

## **Prickly Bay Waterside**

### **Guaranteed Rental Return Programme**

You can make 6% returns for an 18 month period

Prickly Bay Waterside Limited will guarantee that rental income on your property will give you a rental return of up to 6% per annum, for 18 months from completion. We will give you this guarantee for any period that you make the property available to us to use for short term rentals, such as holiday lets. The more notice you give us that you will not be using the property, the higher the rate of rental guarantee that we will give you.

#### **How long does the Guarantee run for?**

Your rental return guarantee starts from the date you tell us your property is ready to rent. This would normally be a few weeks after completion, to allow you to take ownership and to furnish your property.

#### **What if I want to use my accommodation myself?**

You tell us in advance which weeks you will not be using during the guarantee period. We will then place these weeks of availability into our systems.

If you have told us your property is available, then we will try and find people to rent it out to – for example on holiday lets. Once we have a booking with a third party, then that booking is firm. If, however, you decide at the last minute that you wish to come, and your accommodation is not previously booked, then you can use it freely. We would then remove those weeks from the time your property was available to us to rent.

#### **How does the guarantee work in detail?**

In order for us to know we can rent out, you would need to tell us in advance when your property is available for rent. The more notice that you give us, the greater the chance of us being able to rent it and therefore the higher the rental income that we will guarantee. If you give us 6 months notice of availability, we will pay you 6%, 5 months gives 5%, 4 months give 4% and the minimum of 3 months gives 3% payment to you.

On the initial entry of your property into the rental pool, we will put you on the top band of guarantee at 6% straightaway. This will only happen for the initial entry into the rental pool.

The guaranteed return is based on the final basic purchase price of your property (excluding legal costs, land taxes etc).

The amount we owe you will be calculated at the end of each half year.

#### **How do I calculate how much I am owed?**

Let us assume that your property is purchased for USD 1,000,000 and it is ready to rent in January 2006. Let's also assume that you wish to use it in January and August in 2006 and also in February 2007 and you tell this to us up front in January 2006.

We would have your property available for 10 months in 2006 and 5 months in 2007 – all paid at a 6% per annum pro rata rate. We would therefore pay you, over the two years a total of

USD 1,000,000 x 6%/12 x 15 months = USD 75,000

**What involvement do I need to have managing tenants/users of my property?**

None, this is all down to us to manage and control. Before and after each stay we will conduct an inventory of each accommodation and its contents. Any losses and breakages (other than reasonable wear and tear) would be charged to the holidaymaker/user. You will not be charged for these services out of your guaranteed return.

**What about insurance?**

The properties will be covered by the central insurance policies for the development. You will need cover for your possessions in any case. We will cover the costs of increasing either of these insurances to cover commercial renting out. Your 6% return is guaranteed, after all of these fees have been deducted.

**What will happen in 18 months?**

We intend to continue to run a scheme allowing residents to rent out unused availability in their properties, and will develop details in due course. It is highly unlikely that this new scheme will give a guaranteed return. We will discuss details of this with you at an appropriate time, giving you clear information of the options available to you, along with our estimates of their costs and benefits.

**Who is giving the Guarantee?**

Prickly Bay Waterside Limited, the developer (and management company)

**Is the Guarantee transferable if I decide to sell my house/condo?**

Yes it is transferable to a new owner, with no change to its terms and conditions. Please note that it would still expire on the 18 month anniversary of when the house was first purchased from new.