



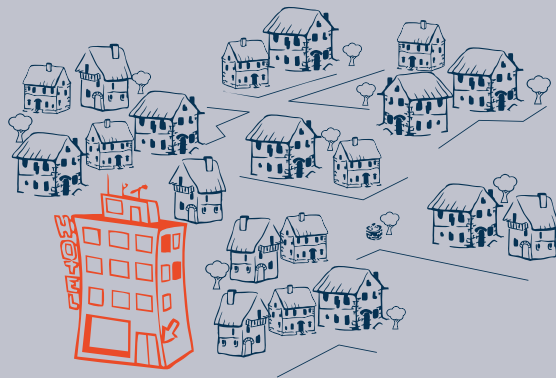
Alberghi Diffusi Model as an opportunity **for potential investors**

What is Albergo Diffuso?

Albergo Diffuso (AD) is an **innovative concept** to transform abandoned villages with an untapped potential in tourism into authentic touristic centers.

The concept was launched in Italy in the beginning of 80s created and implemented from Alberghi Diffusi Association (ADA).

Classic model - Hotels in the area



Alberghi Diffusi - Scattered Hospitality





Albergo Diffuso was born as a need to develop tourism in hamlets and old town centers without changing their characteristics, **in harmony with local communities** and without compromising the lifestyle, attractions and nature in these centers.

The concept is not based on building hotels or interventions in the area, but it is created with a network of preexisting houses close to each other in an old hamlet centre.

One of the characteristics of **“Alberghi Diffusi - Scattered Hospitality”** is that the different hotel houses are located among residential houses, so that the guest can experience being a **temporary resident** other than just a tourist.

Specific features of Alberghi Diffusi Model are:



One management - The Accommodation is managed through a business model;



Hotel services - Rooms/Housing units scattered in already existing separate buildings in an old town centre offering all hotel services;



Common services - Places designated to be guest common spaces (reception, common halls, bar, restaurant, daily room cleaning, assistance, room service for breakfast upon request) etc.;



Reasonable distance between buildings - 200 meters at the maximum between housing units and the hospitality service building (where the main services are held);



A lively community - The hamlet or old town centre cannot be uninhabited;



Authentic environment - Integration with the local community and culture;



Being recognizable - A uniform defined structure is guaranteed and the services are consistent;



Sustainable tourism - Original hospitality model represented by a hospitality offer integrated in the territory, its culture and its community. These aspects become essential components of the hospitality services.



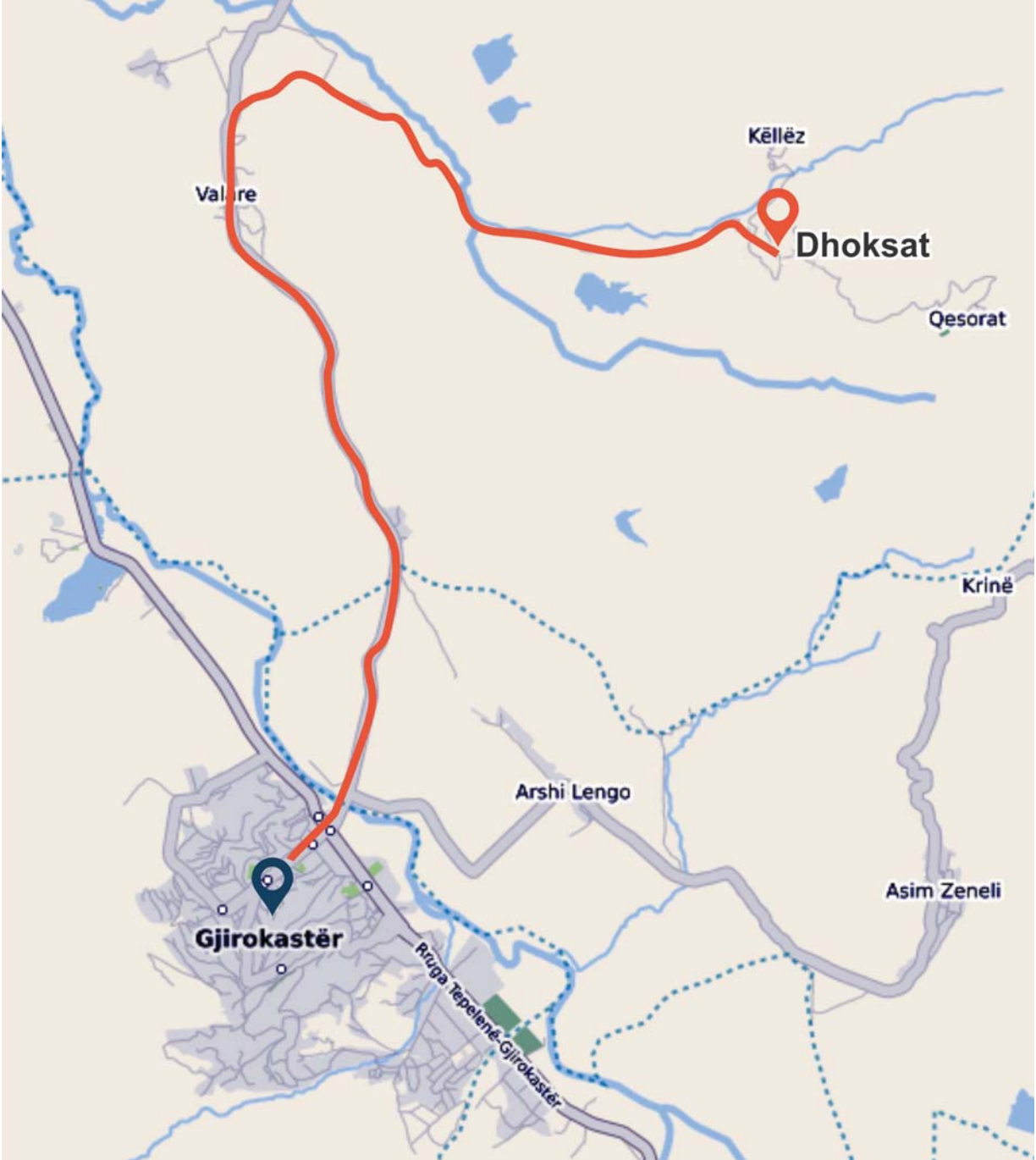
Dhoksat - a potential success story

The Alberghi Diffusi Association identified Dhoksat as a potential pioneer of the AD model in Albania. Below the village serves as an example to illustrate the business potential of AD in tourism.

Dhoksat otherwise known as “**Lunxhëria’s Balcony**” has some unique characteristics to offer, having an untapped potential for the development of this model. Although it is an almost abandoned village (due to the high migration rate of its inhabitants, moving mostly to Greece)

- (i) It has a local population who is open and positive towards new tourism models;
- (ii) There are solid and well-maintained houses;
- (iii) It is only 13 km away from the city of Gjirokastra which is the main and direct provider of youth labor force;
- (iv) There are several large businesses, which have invested near the area and may co-invest in the future for the development of the village and the surrounding area.





Business Model

The business model in principle consists in the transformation of houses in this abandoned village into guesthouses. A monthly rent will be paid to the guesthouse owners, agreed upon with the investment group. The investment group may choose to manage the enterprise itself or employ an administrator/tour operator to manage it.

AD - Dhoksat touristic offer

- Slow and rural tourism
- Authentic experience
- Hotel services (information point, reception, 6 accommodation houses)
- Gastronomy; traditional Albanian cuisine
- Hiking, cycling, horseback riding
- Gastronomy & artisanal courses
- Events & Parties
- Visits to various tourist attractions and surrounding villages
- Albergo Diffuso brand as a guarantee for customer generation

Albergo Diffuso has as its target group tourists interested in new experiences, informed about the community / region they are visiting, aware of tourism as a way to share with other communities, different cultures, customs and traditions.



The target customers of AD-Dhoksat will be:

- Experienced (independent) tourists visiting Albania and the region (Gjirokastra Region);
- Tourists organized in tour groups (in this case tour organizers);
- Foreign tourists but also local ones;
- Tourists coming from the Alberghi Diffusi promotion channels

Financial assessment

The total investment needed to pilot this model in Dhoksat is **EUR 381,760**.

In the first year, according to the business plan, the initial investment is **EUR 198,820**, where the first 3 houses will be restored, as well as investing to increase the capacities of the restaurant and the supporting infrastructure in the village, including an Online Information Center as the first reception.

1

In the second phase, an investment of **EUR 182,940** is expected to be made, restoring 3 more houses in order to increase the capacities in terms of accommodation.

2

It is expected that about **3,000¹** tourists will visit the AD-Dhoksat in the first year, which comprise 2.5% of the tourists (100,000-120,000 tourists per year)² who visit Gjirokastra.

3

¹ An average calculated by tourism experts based on tourists visiting the Dhoksat village.

² INSTAT-based data

Revenue
112,907

Profit
24,589

Year

1

Net
Present
Value
-146,915

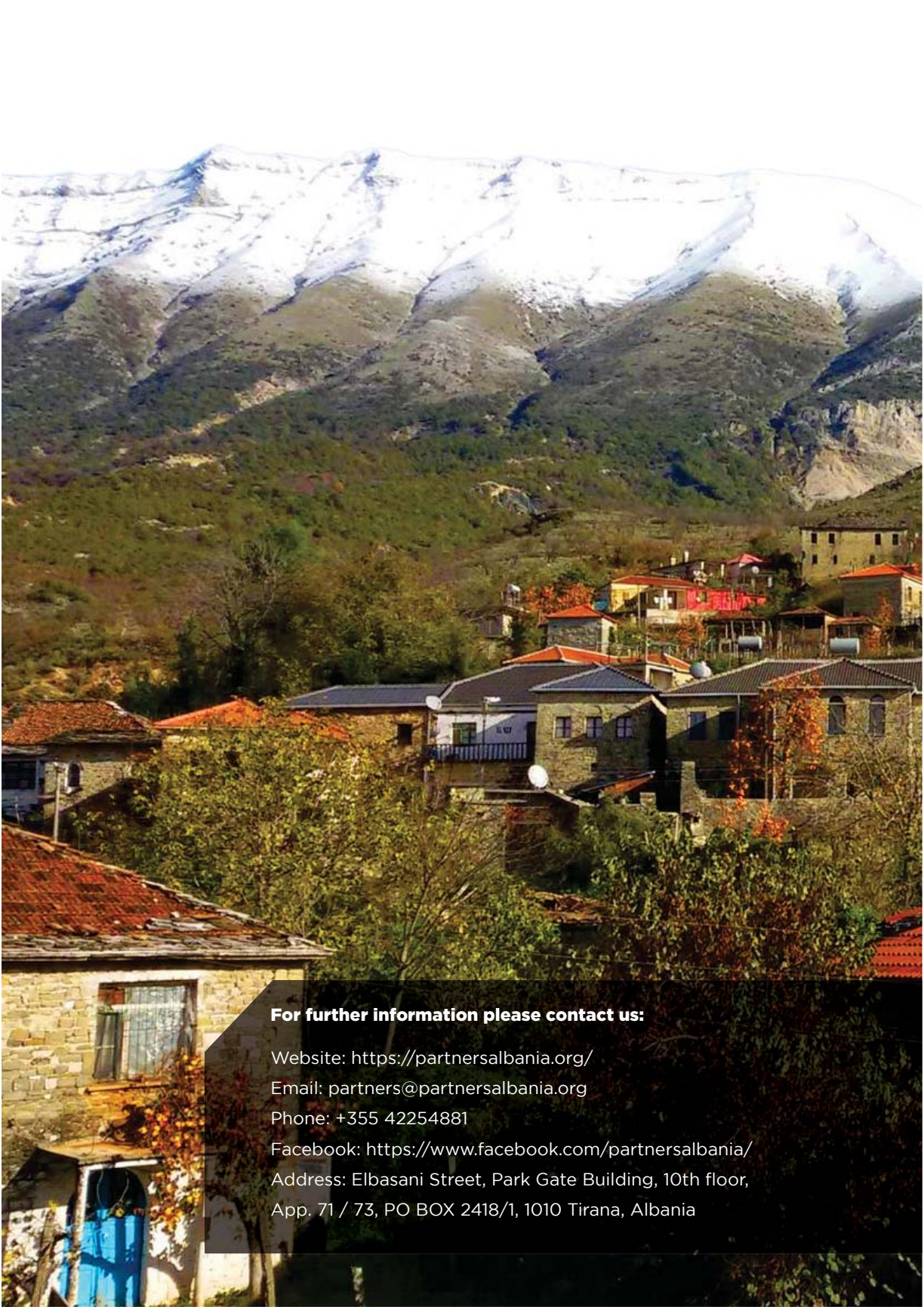
³ Income
intervals





Revenue and profit are expressed in the form of
based on a moderate scenario.





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