

Fractional Ownership

FAQ's for Purchasers

Q What is Fractional Ownership?

A Fractional Ownership is the shared ownership of the freehold, or “bricks and mortar” of a property, that allows a division of unconnected people the ownership of a property, into shares.

Q But isn't this just Time Share?

A **No it is not.** Time Share is ownership that involves the acquisition of a specific period of time in a vacation home or resort. The key difference between Time Share and Fractional Ownership is that with Time Share only “time” is purchased and with Fractional Ownership you purchase occupation rights based on freehold ownership, so you actually own an asset that may increase in value, may be sold and may be passed on to future generations. The media have exhaustively investigated every aspect of Time Share and the residual impression is not good for the property market. It is important that we actively maintain in our discussions with you and your advisers, the difference between Time Share and Fractional Ownership.

Q So how does it work?

A Each property is owned by a UK company, so the company holds legal title to the property. When you buy, for example, a quarter of the property, you are actually buying a quarter of the company. Incorporating a company specifically to own a property is common practice all over the world.



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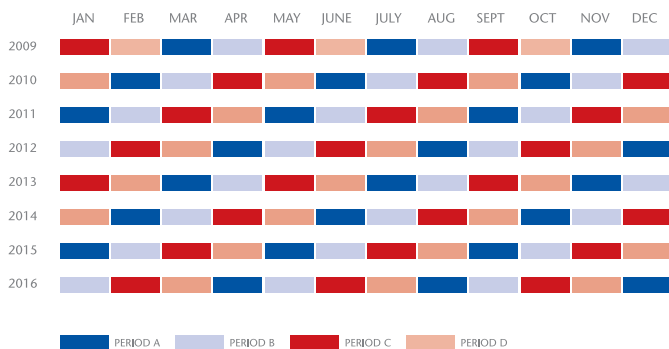
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Q How does the occupancy work for each buyer?

A The purchase entitles you to use the property for a designated period of time every year on a rotating basis in accordance with the chart. Below is an example of a quarter share chart. Each owner will be able to spend time in their property during every season of the year, so after 4 years you will have had use of the property for a full year including one stay at Christmas.

Furthermore, Fractional Ownership is an extremely cost efficient method of purchasing a holiday home. Research has shown that on average, owners occupy their holiday property for a maximum of 8 weeks per annum, therefore by opting for Fractional Ownership you are paying only a fraction of what it would cost to purchase a property outright.

Usage periods for each owner over an 8 year period



Q So do I need to share my property with 3 other people that I already know?

A Fractional Ownership enables unconnected individuals to share ownership of the freehold of a property. All new owners are required to complete a Due Diligence Questionnaire and provide certain verification documents. The questionnaire seeks to verify that the individual completing it has not committed criminal offences and has not been bankrupt. This should offer you peace of mind that your co-owners are reliable individuals. Furthermore, the fractional sales contract is a highly comprehensive document containing numerous clauses that have been put in place to protect you from every conceivable eventuality which may cause conflict between you and your co-owners.

Q Will I have the opportunity to meet the other owners?

A There really is no need to know or meet your co-owners, as everything can be managed through the property management company. However, if all owners wish to do so, then this can be arranged.

Q Can I purchase several fractions?

A Yes. You may buy as many fractions as you want. In the case of a quarter share, some purchasers may prefer 2 fractions to enable them to use the property 6 months of the year. Also as resources become available over time, they may wish to increase their holdings.



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Q Can a fraction be sold at any time?

A Should you wish to sell your fraction, there is a simple procedure for resale which incurs minimal expense, particularly when compared to an outright sale which would incur substantial legal fees and expenses.

The fraction may be sold at any time at a current realistic market value return. Owners are obliged to offer their fraction to the other owners at the current market value agreed sales price before they can place it on the open market. There is a clear procedure in place for this that the Contracts Department will manage and a nominal fee is payable.



Q Can I rent out the property when I cannot use my allocated time?

A There is the opportunity to rent out the balance either to friends, family or co-owners, these and other rentals may be arranged through the Developer's Management Company.

Q How much does a fractional property cost to purchase?

A The cost will depend on the property you decide to purchase; however, the starting price for an apartment on the golf course, fully furnished, with club house and communal swimming pool, is 79,000 Euros which includes all costs.

Q What are the payment terms?

A As our properties are already completed you simply pick your property and your preferred fraction and pay a 6000 Euro deposit, and complete within about a 4 week period, you can either pay 100% of the purchase price, or take advantage of the mortgage facility offered.



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Q Are your legal teams experienced in Fractional Ownership?

A Yes, our professional partners, the Fractional Ownership Consultancy, have over 7 years experience of fractional ownership.

Q Why are fractional homes furnished?

A As there is more than one owner to a house the house has to be sold with everything that an owner would require. We will provide you with an inventory of furnishings and accessories.

Q Why does the property have to be managed?

A As there are four owners to the property a structure has to be in place to manage all the aspects of the house for them. The owners will expect the property to be looked after and cleaned prior to their use.

Q Are there any rules and regulations in place on the property?

A Yes, there is a full set of Rules and Regulations which will form part of the main sales contract and will cover, for example, maximum occupancy rules (to ensure that wear and tear on the property and its contents is fair to all owners) and details of the sinking fund which is in place and needs to be contributed to by all co-owners to generate a fund for repair and replacement of items within the property.

The Memorandum and Articles of Association of the company that owns the property deals with the more formal elements of control.

Q Is it possible to view the exact property before I decide to purchase?

A Yes it is, please contact your agent, who will help you to make the viewing trip arrangements.