

# Les Hauts de la Houle - Cancale - Brittany



## **LEASEBACK 4.6% - RESIDENCE \*\*\*\***

This four star Residence, situated in the town of Cancale, is within walking distance of the beach and all amenities. The residence is composed of 48 fully furnished Town houses and includes an indoor swimming pool and steam room. Some number of houses will offer magnificent sea views.

### Services will include:

- Reception
- Cleaning & linen service
- Indoor Swimming pool, Steam room

## **Cancale**

Cancale has made its reputation as a fishing port, famous for its oysters. Cancale is a town about 15 km to the east of Saint-Malo. Mont Saint-Michel can be seen from Cancale over the Bay de Mont Saint-Michel. Life and work in Cancale is based on the "queen" of mussels: the oyster. The oyster beds are visible at the low tide around spring tide. They cover many hundred hectares. The town has over 5000 inhabitants all year around. In season Cancale is one of the most popular tourism spot in Brittany. There are plenty of opportunities for sampling the local speciality provided by a multitude of bars and restaurants along the busy quays of the Port de la Houle, where fishing boats arrive at high tide.



*Oyster retail stall in Cancale*

### **Brittany has the strongest Capital Appreciation for apartments in France.**

- + 22.3 % in 2005
- + 10.03 % yearly average over the last 10 years

*Source – FNAIM (French Federation of Estate Agents)*





## **Accessibility**

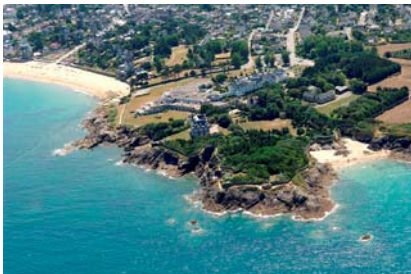
- 1 hour from Rennes airport (Aer Lingus direct)
- 1/2 hour from Dinard airport (Ryanair Via London)
- 2 hours from Nantes airport (Ryanair direct from Dublin & Shannon)
- 2 h 30 min from Irish Ferries terminal (Cherbourg or Roscoff)

## **Facts**

- 9 year lease with guaranteed and index linked rental income
- 4.6 % guaranteed annual rental return
- Possibility to exchange weeks of usage with weeks in other operator's residences throughout France
- VAT recovery
- Delivery – June 2008
- Possibility of personal use for up to 8 weeks/year

## **Price Guideline**

<b>Apartment Type</b>	<b>Price (VAT excl.)</b>	<b>Surface area</b>	<b>Comments</b>
1-Bed	From € 120K	From 28 Sqm to 36 Sqm.	Furniture and Parking space Incl.
2-bed	From €199 K	48 Sqm	Furniture and Parking space Incl.
3-bed	From € 241 K	From 59 Sqm to 70 Sqm.	Furniture and Parking space Incl.



*Cancale*



*Cancale*



*Cancale*



## Aerial photography with site positioning



*Les Hauts de la Houle*



## Other places of interest in the region St Malo



Saint-Malo is situated at the Cote d'Émeraude in the north-east of Brittany. The city's name stems from the Welsh Monk MacLow (French: Maclou, Breton: Malo), who is said to have founded the city in 6th century. Saint-Malo used to be most famous for its piracy. The corsaires of St-Malo forced English ships which passed the Channel, to pay tribute. End of the 17th century, its port was one of the most important ones in France. The mighty fortifications and ramparts have been designed by Simon Garangeau, a disciple of the famous Vauban.

About 80% of the city was destroyed in the Second World War, but they completely rebuilt the city. Today it has a population of just over 50,000.

## The Mont St Michel



Mont St. Michel is on the north coast of France, near the border of Brittany and Normandy. In fact it belongs to Normandy nowadays, but used to belong to Brittany. Mont St. Michel is a little town and a Gothic-style Benedictine abbey, perched on a rocky, cone-shaped islet in the midst of immense sandbanks exposed to powerful tides. The church is dedicated to the archangel St Michael. Mont Saint-Michel is connected with the mainland by a causeway.

## **Payment Schedule**

### **Apartment & Parking**

		<b>Total</b>	
➤	5 %	Deposit at reservation stage	5%
➤	20%	Signature of title deeds	25 %
➤	10%	Completion of the foundations	35%
➤	20%	Completion of the 1st floor slab	55%
➤	15%	Roof fitted	70%
➤	13.612%	Completion of internal partitioning	83.612 % (100% of VAT Excl.)
➤	11.388%	Works completion	95%
➤	5 %	Delivery	100% } VAT refund

### **Furniture**

### **Total**

➤	100 %	Signature of the title deed	100 %
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*Note – All stage payments above are based on the VAT included prices. VAT on the furniture will be recovered after the delivery of the property.*

## **The Leases**

when purchasing an apartment, the purchaser may choose between two types of leases:

- **The ‘Invest’ lease**
  - 4.6% guaranteed rental income
  - No personal use included
- **The ‘Serenissime’ lease**
  - Guaranteed rental income based on the number of weeks of personal use of the property
  - Up to 8 weeks of personal use

## ***The 'Invest' Lease***

SODEREV will be in charge of the entire management of the residence and will guarantee the rental income to the property owners. The lease proposed by SODEREV is for 9 years renewable. The rent is payable in arrears by SODEREV on a quarterly basis, on 31 March, 30 June, 30 September and 31 December of each year.

The lease offers the following:

- Guaranteed quarterly payment of the 4.6 % index linked rental income for 9 years
- No personal use of the property
- 20% discount on the rental public prices
- Protection against property degradation
- Property insurance
- Maintenance of the property and furniture
- Most running and maintenance charges covered by the operator

## ***The 'Serenissime' Lease***

SODEREV will be in charge of the entire management of the residence and will guarantee the rental income to the property owners. The lease proposed by SODEREV is for 9 years renewable. The rent is payable in arrears by SODEREV on a quarterly basis, on 31 March, 30 June, 30 September and 31 December of each year.

The lease offers the following:

- Guaranteed quarterly payment of the index linked rental income for 9 years
- Up to 8 weeks of personal use
- Selection of weeks of usage in the residence (*Soderev offers the option for weeks of personal usage to be taken in any other Residence of similar standard within the Group*)
- Delivery : spring/summer 2008
- Protection against property degradation
- Property insurance
- Maintenance of the property and furniture
- Most running and maintenance charges covered by the operator

### Calculation of the Yearly Guaranteed Rental income:

Your yield (guaranteed income) is based on your choice of weeks of personal use. Your initial maximum yield is 4.6%, with no personal use. If you decide to use your property, you will simply reduce your yield starting at 4.6%. The percentage yield applies on the property price only (VAT Excl.).

	Nbr of weeks		4.6%	
			(for a 1-bed apartment)	(for a 2 or 3-Bed)
➤ Very High Season	..... X	- 0.8 % =	.....	0.55
➤ High Season	..... X	- 0.6 % =	.....	0.35
➤ Medium Season	..... X	- 0.5 % =	.....	0.25
➤ Low Season	..... X	- 0.15 % =	.....	0.10
		Total	.....	.....

### *Example*

*M. & Mrs Jones have 1-bed apartment, they decide to take 2 weeks of personal use a year, one medium season and one low season. Their guaranteed income will be 3.95% (i.e. 4.6% - [(0.5 X 1) + (0.15 X 1)].*

### Seasons definition for 2005 - 2006:

Very High Season	- From the 29/07 to 19/08
High Season	- From the 08/07 to 29/07
Medium Season	- From the 24/12 to 07/01 - From the 04/02 to 04/03 - From the 08/04 to 06/05 - From the 10/06 to 08/07 - From the 26/08 to 16/09
Low Season	- From the 08/01 to 04/02 - From the 04/03 to 08/04 - From the 06/05 to 10/06 - From the 16/09 to 04/11

*Note – In the event that you do not use your occupancy rights, you should advise Soderev as soon as possible. Soderev may offer the rental for the one or more weeks unoccupied as an intermediary and without commitment for a rent equal to 50% of the public prices.*

### **Annual costs & taxes**

➤ **Land & property tax (*Taxe foncière*)**

This tax is applicable to the property owner whether the property is leased or not. This annual tax will approximately be at € 10.25/Sqm (1-Bed), €8.77/Sqm (2-Bed), €7.97/Sqm (3-Bed).

➤ **Running costs**

Most general running costs are covered by the management company however some costs including the co-ownership syndicate costs remain payable by the owner. These costs are estimated at € 20 /Sqm/year.

### **Costs associated with the buying process**

➤ **Legal fees**

- For this property the legal fees, mainly composed of the Notary fees will be approximately 3% of the property price.

- If a French mortgage is required to finance the property, a 2 to 3 % mortgage registration fee applies as well. This percentage applies on the mortgage amount.

➤ **Accountant costs**

The company Fiducial Expertise has been selected by the developer to represent you before the French tax office and retrieve the VAT on your behalf. Their yearly fees for this mission will be € 360.

Fiducial Expertise

38 Rue Sergent Berthet

69338 LYON

Tel: 00 33 4 72 20 77 53 – Melle Claire Champagnac

➤ **Other costs**

- When taking a mortgage in France, the lending institution will charge a mortgage arrangement fee of 1% of the required mortgage.

- If you choose to sign a power of attorney in Ireland rather than traveling to France to sign before the designated notary, the Irish Notary Public will charge a fee of € 70.

## ***Financing***

For non residents, a mortgage up to 80% - 20 years can be arranged with Crédit Foncier. Crédit Foncier is a leading French financial institution which meets investors' expectations with a wide range of highly specific and original solutions

## ***The Developer***

SM2i based in St Malo has been operating as a developer in Brittany for 16 years. This developer was selected by Lagrange for its experience and strong presence in the western region of France.

## ***The Operator***

The LAGRANGE Group created in 1876 has been involved in the Tourism industry for the last 40 years. It is now one of the leaders in the management of tourism residences.

The LAGRANGE Group it is:

- 5 Reservation centers in Europe (Brussels, Geneva, London, Paris, Stuttgart)
- 3 Millions brochures distributed every years to 8000 European travel agencies
- Over 800 000 customers every year
- 150 Residences in France (37 000 beds)
- 40 years of experience

SODEREV, one of the companies of the LAGRANGE Group will be in charge of managing the residence. SODEREV, established in 1982 was integrated in the LAGRANGE Group in 2000. Today SODEREV constitutes the Luxury brand of the LAGRANGE Group and manages a large number of residences all over France.

<http://www.lagrange-holidays.com>

## ***The buying process***

### ➤ **Step 1 – Signing of the preliminary contract**

Once you have chosen an apartment we will ask you to sign within 7 days a preliminary sales contract as well as all the annexed documents (property description, apartment plans, general site plans, etc..). At that stage you will be required to transfer the 5% refundable deposit. The documents will be sent to the developer to be countersigned.

### ➤ **Step 2 – The cooling off period**

The countersigned documents will then be sent back to you by registered post. Upon receipt, French law allows for a 7 day retraction period (cooling off period) where you, as the buyer, can stop the purchase process and be refunded your deposit.

### ➤ **Step 3 – Financing**

If required, the mortgage and current account in France should be applied for as soon as the preliminary contract is signed.

### ➤ **Step 4 – Signing of the title deeds or power of attorney**

Signing of the deeds can be done before the notary in France. In general, Irish investors sign a power of attorney before a Notary Public in Ireland allowing the French notary to sign the deeds on their behalf.

In average, it takes 4 to 8 months to complete step 4 from the start of the buying process.

## **Disclaimer**

*Every effort has been made to offer information that is current, correct and clearly expressed. The information in this summary is intended to be no more than a general overview of the position and certain details have been deliberately omitted. The contents of this document should not be taken as an authoritative statement. Neither the author nor the publisher are responsible for the results of actions taken on the basis of information contained in this summary, nor for any errors or omissions. This text is not intended to render legal, accounting or tax advice. Readers are encouraged to seek professional advice concerning specific matters before making any decision.*