



2010

Welcome to the Languedoc

A safe haven for the intellectual investor



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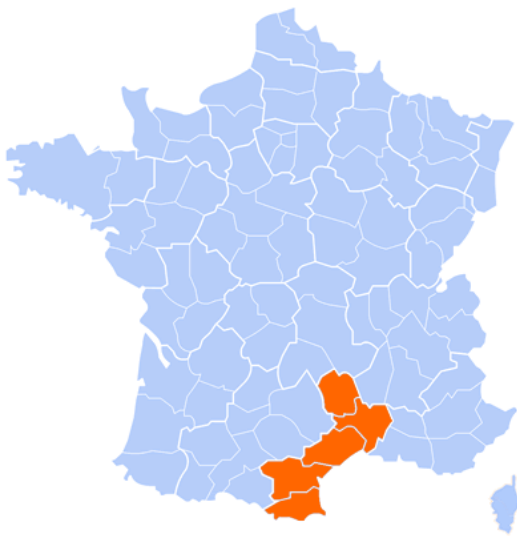


1. Introduction to the Languedoc

“Bienvenue dans le Languedoc”

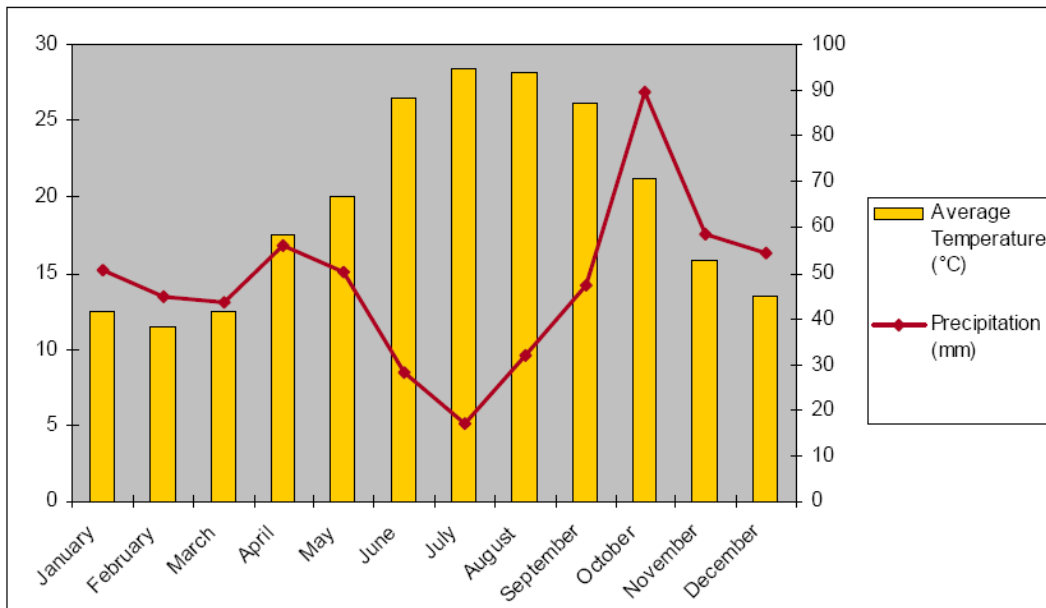
a. General overview

Languedoc-Roussillon is located at the south-centre of France along the Mediterranean coast and inland. It reaches Spain at its southernmost border and Provence on its eastern border. Languedoc-Roussillon is one of France’s 22 metropolitan regions and is split into five ‘departments’ - Aude, Gard, Hérault, Lozère and Pyrenees Orientales.



Name: Languedoc-Roussillon
Capital: Montpellier
Area: 27,761sq. km (5.1% of France)
Population: 2,314,000 (7.7% of French population)
Density: 85.2 per sq. km (France = 108.2 per sq. km)
Time Zone GMT +1
Economy: Services (76.2%), industry (18.9%), agriculture (4.9%)

The Languedoc’s climate chart:



Source: Weather Online Ltd.

b. Access to the region

Air Travel

There are five main commercial airports located in Languedoc-Roussillon - Nimes, Montpellier, Carcassonne, Beziers and Perpignan. In addition to these there are airports located in nearby Toulouse, Avignon, Marseille and Girona that provide additional access to the region.

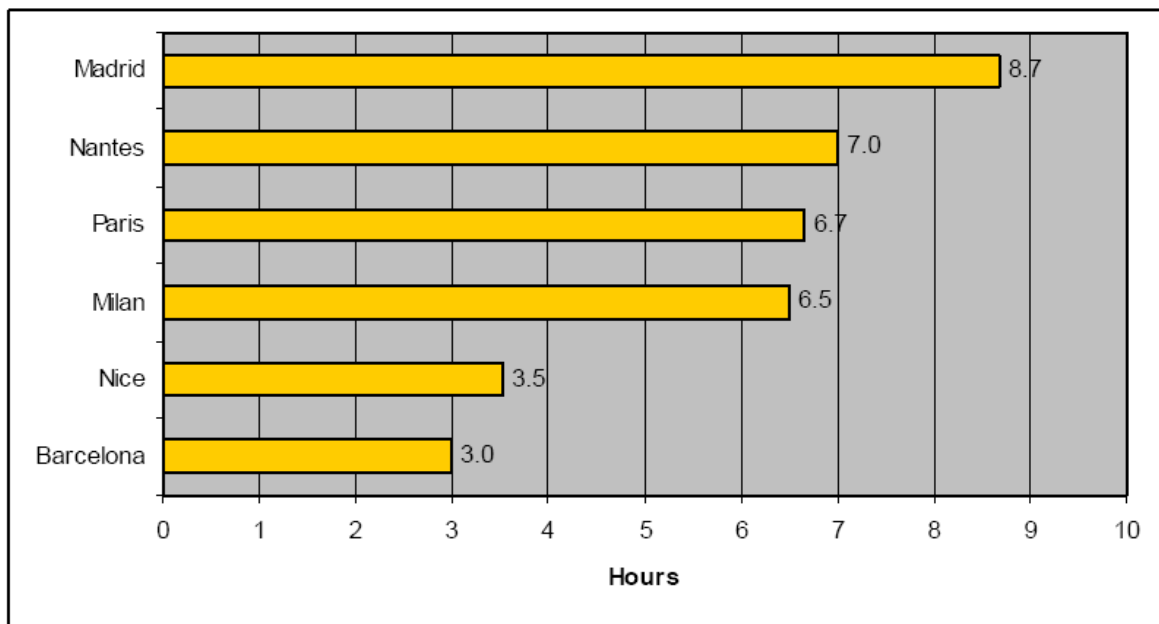


Source: *Languedoc Holiday Guide*

Road Travel

France has an extensive motorway system which provides good access to the Languedoc-Roussillon region. The A9 runs the length of the region and provides connections east towards Marseille and onto Nice (A54/A57), North towards Lyon and Dijon (A7), north centrally to Paris (A75), south west (A9, A61, A66) to Toulouse and south to Spain (A9). Languedoc-Roussillon is well connected to key cities in neighbouring source market countries by the road network. The graph below shows drive times from several large cities in source markets.

Time for road travel:



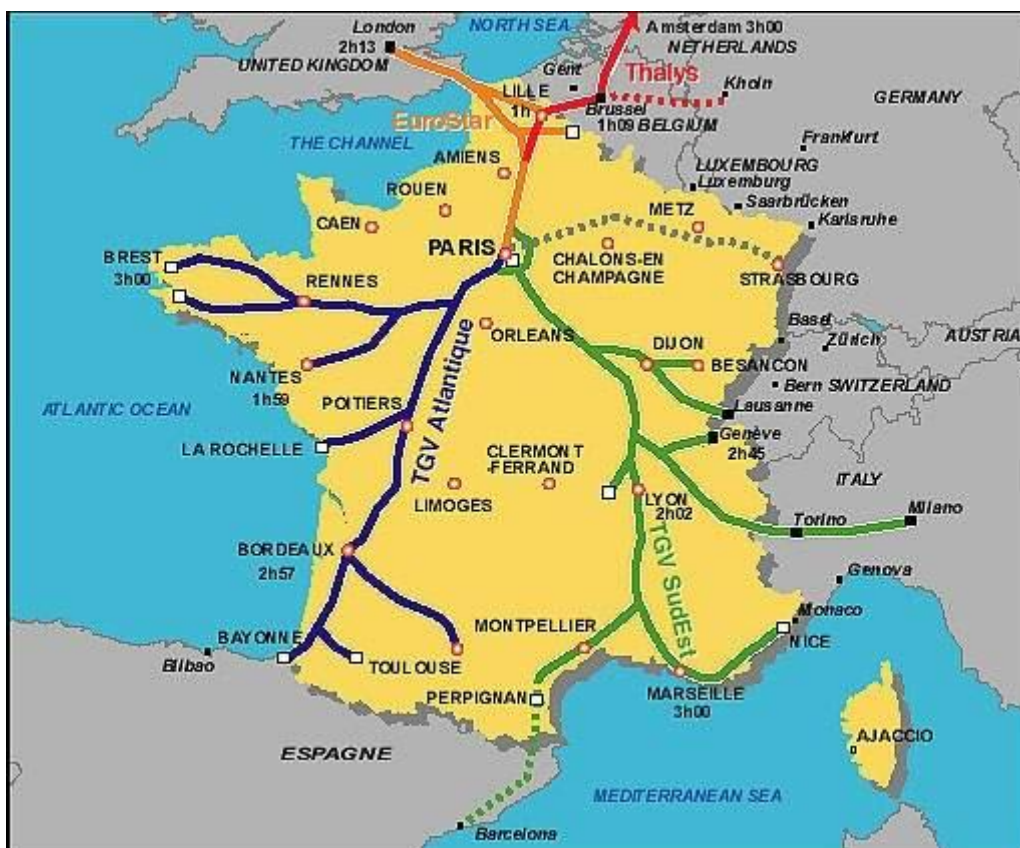
Source: Via Michelin

Rail Travel

France's TGV, currently the world's 2nd fastest train, helps connect the Languedoc throughout the country and into Europe:

- Connecting the Languedoc-Roussillon to the South-East: From Montpellier, the SNCF rail network provides access to Narbonne where the line extends northwest to Bordeaux and south to Spain. There is also a project to connect a high speed train line from Montpellier to Barcelona, thereon to Madrid, the TGV lines were stamped earlier this year.
- Connecting the Languedoc-Roussillon region to the north: France's high-speed TGV network provides rail links to Lyon (1hrs 50mins), to Paris (3hrs 20mins) and northwards to the UK's Eurostar connection.
- Connecting the Languedoc-Roussillon to the South west coast of Cannes and Nice is the SNCF rail network.

TGV only Map:



2. Political Environment



It is the name Georges Frêche that you will hear time and time again in the Languedoc region. He was once mayor of Montpellier where it is with his vision and attitude, that Montpellier saw the changes it has incurred. In 2004, Mr Frêche took on his new role as president of the region where his ambition has continually grown throughout the area stretching from Nimes to Perpignan. Georges Frêche was again elected this year with a majority of 65.62 %.

Georges Frêche is a visionary and has transformed the Languedoc region from being a mediocre “vin de table” area into where we live today, an upmarket yet authentic environment with all modern ways of transportation & architecture... Financial support was achieved from the European commission who were persuaded by Montpellier city and the Languedoc region at a very early stage. Whether it is

the 2B euro Antigone project, by world renowned architect Ricard Bofill, the refurbishment of “la place de la comédie” - making it a car free zone - or the extension of the A75 linking Montpellier to Bezier or Paris via Norman foster’s viaduct; the milestones are numerous.

3. Economic Development

During the past 8 years, we have noticed an investment of over 10 billion Euro in general infrastructure into the region and the projects to come are numerous.

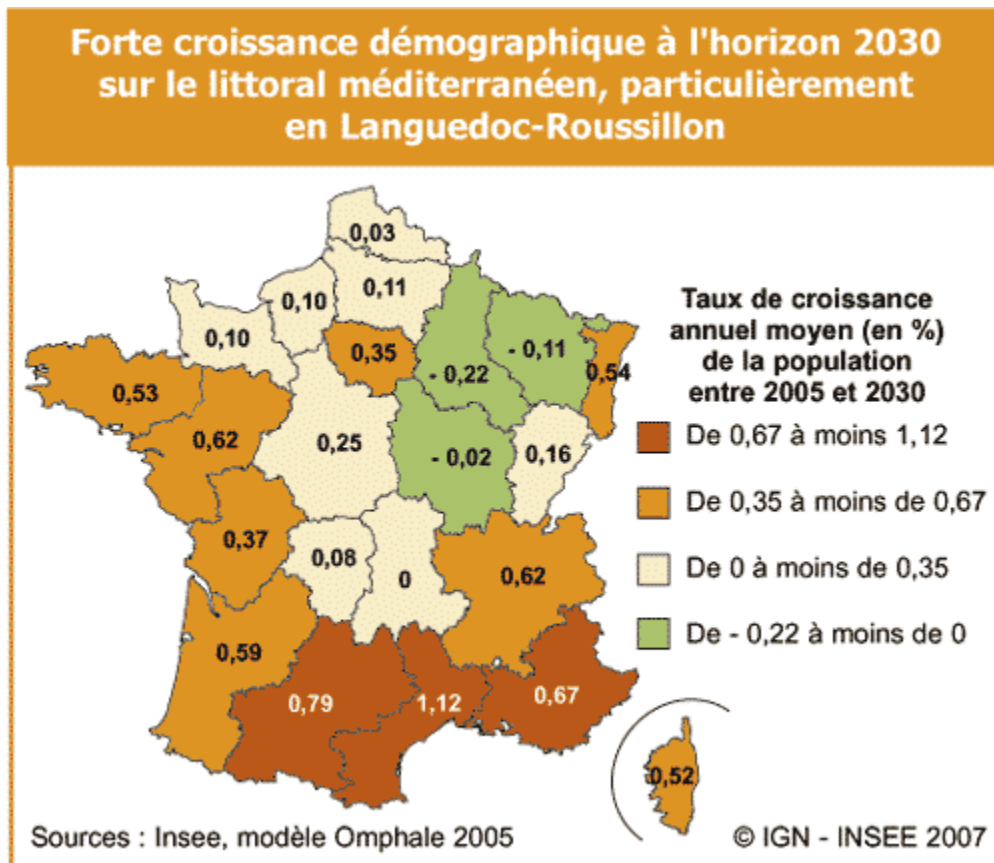
Infrastructure Type	Investment in Euro
A75	2 B
Place de la comédie	25 M
Antigone	2 B
Stade Phillipides	25 M
Stade Yves manoir	54M
La grande salle	50M
Hotel de ville	50M
Piscine olympique	25 M
Odyseum	250 M
Montpellier Tramway 1	330M
Montpellier Tramway 2	132 M
Montpellier Tramway 3	424 M
Projet Montpellier Tramway 4	540M
Projet de TGV	2 B
Projet port de Sète	400 M

The Region is currently home to several multinational companies including IBM, Sanofi-Aventis, Dell Computers (EMEA headquarters), Idenix a Novartis group subsidiary and BCD Travel. Some call it the “Silicon Valley of Europe” – Currently Montpellier alone has 110 hectares dedicated to building office for businesses.

4. Demographic Development

Population growth in the Languedoc-Roussillon is the largest in France after Corsica. Since 1999, the region has grown 1% each year (approx. 35 000 people) and projections suggest this will continue. The population's growth rate is particularly sensitive on the coast and in areas under the influence of major cities, such as Montpellier, Nîmes and Perpignan. The high population growth results mainly from the attractiveness of the Languedoc-Roussillon region.

A very strong demographic growth is expected between 2005 and 2030.



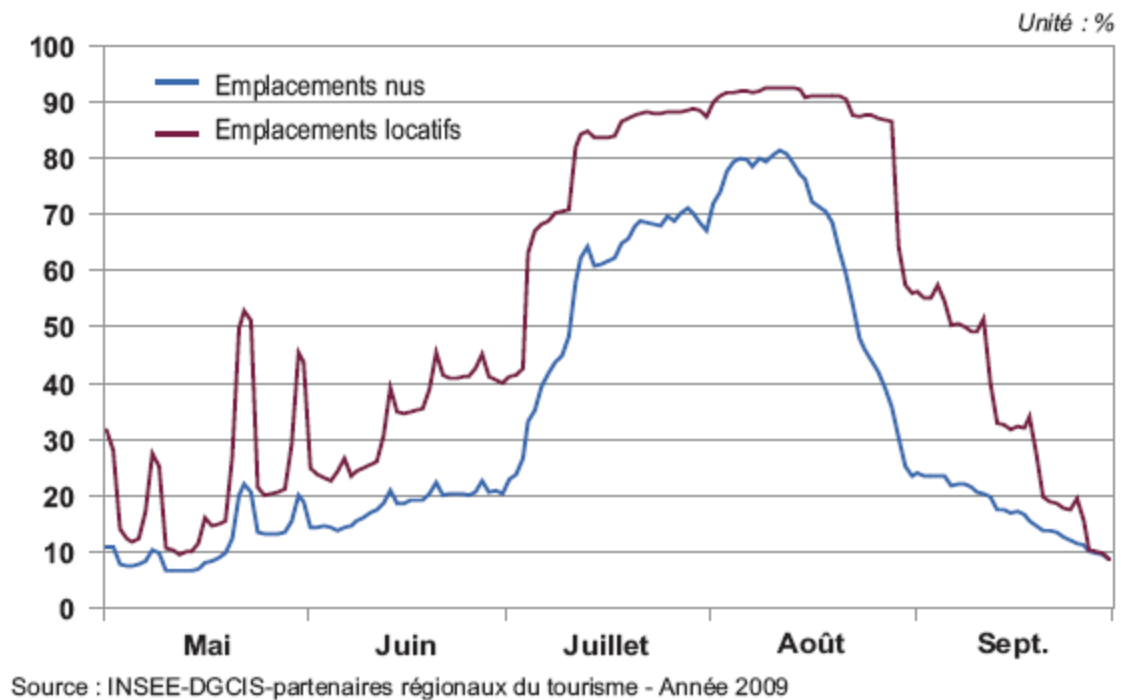
5. Touristic Development

The Languedoc-Roussillon region has grown by over 10% during the period 1999-2006. This has made it the fastest growing region in France and one of the fastest growing regions in Europe.

The region is a well established tourist area. Its Key attractors are its landscape, culture, heritage, mountain resorts and coastline. The region attracts around 15 million tourists annually and is currently the third most visited region in France.

External economies represent 7 billion Euro, 14,9 % of the Languedoc's economy (comparable to 6,1 % for France)

Hotel (Mauve) & Camping (blue) industry occupancy chart in %



**Tab. 2 - Parc des hébergements en 2009
en Languedoc-Roussillon**

Unité : nombre d'établissements et %

Parc en août 2009	Hôtels		Parc en fin de saison	Campings	
	Nombre	Évolution 2008-2009 en %		Nombre	Évolution 2008-2009 en %
Ensemble	916	- 1,7	Ensemble	746	- 0,4
Par catégorie					
0 étoile	87	- 6,5	1 étoile	125	0,0
1 étoile	72	- 2,7	2 étoiles	298	0,0
2 étoiles	520	- 2,1	3 étoiles	251	- 2,0
3 étoiles	214	+ 0,5	4 étoiles	72	+ 2,9
4 étoiles	23	+ 9,5			
Par zone					
Littoral	214	- 0,9	Littoral	289	- 0,7
Passage	348	- 0,9	Passage	101	- 1,0
Ar-pays	83	- 1,2	Ar-pays	106	+ 1,0
Montagne	271	- 3,6	Montagne	250	- 0,4

Source : INSEE - DGCIS - partenaires régionaux du tourisme - Année 2009

	Nuitées Totales	Nuitées hôtels 0*	Nuitées hôtels 1*	Nuitées hôtels 2*	Nuitées hôtels 3*	Nuitées hôtels 4*
Nuitées 2008	7 567 722	1 171 033	310 244	3 643 918	2 198 482	244 045
Évolution 2008/2004	-138 196	-109 212	-27 280	-243 066	+172 193	+69 169
% évolution 2008/2004	-1,8%	-8,5%	-8,1%	-6,3%	+8,5%	+39,6%

Supplément de nuitées enregistrées entre 2004 et 2008



The Languedoc is clearly experiencing a Luxury sector Boom. It is the 4* sector that is seeing the fastest increase in occupation, as well as rural locations.

We have seen a mild slow down in the Hotel & Resort occupation in the categories 1, 2* & 3* destinations, however 4* + seems to have avoided a slow down. Figures indicate that 4* & 4*+ are still maintaining their rapid growth.*

INSEE 2009

Last year we have also witnessed a growth in the alternative destinations of the Languedoc region, more specifically in the higher regional park's of the Languedoc where we have seen growth of +3%.

INSEE 2009

European tourists represent 90% of clients staying in hotels & resorts.

INSEE 2009

By category, it is the 4 star hotels that obtain the best occupancy rates: with 81% of the rooms let during the year 2008. This means they saw an increase of 5,3% compared to the previous year.

INSEE 2008

At present it is clear that there is a lack of high end tourist resorts in the Languedoc-Roussillon region.

Colliers 2008

6. Regional Facts

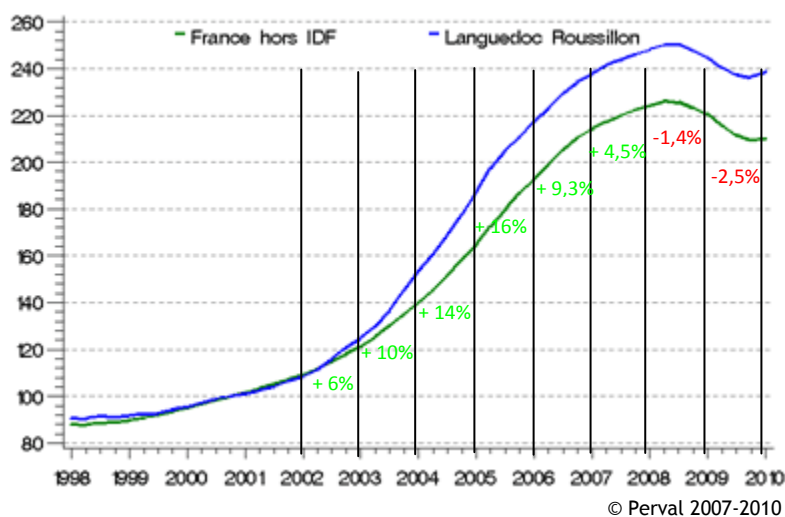
The following points are interesting to note with regards to the strength of market demand:

- ✓ There are about 315,000 second homes in the Languedoc which equates to about 11% of all second homes in France.
- ✓ Growing population: Languedoc-Roussillon has a population of 2.5 million and is currently growing at 1.1% per year
- ✓ One of the fastest growing regions of France, primarily because of an inflow of population, initially from outside France (UK, Belgium) but more recently from within the country, particularly the Paris region.
- ✓ The Languedoc-Roussillon region is one of France's most scenic areas to live in or own a second home. The good weather, natural beauty and depth of history of the region are unsurpassed.
- ✓ The region is favoured due to its proximity to surrounding countries and its accessibility by road, rail and air.
- ✓ The Languedoc-Roussillon is currently the third most visited region in France after Paris/Ile de France and the Provence.
- ✓ Agents and developers have indicated that although sales in 2008 and quarter 1 of 2009 are down on 2007 there continues to be reasonable demand and most of the ongoing developments we have viewed in the area have sold out or have very few units left.
- ✓ According to the FNAIM (Fédération Nationale de L'immobilier – French Real Estate Federation) the Languedoc-Roussillon region is the third most expensive region to buy property in France.

Colliers 2008

7. Real Estate Market Facts

- Property prices have always been growing steadily in France. The country's tight consumer orientated property legislation ensures that buyers are always fully protected. Strict planning laws in the Languedoc region mean that the area you buy within is far less likely to be spoilt by over-development experienced in Spain, Portugal and Provence-Cote d'Azur. A relatively low-level of private debt also means that France tends to suffer less from the 'boom-and-bust' cycle that makes property a riskier bet in countries such as the UK, Ireland and USA.
- Property prices in the Languedoc region have continued to perform with an average annual capital appreciation of 12% during 2003 – 2006, an average of 7% capital appreciation over the last 8 years taking into account 2 years of recession (**statistics reported by Chambres de Notaires de France www.immobilier.notaires.fr**). This is the result of having a region that has all the fundamentals of a very exclusive destination but with property prices starting at under a 3rd of property prices practiced in more famous neighbouring Provence.



- 15M visitors to the region last year, the second-home, rental or investment markets are unlikely to disappear, even given the increased competition from emerging Eastern European markets, due to the strong underpinning by the tourism industry and local demand.
- The region is consistently voted THE place where French retirees want to move to. Montpellier is currently the fastest growing city in Europe and Hérault has just come 2nd in a detailed poll of the most desirable departments of France to live in, there is a continuous influx of people moving into Languedoc.
- The Languedoc-Roussillon has ridden out the recession with house prices down just 3% compared to 30-40% in other regions of Europe.
- The Languedoc- Roussillon has doubled its marketing budget for 2011.
- Currently the real estate in Languedoc is a 3rd of the price of property in Provence though today it has far more to offer: no overdevelopment, beautiful French villages, 80M wide long sandy beaches, clear rivers & gorges, a wealth of medieval heritage, largest wine producing region (produces more wine than California), easy access to Pyrenees and southern Spain (2h).

South of France & Mediterranean Real Estate benchmarking:

Region	Project Name	Unit Type	Number of Beds	Habitable Area	Plot Size	Price Per Sq M	Comment
Gassan	Gassin Golf Country Club	Villa	3	141.0		6,786	Located five minutes from St Tropez and the beaches of Pampalonne. These Villas are very exclusive and of the very best quality. The house has a cellar, terraces, balcony and private pool with fantastic views of the surrounding countryside.
Marseille	Port Rive Gauche	Apartment	2	51.2	-	5,653	Located in a port - Sea views from all apartments, build quality good.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	43.6	66	5,619	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Mont Ferrier	-	Villa	3	250.0	1100	4,800	This property was sold in one of the most prosperous regions of Montpellier, located to the north of the city. Although only a three bedroom the property was finished to the very highest standard. The property was also very modern with a high % of its surface area glazed. The property also has an indoor pool.
Marseille	Port Rive Gauche	Apartment	2	81.1	-	4,560	Located in a port - Sea views from all apartments.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	1	43.6	74	4,517	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	55.5	80	4,420	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Midi-Pyrenees	Chateau de Camiole	Villa		102.6	-	4,416	Located in Callian the resort is on a hillside halfway between Cannes and St Tropez. The property will be furnished to a high standard benefits for linen hire, housekeeping and breakfast and lunch deliveries as well as baby sitting and transportation services.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	56.6	66	4,334	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	66.3	79	4,281	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	66.3	84	4,281	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	66.3	74	4,281	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	66.3	73	4,281	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	66.3	85	4,271	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	5	143.8	328	4,248	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development. This property has a great view of the surrounding area and its own pool.
Midi-Pyrenees	Chateau de Camiole	Villa		57.5	-	4,208	Located in Callian the resort is on a hillside halfway between Cannes and St Tropez. The property will be furnished to a high standard benefits for linen hire, housekeeping and breakfast and lunch deliveries as well as baby sitting and transportation service.
Marseille	Port Rive Gauche	Apartment	2	81.9	-	4,172	Located in a port - Sea views from all apartments.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	69.1	77	4,104	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Provence	Golf de Pont Royal	Villa	4	113.3	-	3,869	Located within the new Hill Park phase of this development. The property does not have particularly good views of the surround countryside. The property comes with its own private pool and is well furnished inside. The property also features a garage.
Provence	Golf de Pont Royal	Villa	3	94.8	450	3,859	Located within the new Hill Park phase of this development. The property does not have particularly good views of the surround countryside. The property comes with its own private pool and is well furnished inside.
Midi-Pyrenees	Chateau de Camiole	Apartment		54.9	-	3,672	Located in Callian the resort is on a hillside halfway between Cannes and St Tropez. The property will be furnished to a high standard benefits for linen hire, housekeeping and breakfast and lunch deliveries as well as baby sitting and transportation service.
Languedoc-Roussillon	Les Jardins de St Benoit	Town House	2	56.6	66	3,624	Located overlooking the town of St. Laurent, Languedoc. Unspoilt views in high class development.
Provence	Golf de Pont Royal	Town House	3	95.4	-	3,599	Located within the new Hill Park phase of this development. The property does not have particularly good views of the surround countryside. The property has private underground parking. Owners of the property have use of the shared facilities.
Average Price per SQM						4,428	
Highest Price per SQM						6,786	
Lowest Price per SQM						3,599	
Median Price per SQM						4,281	

Source: Locum Consulting

Country	Nearest major town / Region	Resort name	Unit type for price given in this row	Internal living area m2	Price per m2 (internal living area only) excl PDV (€)	Comment
Italy	Tuscany	Castello di Casole	House/villa	690	9,058	Inland estate. Mainly fractional ownership. Price shown for full ownership.
France	St Tropez	Gassin Golf and Country Club	Townhouse	109	8,881	Inland resort with golf, tennis & beach club. High quality. Completed. No hotel.
Portugal	Algarve	Vale Do Lobo	House/villa	204	7,843	Resale within established coastal resort. Hotel & golf. No sea view.
Portugal	Algarve	Quinta do Lago	House/villa	400	7,813	Resale within established coastal resort. Hotel & golf. Golf view.
Cyprus	Paphos	Aphrodite Hills	House/villa	188	7,521	Integrated resort set back from coast. Golf, spa, Intercontinental hotel, 'village' area.
Cyprus	Paphos	Aphrodite Hills	House/villa	199	7,437	Integrated resort set back from coast. Golf, spa, Intercontinental hotel, 'village' area.
Cyprus	Paphos	Aphrodite Hills	House/villa	199	7,533	Integrated resort set back from coast. Golf, spa, Intercontinental hotel, 'village' area.
Cyprus	Paphos	Aphrodite Hills	House/villa	168	8,393	Integrated resort set back from coast. Golf, spa, Intercontinental hotel, 'village' area.
Cyprus	Paphos	Aphrodite Hills	House/villa	440	6,784	Integrated resort set back from coast. Golf, spa, Intercontinental hotel, 'village' area.
Cyprus	Paphos	Aphrodite Hills	House/villa	261	7,004	Integrated resort set back from coast. Golf, spa, Intercontinental hotel, 'village' area.
Portugal	Algarve	Vale Do Lobo	Townhouse	158	5,665	Resale within established coastal resort. Golf & spa
Portugal	Algarve	Quinta do Lago	House/villa	325	5,231	Resale within established coastal resort. Golf. Golf view.
Spain	Malaga	La Heredia de Monte Mayor	Townhouse	157	4,810	Inland hillside 'village', part of estate with Kempinski hotel, golf & spa. In construction.
Spain	Malaga	La Heredia de Monte Mayor	Townhouse	163	4,049	Inland hillside 'village', part of estate with Kempinski hotel, golf & spa. In construction.
Portugal	Algarve	Parque de Floresta	House/villa	134	3,845	Resale in resort with golf set back from the coast.
Spain	Malaga	La Heredia de Monte Mayor	House/villa	235	3,830	Inland hillside 'village', part of estate with hotel, golf & spa. In construction.
Spain	Malaga	La Heredia de Monte Mayor	Townhouse	144	3,819	Inland hillside 'village', part of estate with hotel, golf & spa. In construction.
Portugal	Algarve	Parque de Floresta	House/villa	195	3,699	Resale in resort with golf set back from the coast.
Spain	Costa Del Sol	Sotogrande	House/villa	1,087	3,680	Resale in integrated resort with NH hotel and golf.
Portugal	Algarve	Alma Verde Village	House/villa	218	3,632	Resort close to the sea with golf & spa. In construction.
Spain	Costa Del Sol	Sotogrande	House/villa	300	3,500	Resale in integrated resort with NH hotel and golf.
Spain	Costa Del Sol	Sotogrande	House/villa	475	3,368	Resale in integrated resort with NH hotel and golf.
Portugal	Algarve	Quinta do Lago	Townhouse	150	3,200	Resale within established coastal resort. Golf.
Portugal	Algarve	Parque de Floresta	House/villa	130	3,123	Resale in resort with golf set back from the coast.
Portugal	Algarve	Alma Verde Village	House/villa	261	2,930	Resort close to the sea with golf & spa. In construction.
Spain	Costa Del Sol	Sotogrande	House/villa	325	2,714	Resale in integrated resort with NH hotel and golf.
Average per SQM						5,360
Highest per SQM						9,058
Lowest per SQM						2,714
Median per SQM						4,430

8. French Legislation

a. Purchase Process

France: maybe the safest place to buy off plan.

France is before anything a consumer orientated country. Its tight legislation and bureaucratic environment make buying a property a highly structured process; in turn it has been proven to work very well not only for the country's economy but also for the consumer who has never come across a developer being able to walk away with deposits or not build what was due to be. Each step of the process is controlled by a legally responsible 3rd party.

Reservation process

You can reserve a property by completing a reservation form and sending a 2% security deposit.

You will have 5 days to do so. You will also need to decide which lease option you wish to choose.

Once we receive your deposit and reservation form, we will forward your reservation contract, along with your lease and VAT reimbursement documents. This enters you into a more formal agreement to purchase the property.

Financing & documentation

Once you have signed your reservation contract, you can approach banks to secure any necessary financing. Garrigae will help you complete the paperwork and will ask the Notaire to prepare the final sales act ("acte de vente"). We work closely with several banks & brokers who will be able to guide you with financing any of our projects.

Complete the purchase

Once the financing is in place, you will be asked to sign the 'acte de vente' at the French Notaire's office to become full owner of your property (you can also sign by proxy). At this point, you will be required to pay the next stage payment to the Notaire, the amount of which depends on the stage of construction:

2% Reservation fee

32% upon start of construction work (total 34%)

33% upon completion of foundations and ground floor (total 67%)

16,61% upon completion of roofing & external carpentry (total 83,61%)

The next stages are paid by the VAT reimbursement

6,39% upon construction of interior walls (90%)*

5% upon completion of the house (95%)*

5% upon conveyance of keys (100%)*

*People purchasing on the leaseback scheme benefit from a 19,6% VAT rebate off the full price (=16.39% when calculated from the all VAT incl. price) (See paragraph 8.b). In the event you would have to purchase your property VAT inclusive, and then reclaim the VAT back from the government yourself, you would receive your reimbursement between 6-9 months after signature of the final sales act. At Garrigae we use a specialised accountancy firm that looks after this for you, so that in effect an investor only ever has to finance/pay the price excluding VAT.

Receive your property

Once all stages have been achieved, you will be able to take possession of your property. It is necessary to specify that for those who have chosen a leaseback scheme, you will start to receive your rental returns as soon as the resort will be opened (please note that rental returns are paid quarterly).

Developers Bank Guarantee or Insurance

Every developer in France has a legal obligation to have an insurance policy or a bank guarantee in place before the developer can start construction. What this means is that should the development company go bankrupt during the build the insurance policy or the bank would step in and finish off the development. This way you avoid developers not building all of the facilities at a resort.

b. French Leaseback Property Scheme Explained

The French leaseback scheme was introduced by the French government in 1986 in order to increase international investment into the country while helping to provide self catering accommodations for the tourism industry. France is a number 1 vacation destination in the world: Around 80M tourists each year.

The 2 main criteria for the French Leaseback 19,6% refund are

- Not to personally use your property more than 182 days a year.
- To have a management agreement with a management company.

The concept of leaseback is that you purchase a fully furnished freehold property from a development company and then lease it back to a management company over a specific period (contracts tend to be 9 years, renewable). In exchange for the time you agree to rent your property to Garrigae Hotels & Resorts, you will receive a guaranteed return. You will equally be able to benefit from personal usage all year long for the remaining weeks you have not leased to Garrigae Hotels & Resorts.

PLEASE NOTE THAT ON THE “PURE INVESTMENT” DEAL THERE IS NO PERSONAL USAGE, BUT THERE ARE DISCOUNTS ON THE RENTAL RATES.

The French Leaseback scheme is NOT a “timeshare” system.

Thus, when you buy a French leaseback you purchase an entire property that has real value and provides you with capital gains. Whereas when you buy a timeshare you have to advance rent for a certain number of weeks over a certain amount of years.

VAT Refund (Garrigae organises this so that you only ever have to pay the before tax price)

19.6% is refunded on all new properties that fulfil 2 criteria mentioned in the previous paragraph. E.g. if the price for a new property is €119,600, you will only pay €100,000, so a discount of €19,600.

This VAT refund is credited over a 20 year period.

Should you decide further down the line that you prefer to use the property for more than 182 days a year, before the 20 years are over, and stop the leaseback scheme, you will be liable to repay the outstanding amount of VAT remaining that was initially credited over the 20 year period (this equates to approximately 1% of VAT repayable per remaining year). For instance, if you purchase a property and receive a refund on the VAT of €20,000, then decide to stop the leaseback scheme after 15 years, you will be liable to refund €5,000 to the government [(20 years VAT) – (5 years of VAT) = €5,000].

You can sell the property at anytime

- In the event you are selling your property to someone who wishes to re-enter your leaseback scheme there is no penalty.
- In the event that the person, to whom you are selling, wants to purchase the property outright– i.e. not on the leaseback scheme - then you will be liable to pay back the outstanding VAT at the time of the sale. In this circumstance the vendor would tend to increase the price in order to accommodate the VAT repayment. . Equally you could potentially encounter a penalty fee from the management company for breaking the lease.

Hassle Free approach to owning a holiday home

The French leaseback offers hassle free rental for the property owner. The management company is responsible for the full upkeep of the property, its furniture and the communal areas such as the gardens, pool, Spa, etc. The management company is also responsible for renting out your property during your absence. On the leaseback schemes where the rentals are guaranteed, the management company will pay you the returns whether or not your property was rented.

Weeks of occupancy in your property

Within the French leaseback scheme Garrigae provides purchase options that vary from pure property investments to a flexible mix of investment along with personal use. For example on our 2% return deal you benefit from 5 to 8 weeks of personal usage (depending on the season) + 25% reduction off rack rates at all Garrigae destinations all year long+ 20% discounts on all facilities (bar, restaurant, spa)*. Accommodation for your personal usage needs to be booked 6 months in advance.

* With the exception of some of the weeks in peak season, the weeks can be used at any of Garrigae's destination, subject to equivalent accommodation costs. Usage cannot be postponed from one year to the next. Reductions vary from property to property.

c. French Taxes & Other

(Please note this a non contractual document for information purposes only, for all questions relating to French Tax please seek independent advice)

Inheritance Tax

Inheritance tax is approximately 23% but varies and is dependent on multiple factors. However there are a certain number of exemptions and the Notaire, who is finalizing your purchase, can answer your questions on this matter.

Council Tax

This tax varies from town to town. But in general it is the equivalent to what a month's rent would be on the property if rented out on an annual basis. Council tax tends to be between 500 and 1500 Euro a year.

Wealth Tax

Wealth tax is calculated under the conditions that follow. The calculation is only done on the value exceeding the taxable amount. For example if you own 850 K Euro of Real Estate in France you will be taxed at 0,55% of (850K – 790K).

Value of an individual's Real Estate in France	Annual Applicable Tax (%)
Value not exceeding 790 000 €	0
Value between 790 000 € et 1 290 000 €	0,55
Value between 1 290 000 € et 2 530 000 €	0,75
Value between 2 530 000 € et 3 980 000 €	1,00
Value between 3 980 000 € et 7 600 000 €	1,30
Value between 7 600 000 € et 16 540 000 €	1,65
Value over 16 540 000 €	1,80

9. Conclusion

By respecting the monuments' natural beauty Garrigae creates exceptional destinations; Garrigae are strong believers that monuments with such character will never go out of fashion and as such our properties will ever grow in value.

The Languedoc property market is a very interesting place to be at the moment; it does not follow the traditional lines of the European Real Estate market. The south of France is 'one of a kind,' on a worldwide scale. Languedoc property today is a money-making window in time for more adventurous, logical thinkers: both for capital appreciation and safe rental returns.

The PACA (Provence-Alpes-Côte d'Azur) region has for many years been the destination of choice for those seeking a south of France vacation, destination or holiday home, but things are changing and the sound of over-crowded beaches and over-development is starting to echo throughout the globe.

The Languedoc still has untouched countryside, vast gorges, spacious beaches and great wine that are starting to attract those who had previously only heard of the Provence region, as well as others looking for a more authentic, better-preserved 'South of France.

Garrigae meets market demand within the Luxury sector's Real Estate boom that the Languedoc is currently experiencing. Very few, if any, have managed to build and maintain resorts at such a high level of quality in the Languedoc. It is evident that currently, there is a real lack of high quality Hotels & Resorts in the area, we know from experience the speed at which these developments sell out and how full of life each destination is once built.

Tourist figures for the Languedoc region were up 5 per cent in 2009 (Regional tourist board figures) and the statistics show a high probability that this trend will continue. The Languedoc-Roussillon is easily accessed from the European countries that surround it, and its five international airports are rapidly developing their overseas routes.

Garrigae is a brand created from what could be considered to be the pure essence of a Southern French Lifestyle. Garrigae enforces itself to renovate, what they consider to be, the most authentic & attractive monuments in southern France. They have a continuous ambition to pursue and redevelop the oldest of buildings and help bring them back to a new era. Once renovated it is a mixture of a refined "art deco" style with a touch of "contemporary" that embraces the outstanding architecture and transforms the properties into a very select number of elegant, intimate, convivial & authentic holiday homes. As both a property developer and a resort manager, Garrigae provides a comfortable product for investment.

Thank you for taking the time to read.

Kind regards

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