



**Investor Brief**  
**Club Albufeira, Algarve, Portugal**



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## Introduction

Pinnacle Property Investments is delighted to offer an outstanding selection of one, two and three bedroom apartments in Club Albufeira, Algarve, Portugal.

- Preferential prices for Pinnacle clients starting from €258,000
- 20% deposit paid by the developer
- 5% rental guarantee for 4 years
- 3 years mortgage interest paid by the developer - valued at approximately €31,000 on most apartments
- Free furniture included in all apartments, valued at €17,000
- 100% finance investment with low entry costs, no further payments for the first three years
- Over €100,000 of financial contribution from the developer



## Portugal

Since 2000 the EU has invested over €25 billion in to Portugal, with a commitment for a further €22.5 billion over the next 5 years. Much of this investment has been directed at the country's infrastructure and this can be seen in the recently opened A22 main highway linking all towns in the Algarve with the international airport at Faro

- Tourism drives the country, in particular the Algarve. Forecast €53.5 billion by 2016
- Number of visitors to Portugal in 2008 was 7 million accounting for 10% of GDP
- 2.5 hour flight from most major European cities such as London, Dublin & Paris
- Over 300 days of sunshine - more than Florida
- Strong controls over land development and planning
- Population is currently 10.6 million
- The Algarve is famous for its picturesque sandy beaches bathed by the crystal clear Atlantic Ocean



## Albufeira

Situated in the middle of the famous Algarve.

- 35 kms from Faro International airport
- Attracts families and golfers alike
- Numerous white sandy beaches, including Fisherman's Beach (Praia dos Pescadores)
- Spain is 2 hours away by car on the close by "Via do Infante" motorway.

Fisherman's Beach (Praia dos Pescadores)



## Outstanding cuisine and vibrant nightlife

- Old fishing village Albufeira with its cobbled streets and an old world experience of food and drink - a place to try the Algarve's famous Sardines
- "The Strip" offering the more energetic lively bars, restaurants and disco bars
- Numerous restaurants boasting an eclectic array of Portuguese cuisine including
- 3 Palmeiras - +351 2895 15423
- Casa do Avo - [www.restaurante-acasadoavo.com](http://www.restaurante-acasadoavo.com)
- La em Casa - +351 2895 42756
- Evaristo - [www.evaristo.pt/home.htm](http://www.evaristo.pt/home.htm)
- Plentiful array of Italian, Indian and Chinese restaurants (visit [www.virtualtourist.com/travel/europe/portugal/algarve/albufeira.html](http://www.virtualtourist.com/travel/europe/portugal/algarve/albufeira.html))



## A Sports & Leisure Paradise

- 84 golf courses with 199 PGA professionals in Portugal
- The Algarve is recognized as an international golf destination offering 36 courses, including Championship courses of Quinta do Lago, Vilamoura and Penina
- In 2008 over 400,000 golfers visited Portugal, over 300,000 to the Algarve - providing year round rental opportunities
- All courses are within easy reach by car from Albufeira (approx 15/35 minutes)
- Zoo Marine Park with free transport - 15 minutes from resort ([www.zoomarine.pt](http://www.zoomarine.pt))
- Water Slide Park - 20 minutes from resort
- Big game fishing
- Water skiing
- Windsurfing



### The Developer

EDETER Empresa de Desenvolvimento de Terrenos S.A.

Associated with the development of one of the best resorts in the Algarve - Balaia Golf ([www.balaiagolfvillage.com](http://www.balaiagolfvillage.com))

### Club Albufeira

A modern resort complex consisting of villas and apartments situated in a quiet valley of natural almond and olive trees

- 1.5 km from Albufeira
- 2 km from Fisherman's, Falesia & Peneco beaches
- Famous golf courses are minutes away - Herdeda dos Salgados, Balaia Golf Village, Pine Cliff & Vilamoura
- 4 swimming pools (1 heated) available to all guests, in lush well established and maintained gardens
- 2 restaurants
  - "Casa Azul"
  - "O Pavilhao"
- 2 Snack Bars
  - "A Cascata"
  - "A Pergola"
- Kids playground
- 2 x Tennis Courts
- Mini golf
- Laundry Service
- Free shuttle bus service to beaches and town centre



### Furnished & Equipped to the Highest Standards

Surrounded by beautifully landscaped gardens, all apartments are completely furnished and ready to let. All appliances, furniture items and soft furnishings are to the highest standards.

#### General Specifications

- Living Room with dining area & terrace
- Double Glazing for all windows and sliding doors
- Security screens
- Satellite TV connection
- Woodburner with heat recuperation system in living room
- Reverse cycle air conditioning, living area and bedrooms
- Fully integrated kitchen
  - Fridge & Freezer
  - Granite Worktops
  - Hob & oven
  - Dishwasher
  - Cutlery, glasses, crockery
- Fully fitted Bathrooms with bathroom heaters



### Typical Sizes of Apartments

- T1 - Internal 64.80 sq.metres - terrace 32.92 sq.metres
- T2 - Internal 87.77 sq.metres - terrace 17.65 sq.metres
- T3 - Internal 116 sq.metres - terrace 26.23 sq.metres

### Additional facilities for 2 & 3 Bed Apartments

- Washing machine and tumble dryer
- Two bathrooms of which one is en suite
- Satellite TV connections in the living room and bedrooms

*[complete inventory for all apartments available on request]*



### Buying Made Easy

- Pinnacle will assist clients throughout the whole purchase process including sales progression and aftercare services (in detail below)
- Introduction to local Portuguese lawyer to assist in legal documentation and contracts
- Introduction to local Fiscal Representative to assist in setting up of tax representation

### Key Portugal Contacts

- Legal - Ms. Ofelia Campos. [ofecampos@clix.pt](mailto:ofecampos@clix.pt)
- Fiscal - Mr. Helder Bacalhau. [hbacalhau@iol.pt](mailto:hbacalhau@iol.pt)
- Lending - Ms. Sandra Ferreira - Banco Espirito Santo - [ag.welcome.solutions@bes.pt](mailto:ag.welcome.solutions@bes.pt)
- Developer Sales progression - Ms. Roos Snoeckx - Club Albufeira, Sales Support - [roos@clubalbufeira.com](mailto:roos@clubalbufeira.com)
- Developer - EDETER. [edeter@clubealbufeira.com](mailto:edeter@clubealbufeira.com)
- Developer's Coordinator - Mr. Gad Ron. [edeter@clubealbufeira.com](mailto:edeter@clubealbufeira.com)

## Money Matters

In conjunction with Banco Espirito Santo and the developer Club Albufeira offers a highly leveraged investment opportunity with low entry costs.

- Valuations as of May 2009
- Loan to Value of 80%
- 20% deposit financed over 4 years, through rent guarantee at 5%
- 30 year term mortgage (maximum term to age 80) - with first 5 years interest only - paid by developer for 3 years
- First 3 years mortgage interest paid by the developer

## Payment Schedule

	<b>Club Albufeira T2 Purchase</b>	<b>€</b>	<b>HK\$</b>
Purchase price		306,000	3,060,000
Closing Costs		7,200	72,000
Furniture valued at €17,000		0	0
Sub Total		<u>313,200</u>	<u>3,132,000</u>
Reservation Fee - On reservation paid to Developer		5,000	50,000
Pinnacle Administration Fee		2,000	20,000
Notary Fees		300	3,000
Sub Total		<u>7,300</u>	<u>73,000</u>
Upon Completion and signing of Promissory Contract			
Closing Costs (legals & administration)		7,200	72,000
Fiscal representation (€200 per person)		400	4,000
IMT (Portuguese Stamp Duty) Transfer Tax		13,768	137,680
50% of Rental Guarantee IRS Tax		4,590	45,900
(Less Reservation Fee paid)		-5,000	(50,000)
Open Bank Account		1,000	10,000
Mortgage Setting up Fees		2,600	26,000
Sub Total		<u>24,558</u>	<u>245,580</u>
<b>Total Payable</b>		<u><b>31,858</b></u>	<u><b>318,580</b></u>
Final Purchase Payment - BES Mortgage (payable and upon completion)		<u>244,800</u>	<u>2,448,000</u>
Developer Finance - 20% deposit (repayable through 5% Rent Guarantee)		<u>61,200</u>	<u>612,000</u>
<i>Figures are approximate - exchange rate €1 : HKD10</i>			

**Year 1, 2 3 & 4 Mortgage Simulation and Total Investment Costs for 4 years**

<b>Year 1, 2, 3 &amp; 4 Mortgage Cost Simulation (T2 Apartment)</b>				
€244,800 Mortgage Amount				
			<u>Mortgage Costs Paid By developer</u>	<u>Costs Payable by Client</u>
<b>Year 1 Bank Mortgage</b>				
	Euribor	1.61%		
	Spread	1.70%		
	Interest Rate	<u>3.31%</u>		
Second Payment of Rent Guarantee IRS Tax				2,410
Council Tax				325
Mortgage Arrangement Fee				2,600
			8,098	0
		Year 1 Sub total	8,098	5,335
<b>Year 2 Bank Mortgage</b>				
	Euribor	2.61%		
	Spread	1.70%		
	Interest Rate	<u>4.31%</u>		
Final Payment of Rent Guarantee IRS Tax				2,530
Council Tax				325
			10,546	-
		Year 2 Sub total	10,546	2,855
<b>Year 3 Bank Mortgage</b>				
	Euribor	3.61%		
	Spread	1.70%		
	Interest Rate	<u>5.31%</u>		
Council Tax				325
			12,994	
		Year 3 Sub Total	12,994	325
<b>Year 4 Bank Mortgage</b>				
	Euribor	3.61%		
	Spread	1.70%		
	Interest Rate	<u>5.31%</u>		
Council Tax				12,994
				325
		Year 4 Sub Total		13,319
		Year 1, 2, 3 & 4 Totals Payable	31,638	21,834

Figures are approximate - exchange rate €1 : 10HKD



<b>Total Costs Years 1 to 4 inclusive</b>			
<b>T2 Apartment</b>			
<b>Year 1 - Costs</b>	€	HKD	
Cost of apartment	306,000	3,060,000	
Deposit	61,200	612,000	Paid by Developer
Mortgage Arrangement Fee	2,600	26,000	Paid by Client
Furniture	17,000	170,000	Paid by Developer
Total Entry Costs <i>(legals, closing costs, IMT/IRS, bank account etc)</i>	31,858	318,580	Paid by Client
<b>Year 1</b>			
Mortgage	8,098	80,980	Paid by Developer
Council Tax	325	3,250	Paid by Client
IRS 25% Payment	2,410	24,100	Paid by Client
Management Fees	1,549	15,490	Paid by Developer
<b>Year 2</b>			
Mortgage	10,546	105,460	Paid by Developer
Council Tax	325	3,250	Paid by Client
Final IRS payment	2,530	25,300	Paid by Client
Management Fees	1,549	15,490	Paid by Developer
<b>Year 3</b>			
Mortgage	12,994	129,940	Paid by Developer
Council Tax	325	3,250	Paid by Client
Management Fees	1,549	15,490	Paid by Developer
<b>Year 4</b>			
Mortgage (euribor average 4%)	12,994	129,940	Paid by Client
Council Tax	325	3,250	Paid by Client
Management Fees	1,549	15,490	Paid by Developer
<b>Total Costs Payable Over 4 Years</b>	<b>169,726</b>	<b>1,697,259</b>	
<b>TOTAL PAID BY CLIENT Over 4 Years</b>	<b>51,092</b>	<b>510,920</b>	
<b>TOTAL PAID BY DEVELOPER Over 5 Years</b>	<b>118,634</b>	<b>1,186,340</b>	

*Note1. Mortgages will be at the prevailing 3 month Euribor rate calculated as at the date of mortgage draw down*

### Mortgage Costs v Rentals - Year 1

The following analysis assumes rental occupancy rates at the average rental rate for 16 weeks per year, applicable to a T2 Apartment at Club Albufeira.

<b>Annual Mortgage Cost (€)</b>	<b>Expected Rental (€)</b>
8,098	11,424

*Note 1. Further details on exact rental charges are available upon request*

*Note 2. These figures are for reference only and subject to change*

## Sales Progression

➤ Pinnacle will assist clients through the whole purchase process as follows

Action	Who	When
Developer Reservation and Pinnacle Administration Fee	Client	Upon reservation
Fill out Banco Espirito Santo mortgage application, with complete set of documents in relation to proof of identity & income	Client/Pinnacle Sales Progression	Upon reservation
Pay for Fiscal Representation & Present Clients documents to Bank	Client/Pinnacle Sales Progression & Club Albufeira Sales Progression	1 week after reservation
Introduction to Fiscal Representative Obtain and register Fiscal Representation <i>(note where an applicant is married the applicants partner will be required to obtain a Fiscal No.)</i>	Pinnacle Sales Progression/Club Albufeira Sales Progression	
Bank to underwrite mortgage application and send mortgage offer	Bank/Pinnacle Sales Progression/Club Albufeira Sales Progression	2 weeks after receipt of all documents received and mortgage offer received
Introduction to Legal representation in Portugal - Ofelia Campos	Client/Pinnacle Sales Progression	Upon receipt of mortgage offer
Sign and notarize with Apostille the Power of Attorney and return to lawyer	Client/Pinnacle Sales Progression	Upon receipt of mortgage offer
Open Bank Account	Bank/Pinnacle Sales Progression/ Client	Upon receipt of decision in principle and mortgage offer
Transfer €1,000 on bank account opening (needed for mortgage and to have funds for Council Tax)	Client	Upon confirmation of account opened (approx 4 weeks after reservation)
Pay Mortgage Arrangement Fees	Client/Pinnacle Sales Progression	Upon receipt of mortgage offer
Transfer Balance to settle IMT 50% of IRS (if not paying in full) Pay legal & closing costs Return signed confirmation of payment schedule	Client  Client  Client/Pinnacle Sales Progression	   4/5 weeks after reservation
Prepare & Sign Promissory Contract	Portuguese Lawyer/Pinnacle Sales Progression/Developer	4/5 weeks after reservation
Execute Provisional registration of Property	Portuguese Lawyer/Pinnacle Sales Progression/Bank/Developer	4/5 weeks after reservation
Prepare and sign home insurance documentation	Lawyer/Pinnacle Sales Progression	6 weeks after reservation
Drawdown Mortgage	Bank/Lawyer/Pinnacle Sales Progression	7 weeks after reservation
Prepare & sign mortgage deeds	Lawyer/Pinnacle Sales Progression/Bank/Developer	8 weeks after reservation
Confirmation of property registration	Pinnacle Sales Progression/Bank/Developer	
Sign Maintenance Agreement with Club Albufeira	Lawyer/Pinnacle Sales Progression	
Change electric & water meters in to the owners name	Lawyer	

**Club Albufeira Apartment List and Pricing**

Type	Apt	Plot	Price in Euros
T1	316	119	258,000
T1	319	119	258,000
T1	322	119	258,000
T1	325	119	258,000
T1	331	121	258,000
T1	334	121	258,000
T1	337	121	258,000
T1	340	121	258,000
T2	302	110	306,000
T2	317	119	306,000
T2	320	119	306,000
T2	321	119	306,000
T2	324	119	306,000
T2	332	121	306,000
T2	333	121	306,000
T2	336	121	306,000
T2 +	339	121	316,000
T3	141	109	360,000
T3	309	111	360,000
T3	329	121	360,000
T3	338	121	360,000

**Apartment Floor Plans**



*Artists' impressions are for reference only.*

**Club Albufeira Apartment Pricing**

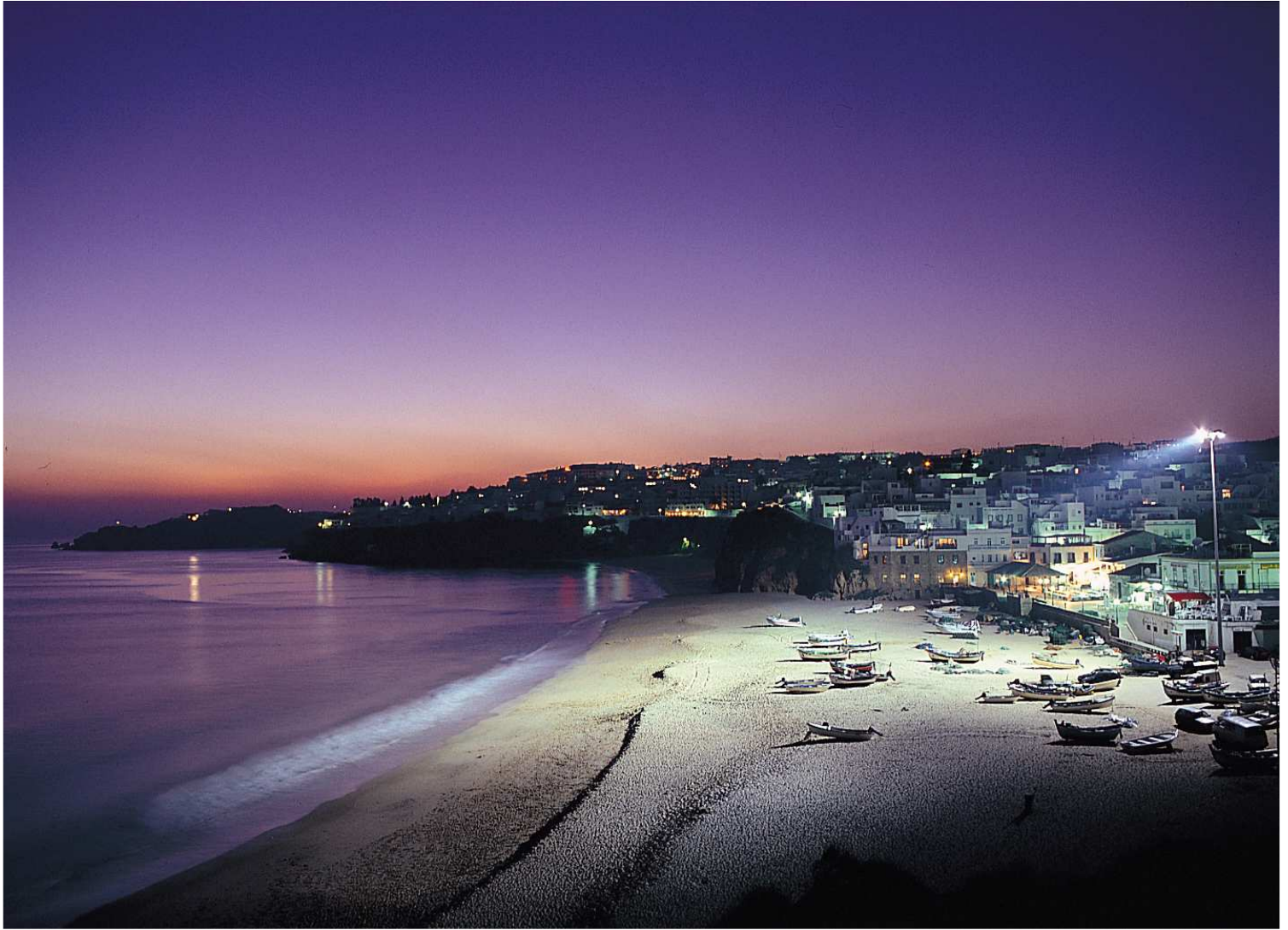
	T1	T2	T2+	T3
A Purchase Price €	258,000	306,000	316,000	360,000
B 80% Loan to Value From BES	206,400	244,800	252,800	288,000
C Developer Finance <i>(repaid over 4 years with rent guarantee)</i>	51,600	61,200	63,200	72,000
<b>Costs to be paid by purchaser prior to Promissory Contract</b>				
A Closing Costs Legal costs, solicitor fees, preparation of deeds, registration & notary fees in Portugal	6,200	7,200	7,300	8,200
B IMT Transfer Tax (2009)	10,136	13,768	14,568	18,088
C Fiscal Representation Individual €200 Married Couple €400	400	400	400	400
D 15% IRS Tax on Rental Guarantee Immediate 50%	3,870	4,590	4,740	5,400
<b>Total</b>	<b>20,606</b>	<b>25,958</b>	<b>27,008</b>	<b>32,088</b>
End Year 1 (+5% interest) 25%	2,032	2,410	2,488	2,835
End Year 2 (+5% interest) 25%	2,133	2,530	2,612	2,977



**Comparable Prices**

- Banco Espirito Santo has valued all apartments in May 09 at the values listed in the above table.
- With the developer paying clients' deposits the actual sales price for the apartments is as follows
  - T1 - €206,400
  - T2 - €244,800
  - T2+ - €252,800
  - T3 - €288,000
- These prices are further discounted with furniture & closing costs being included, which represents an additional saving on average of €24,200

	<b>T1</b>	<b>T2</b>	<b>T3</b>
<b>Comparable Prices in Albufeira</b>	1 Bed 1 Bath €225,000 <a href="http://www.albufeirarealestate.com">www.albufeirarealestate.com</a>	2 Bed 2 Bath €265,000 <a href="http://www.albufeirarealestate.com">www.albufeirarealestate.com</a>	"Cidade" €275,000 <a href="http://www.primelocation.com">www.primelocation.com</a>
	1 Bed 1 Bath €235,000 <a href="http://www.algarvepropertydatabase.com">www.algarvepropertydatabase.com</a>	2 Bed 2 Bath €320,000 <a href="http://www.algarveproperty.com">www.algarveproperty.com</a>	3 bed 2 bath €278,390 <a href="http://www.algarvepropertydatabase.com">www.algarvepropertydatabase.com</a>



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