

EARNING MONEY FROM THE PROPERTY:

Simulation :



*Semi-detached, family house dating from 1985 located on the outskirts of Cherbourg.
Comprises lounge, fitted kitchen, 3 bedrooms, bathroom and separate wc.
Set in small, easy-maintenance plot with private garage.*

Purchased for	€161,098
Purchaser makes down payment of 10%	€16,109
Amount to borrow	€144,989
Borrow over 25 years at 4.6% fixed rate - monthly repayment:	€814.83
Property rented for €650 per month* – (deduct management fees of 7% T.T.C).	
	Rental income = €604.50
Investment cost (i.e. difference between mortgage repayment and rent)	€210.33 per month.

AFTER 20 years –

Property re-sold for €250,000

(This in on a pessimistic basis of a 3% rise in house prices per year).

After deducting approximately €48,889 which is owed to the bank on the remaining capital– there remains **€201,111 LUMP SUM** – interest free (exempt from capital gains tax when the property has been owned for 15 years).

Therefore after 20 years of investing aprox. **€250 per month** (i.e. €210.33 to pay the remainder of the loan + the local taxes + some repair/maintenance costs) and an initial down payment of €16,109.

total amount spent = €76,109 or £53,598).

YOU HAVE MADE €125,002 or £88,029 PROFIT OVER 20 YEARS

Better than any savings scheme or pension plan !!

* This is the rental for the initial year; however rental prices are increasing by approximately 2.5% p.a. Therefore with time – the landlord's personal contribution will diminish.

** Subject to current exchange rate.