

CASTLE VIEW MODERN APARTMENT

EXCLUSIVE OFF MARKET OPPORTUNITY/OFFER

PROJECT / ACQUISITION OPPORTUNITY:

DUPLEX APARTMENT, CITY CENTRE, SILVES, PORTUGAL

LOCATION:

Silves, Algarve, Portugal



BRIEF DESCRIPTION:

A fabulous duplex 2bed 2bath apartment with modern design, underground parking space and a huge 40m2 balcony with direct views of the castle in the centre of this beautiful medieval town very close to the beach and famous and very expensive Albufeira region, Portugal.

Amazing opportunity to acquire this modern piece of dreams at the lowest price we've seen in the whole region. Available for a quick sale now at a deeply discounted price of ONLY €99,900.

Quick Navigation:

I. Apartment Description & Photos | II. Acquisition Summary & Options | III. Region Overview & Portugal Country Info

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I. APARTMENT DESCRIPTION & PHOTOS

Sometimes "pictures tell a 1,000 words" but in the case of this apartment it is really hard to do a worthy substitute to the real life feel and accurately portray the beauty and the "feel good" factor this property offers!

Being in the city centre of this magnificent medieval town of Silves and only a 10min drive away from some of the most beautiful beaches on the Portugese coast this apartment provides perfect versatility to the holiday maker. Faro International Airport is only a 20min drive away providing for easy access and logistical and communication links are perfect for sightseeing of the entire region.

The apartment itself has all the modern appliances and has a very modern feel and design. It is also a very large apartment being a duplex (split over 2 floors) with 89m2 of internal space with an addition of an AMAZING Balcony that is 40m2 in size alone. Underground parking space comes as a PURE BONUS.



With amazing views, great central location and all the comforts you might desire it is not hard to recognize a great opportunity that this modern duplex offers.

Holiday makers are already very active in this region and the interest spans worldwide. Possibility to acquire this apartment at the lowest possible price and make it into your perfect romantic retreat just adds to the appeal.

Ongoing costs are kept to the minimum.

€99,900 from €183/month mortgaged

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With amazing views, worldwide interest from upmarket clientele and excellent transport links it is not hard to see the potential this luxury apartment offers.

II. ACQUISITION SUMMARY & OPTIONS

- Purchase Price = € 99,900
- Equity stake = 100%

Below is the basic estimation/summary of the costs, profits and potential returns based on very conservative estimates.

Additional options to consider for this purchase/acquisition:

- Mortgage Deposit @ 20% = EUR 20,000
- Solicitor Fees @ 1% = EUR 1,000
- Property Transfer Tax = EUR 400
- Notaries, registration & administrative fees = EUR 2,000
- Total estimated Cash Outlay = EUR 23,400**

- Estimated apartment rental return per annum = € 8,400
(Note: this estimate assumes only 60% occupancy per annum and rent at lower values to ensure rent)

- Estimated interest only mortgage payment = € 183 / month
- Estimated capital+interest mortgage payment = € 372 / month

(Note: mortgages offered in Portugal are based on 80% LTV for non-residents with interest rates starting from as low as 0.5% above current Euribor rate, typically 3month rate used for calculations. Even though current Euribor 3month rate is only 0.74% that would make lowest mortgages at only 1.24% rate we have assumed 2.75% rate for mortgage calculations here. Sources: <http://www.mortgages4portugal.com/> ; <http://www.euribor-rates.eu/euribor-mortgage.asp>)

Based on all of the above mentioned estimates it is possible to see that this great apartment can be actually acquired with **minimal cash exposure of €23,400** to include mortgage deposit, property transfer tax and estimated solicitor, legal, notaries and administrative fees.

After that you can continue enjoying the ownership of this fabulous place from as little as €183/ month on an interest only mortgage (based on above assumption).

NOW, THAT'S CHEAP for a Fab Duplex Apartment in this great coastal region!

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III. MONTENEGRO COUNTRY & ECONOMIC OVERVIEW

- Capital City: Podgorica¹
- Population: 650,757¹
- **Membership of International Organisations:** United Nations (UN), Organisation for Security & Co-operation in Europe (OSCE), Council of Europe (CoE), International Monetary Fund (IMF) World Bank (WB), European Bank of Reconstruction and Development (EBRD), Central European Initiative (CEI), International Labour Organisation (ILO), United Nations World Tourism Organisation (UNWTO), South Eastern Europe Co-operation Process (SEEC) and the Stability Pact.¹
- Official Currency: EUR¹
- GDP real growth rate: 7.1%¹
- GNI per capita: \$5,180 (World Bank 2007)
- Bilateral agreements with all EU states
- Corporate taxation at **ONLY 9%**³
- Individual taxation at 15%³
- PDV (local VAT/GST/Sales Tax) is 17%³
- Since 2000 economic growth has been at a rate above 4% per year on average²
- According to the National Bank of Montenegro, the inflation rate has been kept at stable levels in recent years. The strong fiscal policy implemented by the Montenegrin government should reduce the inflation rate to 5.0% in 2009 from 8.0% in 2008²
- According to IMF, nominal GDP of Montenegro was \$4.822 billion in 2008. The GDP PPP for 2008 was \$6.944 billion



The Montenegrin holiday homes market recorded a stable growth during 2008 also, though it was lower in percentage compared to year 2007. The cadastre and land registry continue to be upgraded and spatial planning has been accelerated which will contribute to development support. However, impact of global financial crisis cannot be neglected.²

The highest share in number of approved property applications has been still held by the Russians, followed by the British and Israeli investors. They exhibit interest in the capital gain of a holiday home at the seaside, rather than personal use towards from the investment.²

[continued]

Source: ¹ Foreign & Commonwealth Office Great Britain (www.fco.gov.uk)

² Colliers International Research & Market Reports

³ Wikipedia Tax Rates around the World (http://en.wikipedia.org/wiki/Tax_rates_around_the_world)

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MONTENEGRO COUNTRY & ECONOMIC OVERVIEW continued

Being the centre of the Montenegrin tourism, Budva is generally perceived as the Montenegrin coastal city which attracts most tourists and foreign investments. A price of real estate has been higher in Budva and surrounding communities- Becici, Petrovac and Sveti Stefan. Older apartments are currently being sold at €2,000-€3,500/m² and newer apartments (6-10 years old buildings) currently range between €2,500- €4,000 per square meter, depending on the location - proximity to the beach. There are also residential units in Budva Old town which are achieving prices of €6,000/m², but property in this area is rather rare.²

Regarding the conventional residential market in Kotor, most buildings are 10-30 years old. Sale prices of these apartments are between €1,600- €3,300 per m², depending on an exact location, age of the building, proximity to the sea. However, it should be emphasized that, in a protected old town of Kotor, prices could exceed the amount of €5,000/sq.m.²

Despite the international credit crunch, the uniqueness of the environment and the potential of the country appear to be factors capable to maintain its stability. Moreover, land investments supported by a sustainable land market can be carefully planned and developed on behalf of returns that will be anticipated in the next years during the expected upturn of the international economy. Thus, many investors acknowledge opportunities in the property market expecting their planned investments to mature (i.e. after 2-4 years) during a period that is expected to be characterized by economic recovery. Moreover, this set of opportunities in property investments is stimulated by the positive amendments of planning and regulation frameworks as well public networks and infrastructure.²

It is important to mention that the quality of tourists in Tivat and Kotor is expected to be reflected to higher disposable income, especially due to the fact that nautical tourism is growing exponentially, and that will further stimulate significantly the local economies.

"And in a way, Porto Montenegro would signal more of a rebirth than a revolution. In the 1950s and '60s, film stars like Sophia Loren and Elizabeth Taylor, as well as Communist Party leaders, populated nearby Sveti Stefan, a former fishing village transformed into a luxury getaway. Now government officials are following the lead of Croatia whose coastline and cities swarm with hip visitors - by wooing investors. Aman Resorts has acquired Sveti Stefan and hopes to restore its luster, while Donald Trump, Venus and Serena Williams, and the Formula 1 driver Michael Schumacher are rumored to be investing in property. There is, in addition, Russian money everywhere."

Article: **"The next Monaco?"**

By Philip Delves Broughton

Fortune Magazine, October 2007

Source: ² Colliers International Research & Market Reports