**La Foret d’Armotte 4 bedroom villa investment simulation**

* Total Price: 423,800 Euros (354,000 Euros ex VAT)
* Price per m2: 4,464 Euros (3,647 Euros ex VAT)
* VAT Reimbursed via signing of mandat de gestion: 69,800 Euros

*Running Costs for owner\*:*

* Co-ownership’s charge (owners association) incl. maintenance of communal parts: 250 Euros per annum
* Accountancy fees (if rented out): 300 Euros per annum
* Land tax (taxe foncière): 14 Euros per sqm per annum: 1360 Euros per annum
* Maintenance & running costs of private area (garden & pool): 800 Euros per annum
* Energy, tel/internet, TV & water bills: 900 Euros per annum
* Small repair costs estimated: 190 Euros per annum
* Building Insurance: 200 Euros per annum

*Rental income\*\*:*

*Variable weekly rental:*

This is treated via a Mandat de Gestion (rental management mandate) where 35% goes to the management company while 65% HT goes to the owner. There will be no taxe d’habitacion if rented out via the onsite management company as there is a taxe de sejour instead under this rental system.

* No. of weeks available to rent per year: 52
* Assume just 18 weeks per annum are rented out (35% occupancy)
  + 8 weeks high season (July & August)@ 3202 Euros/week = 25,624 Euros
  + 10 weeks medium season (April to June & September)@ 1,941 Euros/week = 19,41 Euros
* Total rental income for 18 weeks rental: = **45,034 Euros** (12.7% gross rental return)
* Rental income after 35% commission paid = **29,272 Euros**
* Annual Net rental income after running costs of 4,000 Euros = **25,272 Euros (7.1% NET)\*\*\***

The industry occupancy rate for tourist residences is 75% so to assume an occupancy rate of 35% is quite reasonable and would bring in a NET yield after costs of 7.1% but could quite easily be more. This is of course non-contractual and only indicates the potential rental yield and does not form part of any rental guarantee.

\*The running costs are a reasonable estimate of the costs associated with the ownership and rental of a villa and form no part of a contract

\*\*The projected rental income is not contractual and is indicated here just to give an idea of the rental income that could be earned

\*\*\*The NET rent when based on the VAT included price this is 6% NET.

There are no rental guarantees- the projected NET rental of 7.1% is what we expect owners will receive and it is based on 18 weeks being rented out per year which is well below the industry average so a very reasonable estimate. The reason the projected NET rent is so attractive and better than your typical holiday rental property is because a detached 4 bedroom villa with a pool in the area will typically cost between 475,000 and 500,000 Euros and this would also not include the full furniture & appliances pack, kitchens, the pool or the Jacuzzi so the prices at La Foret d’Armotte are significantly below what they would normally be whilst still retaining its high specification level. In addition a regular holiday villa will not have the onsite facilities that you will find at La Foret d’Armotte and would not have a dedicated management company on site to provide the changeover services and who are focused on renting your property out (if you allow them to). Lastly as the management company is so experienced and so large (they manage over 300 residences across Europe) they have a very large existing client base and partnerships with tour operators so reaching an occupancy of 18 weeks per year will not be a problem and they usually will rent considerably more weeks than that.

NB. This simulation is just for guidance and does not form any part of investment advice. For investment advice please speak to your financial advisor.