

Additional Larger Investor Information on the Halycon Hills Deal

Included in the basic brochure is the information on the island of Samos, the prices, the development, the deposits, the expected growth etc.

Here I am taking out the parts which are more relevant to a pure investor
to emphasise what is most important:

What is the reward?

Full figures are attached but as I believe this should always be your first question I will summarise:

Investment in euro: € 1,313,550

Money back in 3 years: € 1,251,820 which is 95% of your initial investment.

Equity Left in luxury property there still: € 2,058,840. This is self-financing.

ROI each year: 50% or €2,000,000 in three years.

Is The Price Right?

<u>Resort</u>	<u>Beds</u>	<u>Rental Guar</u>	<u>Beachfront</u>	<u>Golf</u>	<u>Sea View</u>	<u>Spa</u>	<u>Marina</u>	<u>Sq M Price</u>	<u>Location</u>
<u>Aphrodite Hills</u>		<u>5%, 2 years</u>	<u>No, 8 miles from coast</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>€8,216</u>	<u>Cyprus</u>
<u>Elounda Hills</u>		<u>None</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>€13,496</u>	<u>Crete</u>
<u>Halycon Hills</u>		<u>8%, 2 years</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>€3,738</u>	<u>Samos</u>

Note: Other facilities are similar at all these types of developments such as tennis, gym, dive centre, infinity pool, water sports centre, restaurants, children's club etc.

Inspiration for the spa in Halycon Hills has been gleaned from the renowned Porto Elounda Spa on the island of Crete and was awarded "Best Spa In The World" by the Sunday Times.

Projected Completion Prices at Halcyon Hills

	<u>Pre Launch Price</u>	<u>Expected Min. Price on Completion</u>
Apartment Suite	£160,000	£235,000
1 Bed Kampana	£230,000	£325,000
1 Bed Town House	£290,000	£390,000
2 Bed Villa	£335,000	£520,000
3 Bed Villa	£580,000	£760,000

Please find some more information on the average property price per sq meter in Europe. Greece is the 8th most expensive!

This is according to the Global Property Guide and is for an average property. It states that newly-built and pre-sale property prices are not included. **Buyers should expect the prices of new properties to be higher than house prices published by the Global Property Guide.**

Monaco €36,617

UK €19,094

Russia €13,408

France €9,329

Italy €7,054

Ireland €6,980

Finland €6,468

Greece €6,048

Switzerland €5,534

Montenegro €4,759

Luxemburg €4,745

Denmark €4,620

Latvia €4,546

Spain €4,365

Andorra €4,140

Romania €3,990

Czech Republic €3,890

Netherlands €3,579

Lithuania €3,539

Poland €3,292

Austria €3,000

Slovenia €2,926

Estonia €2,841

Malta €2,814

Ukraine €2,807

Belgium €2,514

Cyprus €2,513

Croatia €2,474

Germany €2,332

Portugal €2,225

Bulgaria €2,214

Hungary €2,207

Turkey €1,202

Moldova €1,013

Macedonia €1,003

Halcyon Hills is currently selling on average €3,500 per sq meter.

Residential square meter prices published by the Global Property Guide are based on in-house research, using a simple method – we systematically scan web advertisements, looking at offers for sale, and offers for rent, of resale apartments and houses (properties are in excellent condition, with good facilities, and have been refurbished or redecorated within the last five years). Newly-built and pre-sale property prices are not included.

These are of course averages but they do give a good indication where Greece ranks in Europe in terms of prices.

Are the Rents reasonable?

To recollect you have a rental guarantee for 2 years after completion of 8% and after that the full rental pool will be shared with you and the resort 50/50.

The initial rental guarantee is being guaranteed by the Greek government so you have no concerns about occupancy for the first four years from now, two off plan and two is rental programme.

We have a full article available on all the different room rates and having studied all the hotels myself on the web I am certain that the look to be going for is the Porta Elounda Crete and indeed this is what the spa is modelled on. We have collected the room rates and the occupancy for similar hotels and the yield varies between 10% and 20% with the Elounda Diamond room rates bringing in the best yield.

Occupancy is being estimated at 50% which is sensible given that it will be open all year but the summer will tend to attract more guests. The other five star hotel on Samos is the Doryssa Bay but is without spa and this achieves 178 nights occupancy but is only open for 214 nights which is 83% occupancy.

Room rate at Elounda is €677 for a one bed apartment per night. The standard is high there and a more conservative estimate might value the average room rate in a one bed apartment at €500 which still gives you a 19% yield.

Legal Costs

We have got two quotes from lawyers experienced in Greek property law based in the UK for the legal work which would be involved in carrying out a transaction like this. They came in at: £32,000 (£40,000 would be normal fee if separate buyers, its split with Greek lawyer) and £34,000.

Taxes

Taxes would be payable in Greece and in Ireland for any Irish investors although the fact that we do have a double taxation agreement with Greece means you will not be taxed twice. Purchase taxes come to 4% but only on property completed so the buyback apartments / villa's will not incur these.