

# PGI | Marbella

BUY-TO-LET

- Bank guaranteed income
- 5% per annum for 3 years
- Minimal capital outlay



PGI Marbella Buy-to-let  
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(Local Call charges apply - FREE from mobile phones with inclusive minutes)



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# PGI - About Us!

**PGI Marbella Property are dedicated in sourcing and packaging the best investment opportunities to meet the individual requirements of the client, be it a second home, holiday home or a pure investment.**

We pride ourselves on our personal approach to our investors, ideally a face to face service as most of our clients know us personally or have had recommendations from other clients. In addition to our UK head office, we have an office based in Marbella Spain and sales offices in the Algarve. Our local expertise and contacts allow us to source the best opportunities for our clients. We negotiate directly with Banks and Developers enabling us to provide you with the best financing opportunities available – generally with high LTV mortgages and favourable rates.

All of our promotions are fully transparent with **NO hidden costs** and we only use and recommend the best legal representatives! Our contacts established over the last 25 years in the banking industry ensure that we are the first to hear of special opportunities and we have the trust and respect from senior administrators of numerous banks!



An award winning company, having been awarded “Best overseas Agent” by Overseas Property Professional - our sales team offer a first class service from start to finish; covering all areas from financial advice, mortgage arrangements, equity release, conveyancing, foreign exchange but overall ensuring that our clients are delivered the right product as efficiently as possible.

PGI Marbella Property is also a member of AIPP (Association of International Property Professionals).



**Now is the time to buy in the Costa del Sol and to take advantage of the best investment conditions in history, with the largest price reductions, the best mortgage rates with the euribor at an all time low and an ever increasing tourist market demonstrating that Marbella is a great all round investment and the number 1 destination in Spain!**

\* Subject to status

## Marbella Buy-To-Let - Investment Highlights...

A new concept of property investment in a thriving Marbella market!

Buy a luxury 2 bedroom apartment for around **€230,000** and have it completely managed for 3 years with “bank guaranteed” rental income, eliminating all the hassle and stresses of a standard investment property purchase.

Buy with as little as **€55,683** which includes deposit, all associated buying costs and a complete furniture pack meaning the property is turn-key ready.

Your property will then be fully managed and let on an annual basis but with complete piece of mind as we do everything!

You can sit back and enjoy receiving bank guaranteed income from day 1 for a minimum period of 3 years.



- ✓ Buy with minimal capital outlay
- ✓ Best mortgage conditions in the market
- ✓ Purchase through a tax efficient company
- ✓ structure which minimises purchase costs from 'around' **12%** down to **4%**
- ✓ Fully managed property for 3 years
- ✓ 'Bank guaranteed' rental income
- ✓ **5.3%** yield per annum
- ✓ **21.8%** return on investment per annum

### Investment Benefits...

- ✓ 'BANK GUARANTEED' RENTAL INCOME
- ✓ NO RENTAL VOIDS
- ✓ NO LOSS OF RENT
- ✓ NO HASSLE
- ✓ NO STRESS OF FINDING TENANTS
- ✓ 3 YEARS PIECE OF MIND
- ✓ FREE PERSONAL USAGE\*\*

\* €55,683 is based on a purchase price of €230,000 with a 85% mortgage, therefore deposit of €34,500, a full furniture pack with a value of €10,000 and costs of an estimated 4.8% equating to around €11,183 which comprises of taxes, notary, registration, company formation and legal fees.  
\*\* Owners are entitled to 2 weeks usage in a similar property type FREE of charge per annum

# Marbella Buy-To-Let - Introduction

As the Marbella property rental market is thriving, and the demand for modern, quality properties far outweighs the supply, and combined with the vast interest from International property investors, we have created a new concept for this Marbella market...

**Marbella-Buy-To-Let.**



## Marbella BUY-TO-LET

Working with the coast's leading long term rental specialist, "**Marbellalongtermrent.com**" who rank no. 1 on Google, we collectively have the confidence, experience, client base and great track record in successfully matching property owners and high quality, qualified, rental clients together!

Through this privileged position we have the ability to create and structure deals to new property owners whereby we provide total piece of mind with bank guaranteed income and eliminate all the hassle of a typical buy-to-let investment.

We only sell properties that we know have a high rental demand and where the rental income meets our requirements in order for the bank to guarantee a specific amount.

Our ongoing Management costs are standard, and yet the service is second to none. All costs are totally transparent from day 1 and in addition to the bank guaranteed rental income; we pay your community fees on your behalf. Therefore you as the owner of the property are only liable to pay the annual property insurance, property tax (IBI) and rubbish collection tax (Basura).

## Marbella Buy-To-Let - Buying process and costs

As part of our concept we have packaged the deal whereby we provide the option of purchasing the property through a newly formed Spanish Limited company. This has its advantages, presents tax efficient benefits on acquisition and ongoing, however it does have associated costs.

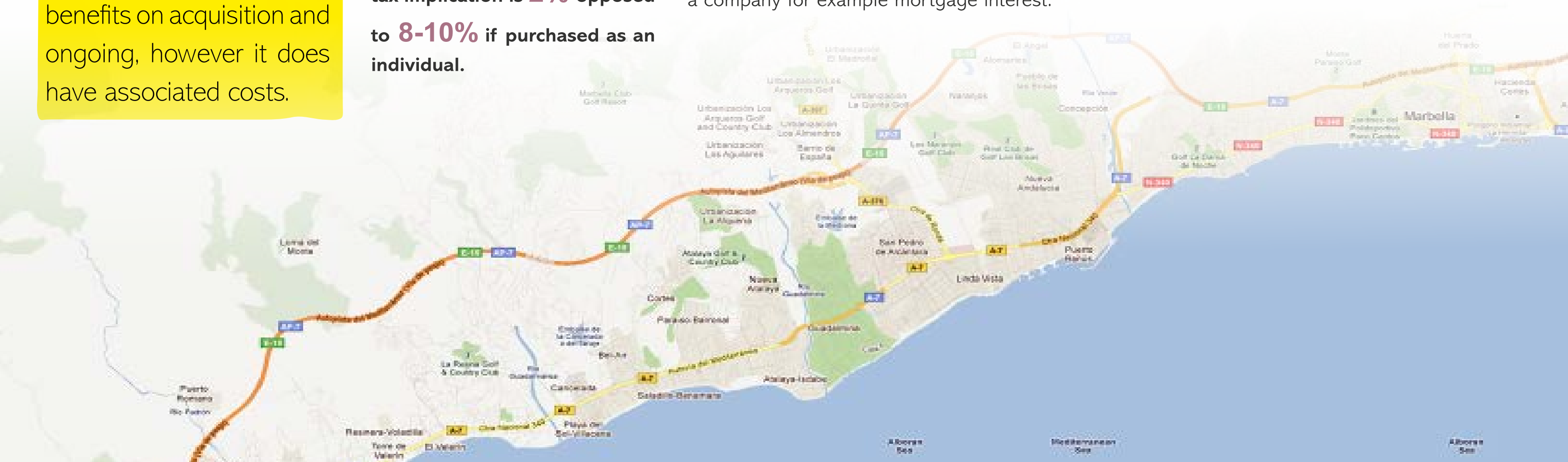
Our recommended accountants take care of everything from the initial company formation, submission of annual accounts and will be your dedicated fiscal advisor, all for a fixed, low annual fee.

The initial tax advantage is on the acquisition (IMT purchase tax) whereby if purchased through a company structure the tax implication is **2%** opposed to **8-10%** if purchased as an individual.

This scheme is aimed at property investors who buy and sell within a 5 year period which mitigates that extra tax. If however the property is not sold within 5 years, the current rules state that the tax difference will be due at that point.

**There are ongoing tax advantages whereby all costs can be tax deductible including the interest payments on mortgage repayments. At the end of the year all costs can be deducted from any income minimising profits and then the profit will be liable to corporation tax, charged at 15%-25%. (15% for the first 2 years).**

If the property is purchased as an individual then the individual is liable to income tax on the rental income at a rate of **19%-24%**. Some costs can be offset but not as many as if purchased through a company for example mortgage interest.



# Marbella Buy-To-Let - **The Financials**

## Let's get down to the figures

### A typical purchase example

A 2 bedroom apartment priced at **€230,000** and assuming a **85%** LTV mortgage...

15% deposit	€34,500
2% IMT – purchase tax:	€4,600
1% for registration / notary:	€1,948
1% + VAT legal fees: (estimation at 1% may be less)	€2,783
Company set up costs:	€1,500
Furniture pack:	€10,000
<b>TOTAL Cash Requirement:</b>	<b>€55,683</b>

**For UK buyers this is equivalent to just:**

**£46,443\*** for a turn-key ready  
property with bank guaranteed rental  
income and total piece of mind for 3 years!

\* (Exchange rate of €1 = 0.834 GBP as of 15/7/16 – please note rates change daily.)

# Marbella Buy-To-Let - **The Financials, Continued...**

## Annual Operation:

You will receive monthly rental income to the value of **4%** of the purchase price which is bank guaranteed. In addition to this we will pay your community fees on a quarterly basis or as and when they fall due and the tenant finder's fee each year.

<b>Income scenario:</b>	4% Bank Guarantee Rent Income:	€9,200
	Total income guaranteed:	€9,200
<b>'Paid' Annual Expenses:</b>	Community fees @ circa €170 p/m:	€2,040
	Tenant finder's fee (1 month rent):	€900
	<b>Total income and benefit to client:</b>	<b>€12,140</b>
<b>'Client' Annual Expenses:</b>	Mortgage repayments:	€7,818
	Management fees:	€920
	Property Insurance:	€300
	IBI tax & Basura tax:	€520
	Accountancy fees:	€1,500
	<b>TOTAL annual expenses:</b>	<b>€11,058</b>

\* (Exchange rate of €1 = 0.834 GBP as of 15/7/16 – please note rates change daily.

## Marbella Buy-To-Let - Investment Highlights

**21.8%**

Annual return on investment (Annual guaranteed rent + paid community fees + paid tenant finder's fee / total cash invested)

**5.3%**

Annual yield (Annual guaranteed rent + paid community fees / purchase price)

**4.5% NET**

annual yield after direct costs of Man fee, insurance and Annual IBI tax and Basura.

**-€154.84**

Monthly cash flow position based on 85% mortgage repaid over 30 years

# Marbella Buy-To-Let - Notes and Explanations:

An explanation of the bank guaranteed rental income and the costs that will be paid on behalf of the client by the Management Company.

**Bank guaranteed rental income:** This will be paid monthly in arrears into the client's bank account calculated at **4%** of the purchase price. For example with a price of **€230,000, 4%** would be **€9,200** per annum, therefore **€767** per month. In the event the Management Company does not make the payment, the bank guarantee would be called upon and the equivalent amount paid by the bank within 30 days.

## Community fees:

These will be paid on the client's behalf on a quarterly basis and/or when they become due. Only the standard community fee costs will be paid by the Management Company for a period of 3 years. Any additional community fee costs that may arise in the future will be the liability of the owner. The current community fee costs are indicated as being **€170+/-** per month.

## Tenant finder's fee:

Is equivalent to 1 month's rent and is usually the responsibility of the property owner to pay the relevant agency for finding a suitable tenant. This ongoing cost will be covered by the Management Company for the 3 year period.

An explanation of the ongoing costs that will be the responsibility of the property owner.

## Mortgage Repayments:

The annual projected mortgage costs based on 85% LTV mortgage with rates of 1.25% and repaid over a 30 year term. This is a guide and a more detailed evaluation can be calculated on an individual basis.

## Management fees:

A one-off annual fee payable to the Management Company to engage their services to act on the client's behalf to deal with everything. The fee is 10% of the annual rent guarantee which equates to **€920**. A Management Contract will be provided stipulating terms and conditions.

## Property Insurance:

A mandatory requirement by the bank that provides the mortgage and the standard policy is around **€300** per annum.

## IBI tax & Basura tax:

Local property taxes which vary depending on the municipality, the property type and size and value. IBI tax is similar to council tax and Basura Tax is refuse collection. Both combined taxes are around **€520** per annum and are usually due to be paid in September each year.

## Accountancy fees:

The annual fees payable to the recommended accountants and fiscal advisors for submitting all IVA returns and annual accounts and for filing any tax declarations. This fee is fully inclusive at an annual charge of **€1,500** + IVA.

# Presents . . . Marbella Buy-to-let

We trust that you have found this brochure interesting and informative and you feel confident about talking with a member of our team to discuss any questions that you may have and to view further information, availability lists, floor plans, package prices, closing costs, mortgage terms and anything else that you feel is relative. We are here to help and to ensure you are 100% happy with your experience of investing in this opportunity through PGI Marbella and our introducing partner agents!

Call: UK: +44 (0) 333 8000 008  
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