**Halcyon Hills**

Halcyon Hills is a 5 star Spa and Marina resort in the off plan stages of development. Once completed, it will become one of the key hotel resorts in Greece and will target the luxury tourist sector which includes resorts such as The Porto Elounda and Blue Palace. Features of the resort will include a world class spa, marina, tennis courts, gymnasium and a number of bars and restaurants - including a signature fine dining restaurant.

Located on the South East coast of Samos in Greece, offering studio apartments to 3 bed premier villas for sale, this resort has a number of unique qualities making this a truly superb investment.

Benefits include:

Only **232** properties on the resort 42% BMW pricing 100% assisted finance Guaranteed non status mortgage on completion **5% per annum cash-back on your deposit payments** 4 weeks free usage per year Guaranteed rental yields of 8% for 2 years after completion 50/50 split with hotel operator thereafter Guaranteed buyback at 150% value 5 years from completion EU backed project

**Why Greece?**

Greece is the 3rd most popular tourist destination amongst British holiday makers. In 2007, 17.5 million tourists visited Greece (2.6 million tourists were British) this figure is increasing year on year and set to reach 20 million by 2010.

Being only 3.5 hours flight time from the UK, Greece is sure to remain a popular choice now long haul destinations are becoming more and more expensive to access. Greece sits in the top 15 most popular tourist destinations in the world today.

There has been significant regeneration investment carried out by the Government for the 2004 Olympics, and this boosted tourism figures, but further to this the **Greek government currently has an initiative to increase tourism by over 50% by 2013.** The Government are investing £650 million **to increase tourist numbers focusing on 4 and 5 star accommodations**. They are doing this by easing planning laws and making ownership easier for foreign buyers. The tax system has also been simplified with fewer taxes for investors.

**In the past, developers could only build on 2-5% of a plot of land - Under the new initiative they can now build on 20%** **of the space** (it’s up to 80% in Spain!) **as long as it is based around a hotel of 4-5 stars**.

The EU will also providing developers of 4 and 5 star tourist projects subsidy money towards the build costs up to a staggering 46%!

Savills have stated that Greece saw capital growth at a rate of 15% in 2006. The findings confirm established trends which propose that the majority are minor or first-time investors who missed the boat with Spain. The good news is that Greece has stringent planning controls preventing overdevelopment on the coast which has already been witnessed along the coast of other European countries. The safest bet would be to invest on the islands which have very limited coastline and will guarantee prevention against hotel saturation for better occupancy rates and exit strategy.

Unlike many emerging markets on offer, Greece not only has an established tourist market but there is also an established property re-sales market - the Greeks have been buying and selling property here for years - 80% of properties sold in 2008 were re-sales, increasing property values by 20%

**Why Samos?**

Samos is the 8th largest Greek Isle and the landscape is breathtaking with two mountains, Kerkis standing at 1443 meters (higher than Ben Nevis) and Ambrelos measuring 1160 meters. This creates a stunning backdrop for the coastline and also creates the opportunity for outdoor pursuits such as rock climbing, walking and mountain biking.

There is plenty to do on the island - Samos had the largest ancient temple in Greece, The Temple of Hera. Samos has 2 cities which make way for plenty of shops, restaurants and waterfront bars with pretty fishing villages leading to cobbled backstreets. Food is a social event where meals can sometimes last 6 hours.

Access to Samos is excellent, with Direct flights from the UK in peak season and connecting flights from Athens. Samos also has 2 ferry terminals. It’s worth bearing in mind that only 11% of tourism is currently made up from us Brits with a staggering 40% of Samos tourism being from the Greeks themselves. Other key markets include Scandinavia, Germany, The Netherlands and Austria – **all have direct access to Samos**.

There is currently only one 5\* hotel on the island, The Doryssa Bay, leaving visitors no other choice in luxury accommodation. The 5 star hotel runs at an occupancy rate of 83% (an independent hotel and therefore currently only open 214 days per year) so this proves there is high demand. This is one of the reasons the EU are providing the maximum subsidy towards the build cost here – **46%!!**

The good news is that Halcyon Hills has seen high demand from Greek buyers based in Athens. This shows that there is a strong local market which is a good sign that the islands property market isn’t an artificial bubble inflated by foreign investors.

**The Resort...**

Halcyon Hills is a 5 star hotel resort being developed on the south east coast of Samos. The resort will be finished to an exceptional standard (*we need* *to deliver on this promise to gain the maximum subsidy allowance*)

The resort is frontline, on 120,000sq meters of land with an incline of 50m from the beach to the top of the resort where the main facilities are located which will all benefit from the superb views.

### The resort is made up of only 232 units in total, properties range from studios at £120,000, ranging up to €265,000. There are no blocks of apartments planned on this resort, just small clusters of properties grouped together to give a more exclusive’ village hub’ feel. No two properties will be the same; each property will look different and be a differing size. All will benefit from a sea view which will reach over towards the coast of Turkey.

The resort is centred on the world class spa and the 36 birth marina, large enough to accommodate super yachts. The spa is designed by Blue Spa and will be managed by them on-going. The spa’s ‘piece de la resistance’ is the infinity pool with amazing views. Signature treatments will be on offer in the 7 indoor/outdoor treatment rooms offering unrivalled views.

The resort will be managed by a leading hotel group (to be announced)

**The offer**

Halcyon Hills is quite a unique concept on the property market. There are many residential complexes sold ‘off plan’ around the world today, however this concept is different - we are building a world class hotel which will be managed by a leading hotel operator.

We are currently at the off plan stages of the hotel development (completion due for beginning of 2012) This enables one the opportunity to invest in a property in the resort at 42% below market value and way below our competitors property prices. As the build progresses, there will be set price increases, thus rewarding early investors. With this being a hotel you will not only benefit from the growth in the property’s value, but will also will profit from the returns of the revenue generated by the hotel on completion....

The norm with overseas property these days is for owners is to rent out their property themselves or instruct a rental company to take care of the rental and cleaning. With Halcyon Hills, the Hotel operator will do this all on your behalf and being ‘brand hotel’ your property will appear in many advertising formats at the hotels expense.

Unlike stand alone property or residential complexes, the returns for investors in a hotel project such as this will be greater, as hotel room rates (especially 5 star rating hotels) are substantially more expensive than renting a self catering property. This is due to the services offered within the resort such as the concierge, maid service, restaurants, spa, marina and numerous on site facilities. Even the hotel brand name behind the resort will add value to the property and potential yields.

*)*

The hotel operator has a vested interest in your property as **they will profit** out of the running of the resort -the higher the occupancy rate, the higher their profit is....**and yours!** Barrasford and Bird will also be involved in the running of the resort. We will profit from revenue of most of the on-site facilities we have constructed, therefore we will have an on-going interest in the success of the resort too. We are unlike other developers, where ultimately selling their properties is their ‘end goal’ we are benefiting from the project long term - we are not ‘walking away’ from the project after completion.

For investors wishing to enter the rental pool, we guarantee an 8% rental yield for the first 2 years from completion and offer a 50% split with the hotel operator thereafter (Predicted yield to be 12%) This will still provide investors the advantage of enjoying their property for 4 weeks each year – one week peak season and one week off peak. You have the option to opt out of the rental pool and enjoy your property for 365 days a year if you wish.

**Finance**

We offer a unique finance package giving you the opportunity to invest now and pay nothing out of your household cash flow until completion. In some instances you will earn money from the day you pay your deposit to us!! This is due to **offering a 5% cash-back** (paid monthly) on your deposit payments and we offer a guaranteed mortgage on completion. Shrewd investors have always preferred to use other people’s money as ‘gearing’ against an investment and our cash back offer provides a way to do this, which will increase your potential profits and do so in a **stress free environment**.

FINANCE OPTION FOR FULL PURCHASE -One Bedroom Kampana example:

To purchase a One Bedroom Kampana is £265,000 and the 50% deposit is £132,500 (paid in 2 instalments of 30% on contracts and 20% at foundations - min 12 months later

As you hand over your deposit, we offer to pay interest on **cash or borrowing** of 5% per annum up until the resort is completed, or for 3 years!! (Whichever happens sooner) We will pay 3 months interest instalments up front and then monthly thereafter.

**These instalments** **do** **not have to be re paid to us on completion,** **or ever for that matter!**

If you obtain borrowing for the 50% deposit on an interest only basis, we will cover the interest payments up to a maximum of 5% and therefore your loan should not affect your cash flow whilst it is being built.

This makes purchasing a property in Halcyon Hills not only affordable, but a great way to profit from the property’s capital growth without ‘forking out’ for interest repayments from your household income or without missing out on your savings interest earnings - **In fact, in most cases we will pay you more than the bank’s savings interest rate anyway!!**

For example - The interest payments of 5% on the loan would come to approx **£550 per month.** *Paid: 3 months in advance into your bank account and monthly thereafter*

Please note: This is NOT accrued or repaid to us on completion.

If you are worried about paying your mortgage after completion, we are also guaranteeing you 8% of the purchase price for a period of 2 years from when the resort opens. This is a staggering £21,200 per annum on a one bedroom Kampana and a total of £42,400 for the 2 year period.

**You therefore have up to 5 years guaranteed income on your property from the moment the deposit is paid**

ON COMPLETION

Once the property is built you would then look at applying for a Greek mortgage to pay your 50% completion payment. Based on our comparable resorts, **we anticipate the price of the one bedroom Kampana to be £447,354 on completion**. There are currently 70% LTV mortgages available, and based on that product, would allow you a mortgage of up to £313,148 using the equity now available in that property.

There is also a back up developer mortgage for the outstanding balance in place should you for any reason you do not qualify for the Greek mortgage, this provides total peace of mind.

Once the resort is complete the 8% rental guarantee will begin. Below is a summary on how this yield is predicted to cover the mortgage, furniture cost, completion costs and maintenance payments*:*

For the following examples I have used the following:

* Mortgage interest rate 4% (current rate as of 1st Nov 2009 [www.pireausbank.co.uk](http://www.pireausbank.co.uk) )
* Mortgage figures <http://www.bbc.co.uk/homes/property/mortgagecalculator.shtml>
* Exchange rate €1.12/£ ([www.x.e.com](http://www.x.e.com) as of 4/11/09)
* Maintenance @ €25 per m 2
* Completion costs 4%

\*Please note this is an example and mortgage and exchange rates will fluctuate. This example is based on the bank mortgage rate -The non status option will be 1-2 points higher than rate of the bank.

1 bed Kampana– Average size 83 m 2

Price = **£265,000**

Deposit = **£132,000 (paid in 2 stages over a min of 12 months)**

5% cash back on deposit for 3 years build = **£15,900** (taking into account the deposit being paid in 2 stages)

£132,000 - £15,900 = **£116,600**

On completion

50% balance outstanding = **£132,000**

*50% deposit minus cash-back* ***£116,600* – this is optional to borrow**

4% extras on completion = **£10,600**

Furniture = €16,600/**£14,821**

Total mortgage required = **£274,021** (borrowed in mortgage to cover 100% value and completion costs – only 50% need be taken!)

Repayment 25 years = **£17,544 per year** (£1,462 per month)

Interest only = **£10,956 per year** (£913 per month)

8% rental guarantee £21,200 minus maintenance (€2,075/£1,853) = **£19,347**

Annual Profit for initial 2 years 8% rental guarantee

Repayment **£1,083** per annum

Interest only **£8,391** per annum

After the first 2 years, investors will begin a 50/50 split with the hotel operator. Below is a comparable with the Doryssa Bay, the only other 4/5 star hotel on Samos.

The occupancy levels of the hotel are currently 83% (whilst open) It is open for 214 days a year. Therefore using their figures on having the property rented out for **178** nights a year and an average room rate of a one bedroom property is **£294** a night (taking into account 93 low, 59 mid and 62 peak nights on an exchange rate of **€1.12/£**)

Total annual rental income £52,332

Your 50% split after management fees (€2,075/**£1,853**) **£24,313**

Based on our 1 bedroom kampana costing £265,000, this amounts to an annual yield of **9.17%**

\*Halcyon Hills will be open 365 days per year and there are only 232 units in Halcyon Hills.

**Exit Strategy**

With most other property developments, timing is the most important factor when looking to sell. Halcyon Hills is such a unique investment is suits any timescale:

**Short term:**

* Complete & Furnish
* Two years 8% rental guarantee
* Exit on back of good growth and guaranteed rental income

**Medium term:**

* Hold until 50/50 room rate return
* Exit on the back of excellent growth and good rental yields, once the
 resort is established.

**Long term:**

* Hold for a long term income stream, on the back of the resort’s success

 **Conclusion**

Property investment offers stability compared to other investment vehicles such as shares and equities which can be volatile. No other investment vehicle will allow you to release equity from it to re invest and build a portfolio either. Historically property values double every 10 years and has the potential to provide higher yield percentages than banks can offer.

Greece is an established tourist market with the added advantage of also having an established re sales market – the two most important factors when considering investing.

It’s not often you will find a property investment in an established market place, offering low entry level prices but when you do, the time to act is now.....Halcyon Hills Marina and Spa Resort offers one of the best financial packages on the market today. By providing 4 weeks free personal usage of your property each year, you will not find a more affordable, rewarding and *enjoyable* investment on the market today.