check that the claims match the footage and that no private information is visible.

Calls to action

Different posts will lead to different next steps. A project video may invite the owner to review a case study. A preconstruction explanation may invite a discovery inquiry. A trade post may introduce a specialist partner. The company will avoid placing a generic sales request on every piece of content.

Reviewing results

At the end of the month, we will compare qualified inquiries, website actions and relevant local engagement by content theme. We will ask new prospects what first made them aware of Sosa. Those answers will help distinguish memorable branding from useful project proof.

Content that attracts broad attention but produces unsuitable inquiries will be adjusted. Content that helps an architect introduce a qualified owner may be commercially valuable even with modest reach. The next month's calendar will follow these findings and the work available to show.

Website local search and portfolio

The proposed primary website is sosaconstruction.ca. It will present the custom home direction, service area, actual project evidence and a clear route to discovery. The retro identity can remain visible while the information stays professional and easy to use.

Core website pages

Page	Information the prospective client needs	Intended next action
Home	Who Sosa serves and the construction offer	Explore process or relevant work
Custom homes	Scope, preparation and proposed service model	Request discovery
Preconstruction	Deliverables, boundaries and engagement process	Discuss project readiness
Selected work	Real photographs and accurate company role	Assess relevant evidence
About	Founder and qualified team information	Understand accountability
Contact	Location, project type, budget band and timing	Submit a qualified inquiry

The inquiry form will ask enough to judge fit without creating a burdensome application. Useful fields include contact information, municipality, site status, intended scope, approximate construction budget excluding land and desired timing. A privacy explanation will state how the submitted information is used.

Portfolio standards

Each case study will identify the project scope, Sosa's role, relevant challenges and the outcome that can be supported. Photographs will have client and creator permission. If no complete custom home is available, the website will show relevant smaller work and describe the developing service honestly.

Local discovery

We will maintain accurate business information across the website and relevant local listings. Search content will answer specific owner questions and identify the locations genuinely served. We will avoid a large collection of near identical location pages that provides little useful information.

Client reviews will be requested after real work and left in the client's own words. We will not purchase fabricated reviews or describe an unearned credential. The website will also give credit to design and trade partners where appropriate.

Measuring usefulness

We will review visits to service and portfolio pages, inquiry completion and the quality of resulting prospects. Page speed, mobile legibility and form reliability will receive practical attention. The success measure is whether a suitable owner can understand the offer and contact the company confidently.

Website changes will be prioritised by observed questions and conversion problems. The first year's web and creative allowance is included within the $24,000 marketing budget on page 37.

Lead qualification and sales process

The sales process will help both parties decide whether the project fits. We will qualify before extensive estimating, explain the proposed engagement clearly and avoid promises that construction leadership cannot support.

Proposed qualification score

Criterion	Points available	Evidence sought
Budget and funding	25	A credible construction budget and funding route
Site and feasibility	20	Identified property and known approval questions
Service fit	20	Value placed on the proposed quality and process
Decision readiness	15	Named decision makers and workable availability
Schedule and capacity	10	Timing consistent with resources and preparation
Design and team fit	10	Suitable design scope and collaborative advisers

A working threshold of 70 out of 100 may guide pursuit, but a serious funding, safety or legal problem overrides the score. This is a proposed internal tool, not a validated predictor. It will be revised after enough proposals show which factors affect outcomes.

From inquiry to appointment

We will acknowledge the inquiry, conduct a short screening discussion and arrange discovery where the project appears suitable. Discovery will identify the owner's priorities, likely scope and unanswered questions. We will then propose a defined preconstruction engagement or explain why a different next step is needed.

The preconstruction proposal will name the outputs, fee, timing and exclusions. It will state that construction pricing and acceptance depend on the resulting information, approvals and capacity. A paid engagement does not automatically entitle the owner to an unqualified construction commitment.

Proposal discipline

We will keep a record of proposal hours, decision dates and reasons for acceptance or rejection. A quote with insufficient information will be issued only as an appropriately limited estimate. Supplier prices will not be implied to remain available indefinitely.

Follow up and consent

Commercial email or text follow up will follow applicable consent, identification and unsubscribe requirements. The CRTC describes these as core requirements for commercial electronic messages under Canada's Anti Spam Legislation. [16] We will retain consent records and use an appropriate customer communication process.

When a client decides against proceeding, we will close the opportunity respectfully and preserve any agreed confidentiality. If timing is the issue, future contact will follow the permission and scope the client has given.

Professional referrals and local relationships

Direct introductions can be an effective route to a substantial custom home commission because the owner often wants evidence of trust and relevant capability. We will develop relationships with architects, designers, suitable property professionals and satisfied clients through consistent work and useful communication.

Relationship programme

Relationship	Useful contribution from Sosa	Evidence to share
Architects and designers	Constructability and early cost input	Accurate review notes and relevant work
Property professionals	Clear site and construction feasibility boundaries	Service area and discovery process
Specialist trades	Organised work and dependable coordination	Scope packages and project expectations
Existing clients	Completion support and honest follow up	Handover information and resolved issues
Local business community	A recognisable company with professional conduct	Real project updates and company information

First outreach priorities

The founder will build a manageable list of potential partners with a clear reason for each connection. Initial conversations will explore the projects they serve, the difficulties they encounter and the evidence needed before they would introduce a builder. We will not ask a professional to recommend Sosa solely because the brand is memorable.

We will prepare a concise company introduction showing the current team, actual work and proposed process. As experience develops, that introduction will be updated with specific home construction evidence. Any gap between an intended service and the current ability to deliver it will be handled honestly.

Referral arrangements

The default approach is introductions earned through good work. If a paid commercial referral arrangement is considered, it must be documented, disclosed where required and checked against the relevant partner's professional obligations. A hidden cost or conflict can damage the trust the referral was supposed to create.

Monitoring results

We will record the source of an opportunity and whether it progresses to discovery, paid preparation and construction. A partner who introduces one well qualified owner may be more valuable than a channel producing many unsuitable leads. Relationship effort will therefore be reviewed alongside marketing spend.

Continuing service

We will maintain contact through relevant project information and respectful individual follow up with appropriate permission. Public project events or walkthroughs will require owner consent and suitable site arrangements. The programme will grow with the company's completed work, rather than relying on an aggressive volume of messages to unfamiliar people.

Marketing budget and acquisition economics

Year 1 includes $24,000 of marketing expense. The founder's content and relationship time is included in the management role, rather than charged a second time in this cash budget. Vehicle capital and fleet operation are budgeted separately because the truck also performs practical work.

Marketing activity	Annual budget	Monthly equivalent
Photography editing and content support	$9,600	$800
Paid media testing	$8,400	$700
Website creative and marketing software	$3,600	$300
Local events and referral materials	$2,400	$200
Total	**$24,000**	**$2,000**

Spending sequence

The initial priority is credible project evidence, useful website information and reliable inquiry handling. Paid media will start with a limited test and be expanded only when it reaches suitable owners. A large audience with little service area relevance should not absorb the majority of the budget.

The forecast increases marketing to $36,000 in Year 2 and $48,000 in Year 3. These amounts depend on capacity and results. The company may defer the increase if inquiries already exceed its ability to deliver or if custom home readiness is delayed.

Acquisition cost

We will report acquisition cost by service and by channel. Dividing the full $24,000 budget by two eventual home appointments would produce $12,000 per appointment, but that calculation ignores time lag and leads for other services. It is only a simplified illustration, not the base forecast's expected acquisition cost.

For comparison, the illustrative $2.10 million home produces $420,000 gross profit before company overhead. A $12,000 acquisition cost would be approximately 2.9% of that gross profit. This ratio is useful only if the appointment is genuine, the project is delivered at its target margin and the cost allocation is appropriate.

Review and stopping rules

Each paid campaign will have a defined geography, offer, landing page and qualification measure. We will review qualified inquiries and progression after a reasonable test period. Poor results will lead to an offer or targeting change, rather than automatic budget increases.

The marketing report will include founder hours and fleet costs separately so that management can see the broader commitment. Truck related recognition will be recorded in discovery conversations, while practical vehicle benefits remain part of the fleet investment review. This avoids crediting every lead to whichever asset is most visually distinctive.

Initial funding and capital allocation

The foundation year requires a proposed $150,000 initial funding package before the company adopts the full spending plan. This is a planning requirement, not a statement of the founder's present resources or a lender's willingness to approve finance. If that amount is unavailable, we will reduce the launch scope and rebuild the cash forecast.

Proposed funding source	Amount	Status
Founder or investor equity	$100,000	To be secured on documented terms
Term loan	$50,000	Subject to lender approval and terms
Total initial funding	**$150,000**	**Required before the modelled commitments**

Initial allocation	Amount	Accounting treatment in the model
First vintage truck and retrofit	$40,000	Capital asset
Tools and site equipment	$20,000	Capital assets
Computers and operating equipment	$5,000	Capital assets
Remaining cash before operating movements	$85,000	Working liquidity
Total allocation	**$150,000**	**Matches proposed funding**

The capital schedule spends $55,000 in the first quarter and $10,000 in the second. The truck's appearance is part of the concept, but its purchase and retrofit will follow inspection and cash review. A lower cost initial vehicle or deferred upgrades may be appropriate if the reserve becomes inadequate.

Financing assumptions

The term loan assumption is 8% annual interest with $10,000 principal repaid at each year end. Interest is calculated on the opening annual balance. This is a simplified unquoted loan structure, not an available lending product.

Year 1 may also need an undrawn contingency arrangement for payment interruptions. Before custom home operations, the model assumes approval of a separate $300,000 revolving facility. Average use is assumed at $50,000 in Year 2 and $75,000 in Year 3 at 8%, with no balance outstanding at either year end. Actual terms and draws will change the forecast.

Capital discipline

Warranty collateral, additional project security, taxes and any sawmill purchase are outside this initial allocation. Their funding must be resolved before the relevant commitments. The $150,000 package funds the foundation scenario; it is not a universal minimum for operating a custom home company.

We will provide potential funders with reconciled job forecasts, the intended use of money, leadership credentials and a clear account of downside exposure. Any equity arrangement will define ownership, control and distributions before funds are accepted.

Financial forecast assumptions

The three year forecast is a conditional operating scenario in Canadian dollars. Year 1 begins when the company is funded and the founder can support regular operations. Custom home revenue in Years 2 and 3 depends on licensing, warranty approval, experienced leadership, project funding and client appointments.

Revenue and direct cost assumptions

Service	Year 1 revenue	Year 2 revenue	Year 3 revenue
Selected renovations	$480,000	$400,000	$300,000
Paid preconstruction	$60,000	$90,000	$120,000
Custom home construction	$0	$1,200,000	$2,400,000

Renovation gross margin is assumed at 30%, preconstruction at 50% and custom construction at 20%. These are targets requiring actual estimates and delivery evidence. They include the appropriate direct labour and site costs before company overhead. Nonrecoverable PST is included in relevant input costs; recoverable GST is excluded.

Activity behind the revenue

Year 1 renovations are illustrated by eight completed jobs averaging $60,000. Preconstruction is illustrated by three engagements averaging $20,000. This workload requires a viable team and trade network, not founder labour alone.

Year 2 includes $1.20 million of progress on one illustrative $2.10 million home. Year 3 includes its remaining $900,000 plus $1.50 million of progress on a second $2.10 million home. The second home's remaining $600,000 is outside the forecast period. Contract value, backlog and revenue are therefore different measures.

Year 2 renovations are illustrated by five jobs averaging $80,000 and preconstruction by three at $30,000. Year 3 renovations are illustrated by three at $100,000 and preconstruction by four at $30,000. The mix assumes a gradual shift toward homes rather than unrestricted growth in smaller work.

Cost cash and accounting assumptions

Overhead includes founder compensation and company support, while site leadership is in direct cost. Depreciation is assumed at $8,000, $10,000 and $12,000; final asset classes and accounting policy require accountant review.

The forecast excludes income tax, distributions and land purchases. It assumes equity of $100,000 and term debt of $50,000 at launch, seasonal revolving borrowing as described on page 38, and no year end revolving debt. Nominal budgets will be updated as supplier costs and scope change. No savings or revenue from a sawmill are included.

Three year operating forecast

Amounts below are in thousands of Canadian dollars. Revenue and direct cost follow page 39. Company overhead includes the founder's management cost, so the profit is additional to that compensation budget. This is a forecast before income tax, not a personal income projection.

Income statement item	Year 1	Year 2	Year 3
Renovation revenue	480.0	400.0	300.0
Preconstruction revenue	60.0	90.0	120.0
Custom home revenue	0.0	1,200.0	2,400.0
Total revenue	**540.0**	**1,690.0**	**2,820.0**
Direct project costs	366.0	1,285.0	2,190.0
Gross profit	**174.0**	**405.0**	**630.0**
Founder management cost	60.0	80.0	90.0
Office and operations support	24.0	60.0	90.0
Marketing	24.0	36.0	48.0
Fleet operation	12.0	16.0	20.0
Insurance compliance and professional support	12.0	18.0	24.0
Facilities software and office	12.0	20.0	28.0
General training and other overhead	6.0	10.0	14.0
Total cash operating overhead	**150.0**	**240.0**	**314.0**
EBITDA	**24.0**	**165.0**	**316.0**
Depreciation	8.0	10.0	12.0
Operating profit	**16.0**	**155.0**	**304.0**
Interest on term and revolving debt	4.0	7.2	8.4
Profit before income tax	**12.0**	**147.8**	**295.6**

Interpretation

Gross margin declines from 32.2% to 24.0% and 22.3% as construction becomes a larger part of revenue. That decline reflects the assumed service mix, even though the custom home margin remains 20%. Operating scale produces more gross profit to cover overhead.

EBITDA means earnings before interest, tax, depreciation and amortisation; no amortisation is modelled. It is not cash available for withdrawal. Working capital, asset purchases, loan principal and tax can consume cash after a profitable year.

The foundation year has only $12,000 of profit before income tax. This leaves little room for a weak job or an unplanned fixed expense. The company should therefore protect liquidity and validate margins before adopting the later overhead budgets.

Cash forecast and capital reconciliation

Amounts are thousands of Canadian dollars and exclude income tax payments and recoverable GST flows. Initial equity and the term loan are already included in Year 1 opening cash. Seasonal revolving draws and repayments net to zero annually under the stated assumption, while their interest is included below.

Annual cash movement	Year 1	Year 2	Year 3
Opening funded cash	150.0	65.0	107.8
EBITDA	**24.0**	**165.0**	**316.0**
Cash interest paid	(4.0)	(7.2)	(8.4)
Increase in net operating working capital	(30.0)	(80.0)	(90.0)
Capital purchases	(65.0)	(25.0)	(30.0)
Term loan principal repaid	(10.0)	(10.0)	(10.0)
Closing cash before income tax	**65.0**	**107.8**	**285.4**

Foundation year quarterly detail

Cash movement	Q1	Q2	Q3	Q4
Opening cash	150.0	69.5	51.0	54.5
EBITDA	**(19.5)**	**2.5**	**14.5**	**26.5**
Interest	(1.0)	(1.0)	(1.0)	(1.0)
Working capital increase	(5.0)	(10.0)	(10.0)	(5.0)
Capital purchases	(55.0)	(10.0)	0.0	0.0
Principal repayment	0.0	0.0	0.0	(10.0)
Closing cash	**69.5**	**51.0**	**54.5**	**65.0**

Quarterly revenue is $60,000, $120,000, $160,000 and $200,000. Preconstruction contributes $20,000 in each of Q2 to Q4. The model uses the service margins on page 39 and $37,500 overhead per quarter. The $51,000 low quarter end balance is not the lowest possible balance within a quarter.

Ending net working capital is $30,000, $110,000 and $200,000. Net equipment carrying value is $57,000, $72,000 and $90,000. Adding these to closing cash gives $152,000, $289,800 and $575,400. Those totals equal term debt of $40,000, $30,000 and $20,000 plus equity and cumulative pretax earnings of $112,000, $259,800 and $555,400. This is a simplified management capital reconciliation, not a full statutory balance sheet.

Project liquidity holdbacks and taxes

A profitable construction contract can still require substantial temporary funding. The company must pay people, suppliers and site costs while some owner payments are delayed or retained. The annual cash forecast will therefore be supplemented by a rolling 13 week company forecast and a project cash schedule extending through completion.

Illustrative custom home liquidity test

Potential cash requirement	Planning amount	Basis
Owner holdback exposure	$210,000	10% of the illustrative $2.10 million contract
Less eligible subcontract holdbacks	($110,000)	Assumed eligible subcontract base of $1.10 million
Supplier deposits and early purchases	$50,000	Timing assumption to validate
Billing and collection timing gap	$120,000	Illustrative peak exposure
Minimum operating cash buffer	$50,000	Internal planning target
Combined illustrative availability need	**$320,000**	**Before additional warranty collateral or security**

The legal basis and timing of each holdback must be checked for the actual contract. We will not apply the same retention to every category of payment. The statutory rules described on page 20 require proper administration and release procedures. [9]

Year 2 opens with $65,000 forecast cash. A fully available $300,000 revolving facility would bring gross liquidity to $365,000 before restrictions, other uses or security requirements. Availability is not guaranteed. The company must verify approved borrowing limits, conditions and the effect of collateral before accepting the home.

Cash controls

We will show owner advances, holdbacks receivable, supplier deposits, committed costs and amounts payable separately. Legally restricted or contractually committed money will not be treated as free cash for another project. Any owner funded early purchase will be documented and incorporated in the job accounts.

Tax treatment

CRA guidance distinguishes construction services on the customer's land from a sale of housing and land. GST registration, collection, input tax credits and payment timing must follow the actual transaction. [11] B.C. guidance generally requires real property contractors to pay PST on taxable goods they acquire for contracts, while services related to real property are generally not charged PST. Applicable exceptions require review. [12] [13]

The accountant will establish a tax reserve and remittance calendar. Closing forecast cash on page 41 is before income tax and should not be interpreted as distributable cash. Additional borrowing costs or a different payment pattern require a revised forecast.

Break even and downside scenarios

The forecast is sensitive to custom home timing, price and job costs. We will use scenarios to decide how much fixed overhead the business can support and when additional commitments should be deferred. The comparisons below are illustrative Year 2 cases before income tax.

Scenario	Revenue	Gross profit	Pretax result
Base plan	$1,690,000	$405,000	$147,800
Delayed custom home progress	$1,010,000	$255,000	($2,200)
No custom home revenue	$460,000	$150,000	($107,200)
Higher activity with added support	$2,370,000	$555,000	$267,800

The delayed case assumes custom revenue of $600,000, renovation revenue of $350,000 and preconstruction of $60,000. The no custom case assumes $400,000 renovation and $60,000 preconstruction. Both retain base overhead, depreciation and interest for comparison. The higher activity case assumes $1.80 million custom work, $450,000 renovations and $120,000 preconstruction, with $30,000 additional overhead.

Break even

At the Year 1 blended gross margin of 32.2%, approximately $502,759 of revenue covers $150,000 cash overhead, $8,000 depreciation and $4,000 interest. The planned $540,000 revenue provides a narrow profit margin.

At the Year 2 service mix, the gross margin is 405 divided by 1,690, or about 24.0%. Approximately $1,073,254 revenue is needed to cover $257,200 of overhead, depreciation and interest. If custom homes were the only revenue source at a 20% margin, the same fixed cost assumption would require $1,286,000 revenue.

Price and cost exposure

A 5% price reduction across the base Year 2 revenue, with direct costs unchanged, removes $84,500 of profit and reduces the pretax result to $63,300. A 5% unrecovered overrun on custom direct costs adds $48,000 and reduces the base pretax result to $99,800. These are distinct stress tests, not automatic outcomes under every contract form.

Response to weak trading

We will defer optional vehicle improvements, reduce ineffective paid media and delay nonessential hiring. Any staffing change must protect contracted supervision. If custom home readiness is delayed, we will rebuild the overhead budget around available smaller work rather than leaving the later cost structure in place indefinitely. A negative forecast requires action before reserves are consumed.

Management dashboard and review triggers

We will use a small set of measures that connects sales, delivery and cash. Each measure must have a responsible person and a management decision attached. Targets below are proposed starting standards and will be revised using actual company evidence.

Measure	Proposed target or trigger	Management response
Unrestricted operating cash	Maintain at least $50,000 in the foundation scenario	Reforecast and defer discretionary commitments
Rolling cash outlook	Review 13 weeks every week	Resolve shortages before payment dates
Forecast project margin	Meet the approved job target	Investigate scope, cost and unapproved work
Qualified sales pipeline	Enough suitable work for planned capacity	Adjust targeting or fixed costs
Client report delivery	Weekly during active construction	Correct missing information or staff capacity
Critical selections	Approved before procurement deadline	Escalate options and schedule effects
Deficiencies	Assigned owner and dated correction plan	Review repeated causes and trade performance
Safety concerns	Prompt assessment and corrective action	Stop unsafe activity where required

Commercial dashboard

We will report qualified inquiries, discovery meetings, paid preparation, construction appointments and confirmed starts. Counts will be accompanied by value, likely timing and the remaining conditions. An opportunity is not backlog until the relevant contract is signed, and signed backlog still requires a credible delivery schedule.

Project dashboard

For each job, the founder and construction leader will review budget, committed costs, forecast final cost, schedule, owner decisions and unresolved risks. Cash collection and holdbacks will be shown alongside margin so that a strong accounting result does not hide a funding problem.

We will examine rework and service costs by cause. Repeated defects or unreliable estimates are reasons to improve the operating process before selling another home. A project should not be judged successful solely because it generated attractive photographs.

Company review

The monthly management review will compare the income and cash forecasts with actuals, explain material deviations and set the next actions. Quarterly reviews will consider whether the selected niche, price approach and service mix remain appropriate.

Before adding a second active home or an integrated business, we will require stable reporting, accountable staff and evidence that the existing work is under control. The dashboard is intended to support judgement, not replace the founder's responsibility to investigate the underlying condition.

Vertical integration roadmap

Vertical integration means bringing activities from another stage of the value chain inside the business. Buying or operating a sawmill would be backward integration into an input. Adding more of the same construction service in another area would be horizontal expansion. These choices have different economics and should not be treated as interchangeable growth.

Proposed sequence

Option	Potential benefit	Test before commitment
Better supplier agreements	Reliability without major capital	Price, service and contingency alternatives
Direct specialist carpentry	More control over repeated details	Paid demand and labour utilisation
Small millwork capability	Custom finishes and quality control	Workshop economics and skilled staffing
Toll milling or supply partnership	Distinctive timber with limited ownership burden	Samples, moisture, delivery and total cost
Sawmill ownership	Input control and possible outside sales	Independent operating and investment case

Make or buy analysis

We will compare outside purchase cost with internal labour, materials, equipment, premises, administration, downtime and working capital. The comparison must use equivalent quality, delivery and specification. An internal operation that appears cheap only because the founder's time is unpaid has not demonstrated a true saving.

Integration may strengthen differentiation when it enables a detail or material that clients value and competitors cannot easily reproduce. It may also improve consistency. Those benefits should be demonstrated through paid projects rather than assumed from ownership.

Supplier and internal pricing

If Sosa owns an upstream operation, it will still record the complete cost of inputs delivered to the construction business. Internal transfers must not create fictitious consolidated revenue or profit. We will distinguish genuine outside sales from transfers between related operations.

Initial decision

The initial financial model includes no sawmill revenue, savings or capital. We will first gather procurement data and test a supply partnership. Repeated demand for finish timber or millwork may justify a small trial before the much wider obligations of a full mill.

The founder will also consider management attention. A mill may need a separate operator and sales capability, even if its materials are used in Sosa homes. Integration is attractive only if its risk adjusted benefit exceeds the alternatives while preserving home building delivery and liquidity.

Sawmill investment case

A sawmill can support a material story and selected custom finishes, but its economics depend on saleable output and customers. The following portable mill scenario is deliberately separate from the home building forecast. Every price and cost is an unquoted planning assumption.

Illustrative annual economics

Input or result	Planning assumption
Equipment and setup capital	$100,000 excluding land purchase
Comparable delivered purchase price or outside selling price	$4.00 per saleable board foot
Variable cost including labour logs processing drying and waste	$2.40 per saleable board foot
Contribution or avoided purchase cost	$1.60 per saleable board foot
Annual fixed cash cost	$50,000
Annual replacement capital reserve	$5,000

Saleable annual volume	Cash after fixed cost and reserve	Simple capital payback
25,000 board feet	($15,000)	No positive payback
50,000 board feet	$25,000	4.0 years
75,000 board feet	$65,000	About 1.5 years

Payback ignores finance, tax, residual value and additional working capital. At 50,000 board feet, assume 15,000 for Sosa and 35,000 sold externally. Internal demand alone would yield $24,000 contribution and a $31,000 annual cash shortfall after fixed cost and reserve. Break even is 34,375 saleable board feet. Outside demand is therefore essential in this scenario.

Product and operating requirements

Structural lumber is subject to grading and quality requirements; the Canadian Wood Council explains the grade marking and accredited oversight system. We will not assume that fresh milled ungraded timber can replace approved structural products. [15] Initial trials should use suitable nonstructural products, with drying, moisture and finish suitability checked.

Before purchase, we will verify legal log supply, yield, yard and zoning suitability, applicable permits, waste handling, fire risk, equipment condition and qualified staffing. The base case must also include a reliable drying route and at least three unrelated outside customers.

Our proposed investment hurdle is positive downside resilience, an acceptable working capital requirement and base simple payback within five years. Even if those tests pass, the mill must leave the home building business adequately funded. A supply partnership may offer a better first step.

Implementation roadmap

The first 90 days will establish the operating foundation and test the commercial concept. Preparation can proceed immediately, while substantial commitments remain linked to available funding, qualifications and delivery capacity. The later milestones are conditional stages rather than guaranteed calendar dates.

First 90 days

Period	Priority work	Evidence of completion
Days 1 to 30	Review legal structure, insurance, job records and target client offer	Agreed adviser actions and documented service scope
Days 1 to 30	Assess brand samples and a suitable truck candidate	Clothing sample and written vehicle inspection
Days 31 to 60	Validate owner needs, develop trade register and test preconstruction offer	Interview findings and qualified supplier records
Days 31 to 60	Establish job costing, inquiry tracking and reporting	Systems used on actual smaller work
Days 61 to 90	Review funding, content results and builder readiness pathway	Updated cash forecast and capability plan
Days 61 to 90	Decide the funded launch scale	Capital commitments matched to verified resources

Foundation year

We will complete selected profitable projects, record cost and quality results and build a credible portfolio. The founder will develop the relevant management experience and educational requirements while arranging appropriate construction leadership. Monthly financial reviews will test whether the revenue and margin assumptions are achievable.

First custom home stage

Once the company is ready, we will select one suitable home and complete project specific underwriting, permits, staffing and liquidity analysis. The owner will receive a realistic budget and construction programme. We will prioritise this reference project over unrelated expansion and record the lessons throughout delivery.

Boutique growth stage

The company may add a second overlapping home only after reviewing the first project's forecast cost, quality, schedule and cash. Adequate site leadership is required for both. Office support and marketing spend will increase only when they support a viable workload.

Integration stage

We will compile repeated purchases, supplier performance and client demand for custom timber or millwork. A partnership or small service trial will precede a mill purchase. The investment case must identify its operator, outside buyers, full cost and effect on company cash.

At each stage, the founder will record the decision, supporting evidence, outstanding conditions and next review date. If conditions change, the roadmap and forecast will change with them.

Sources for market and building requirements

The factual references below were reviewed on 5 October 2026. Company websites establish public positioning and are not independent verification of performance. Proposed strategy, budgets, conversion rates and forecasts are management assumptions described in the relevant sections.

1 Victoria Real Estate Board

Current statistics and September 2026 market report. Published 1 October 2026. Supports the sales, listings and benchmark figures on page 8. A regional resale benchmark is not a custom home construction cost or a measure of Sosa's addressable segment.

2 GT Mann Contracting

Company website and residential offer. Supports the description of its publicly presented luxury custom home offer and project portfolio on page 12.

3 Griffin Properties

Company services and featured projects. Supports the publicly listed custom luxury homes, design, construction, renovation and millwork services used in the competitor review.

4 Abstract

Company history and background. Supports the description of its stated origins in high end custom home construction. This reference is not used to infer a current Sosa competitive advantage.

5 BC Housing

Qualification requirements for new residential builders. Supports the experience, competency and nominee requirements discussed on page 21. The page states that its content is current as of 22 September 2026.

6 BC Housing

Third party home warranty insurance. Supports the general licensing and warranty framework, provider acceptance and minimum coverage summary. Coverage has conditions and limits; the policy and applicable law govern.

7 BC Housing

Register a new home. Supports the custom home registration and enrolment responsibilities described on page 21.

8 Province of British Columbia

BC Step Code requirements. Supports the dependence on permit date and location and the possibility of higher local requirements. Each project must confirm the applicable current rules.

Sources for commercial and operating requirements

9 Province of British Columbia

Builders Lien Act. Sections 4, 5, 8 and related provisions support the holdback discussion. The plan summarises selected requirements; project administration must account for applicable exceptions, trust obligations, triggers and claims.

10 Insurance Corporation of British Columbia

Application for Collector Vehicle Status. Supports the restriction against using collector vehicles for work or business. Commercial use and modifications require an appropriate arrangement with an insurance broker.

11 Canada Revenue Agency

GST HST information for the home construction industry. Supports the distinction between construction services and real property sales and the general 5% GST treatment used in the illustration.

12 Province of British Columbia

Paying PST on goods used in contracts. Supports including applicable nonrecoverable PST in contractor input costs.

13 Province of British Columbia

Charging and collecting PST for contractors. Supports the general distinction between real property services and taxable goods or other supplies.

14 WorkSafeBC

Roles rights and responsibilities. Supports the discussion of prime contractor designation and continuing employer responsibilities.

15 Canadian Wood Council

Grades and Canadian dimension lumber. Supports the discussion of grade marking, structural lumber quality and grading oversight. It does not establish that Sosa owns or operates an accredited mill.

16 Canadian Radio television and Telecommunications Commission

Guidance on implied consent under CASL. Supports the consent, identification and unsubscribe requirements for commercial electronic messages.

17 City of Victoria

Building permits and application guidance. Supports the reference to application checklists and applicable development approval sequencing.

18 WorkSafeBC

OHS Regulation Part 20 Construction excavation and demolition. Supports the requirement to assess project notices and construction coordination obligations.

Launch decisions and investment priorities

We will proceed toward a boutique custom home business through focused differentiation. The initial market is affluent owners in Greater Victoria, and the operating model centres on client owned sites, paid preparation and carefully managed construction. Broader differentiation can be considered after the company has evidence that it can serve additional markets without reducing quality or service.

Priorities to adopt now

We will develop consistent purple Sosa polos and hoodies, prepare accurate project content and assess one vintage work truck for a safe commercial retrofit. We will establish a demanding but manageable social media programme and a website that explains our actual work and proposed process.

The principal operating investments are experienced construction leadership, job costing, qualified trades and cash planning. The company will use smaller projects to build references and delivery knowledge while meeting the requirements for its intended home building role.

Conditions before the first custom home

Decision area	Evidence required
Client and project fit	Defined scope, credible funding and authorised decision makers
Qualification and insurance	Approved builder arrangements and project warranty enrolment
Design and approvals	Coordinated documents and required permits
Delivery capacity	Named site leader, critical trades and workable schedule
Liquidity	Funded project forecast including holdbacks and security
Commercial terms	Agreed fees, risk allocation, changes and payment process

Conditions before a sawmill

We will first test timber supply or toll milling through a qualified partner. Ownership requires credible outside demand, suitable feedstock, a drying and quality route, an accountable operator and a complete capital assessment. The illustrative mill economics depend on outside sales and must not be confused with guaranteed savings from Sosa's own homes.

Management commitment

We will review performance monthly and change spending when the evidence changes. The brand must remain consistent with the work clients receive. A second truck, another home or an upstream acquisition will be approved only when staffing, cash and the commercial case support it.

The immediate next step is to validate the initial funding, leadership pathway and paid preconstruction offer, then carry out the first 90 day programme. That sequence gives Sosa a practical route from its present brand and project experience toward the custom home business it intends to become.