Student Residence –Les Académies Paris/Vincennes

LEASEBACK – Up to 4.9% NET return

Situated in Vincennes, bordering Paris and the Vincennes Park, the residence "Les Academies" is composed of 136 apartments in a 5-storey building.

The Residence is ideally located 15 minutes from Paris Centre, in a newly built area composed of elegant residential buildings, pedestrian and cycle paths, shops and schools. The residence is adjacent to a gymnasium and a swimming-pool.

The residence will provide self catering accommodation with services to suit the student community.

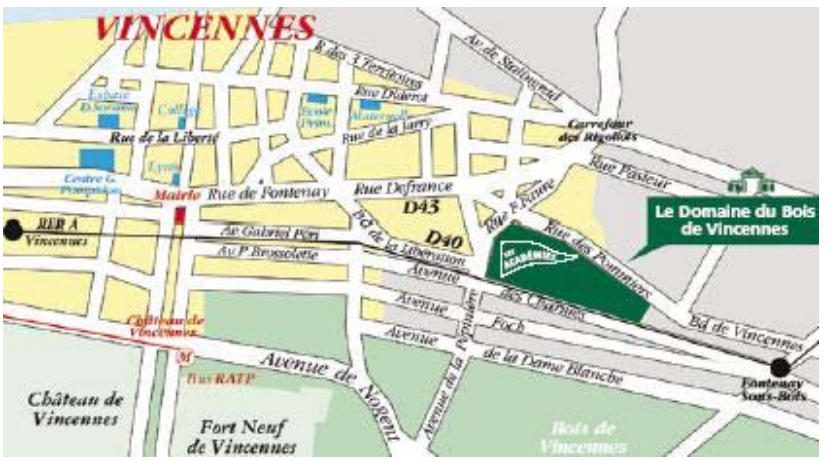
Services will include:

- Reception
- Breakfast service
- Cleaning & linen service

Special Investment

Typical Entrance Hall

Typical Apartment



Area map

Residence across the road by the same developer.

Accessibility

In terms of access, the RER A station is situated 5 minutes walk from the residence and the metro Line 1 station 10 minutes walk. The Paris' ring road (Bd Périphérique) is also close by.

Line 1 - Station 'Chateau de vincennes'

Line A - Station 'Fontenay sous-bois'

The Vincennes Park (Le bois de Vincennes)

The Bois de Vincennes is easy to get to and has illustrious origins. It was landscaped under Napoléon III, although a park had already been created here by Louis XV in 1731. The park has several lakes, notably Lac Daumesnil, with two islands and Lac des Minimes. Rowboats can be hired at both. In addition, the park contains a zoo, a tribal-art museum, the Hippodrome de Vincennes (a cinder-track racecourse), a castle, a flower garden, and several cafés. In spring there's an amusement park, the Foire du Trone. The woods suffered severe damage in the hurricane that hit Paris in 1999, and although new trees have been planted, it will take the woods a few decades to return to their full sylvan glory. The historic Château de Vincennes is on the northern edge of the Bois de Vincennes. Built in the 15th century by various French kings, the castle is France's medieval Versailles. It is an imposing, high-walled castle surrounded by a dry moat and dominated by a 170-ft keep. The sprawling castle grounds also contain a modest replica (built 1379-1552) of the Sainte-Chapelle on the Ile de la Cité and two elegant, classical wings designed by Louis Le Vau in the mid-17th century

Vincennes castle (Le Chateau de Vincennes)

Facts

- 11 year lease with guaranteed and index linked rental income
- **Up to 4.9 % net guaranteed annual return**
- Recovery of VAT from purchasing price (19.6%)
- Completion date : 3rd Quarter 2008
- Adjacent to the Vincennes park
- RER and metro stations close by provide direct access to the center of Paris in 15 minutes

Price Guideline

Apartment Type	Price (VAT excl.) Furniture incl.	Average surface area	Comments
Studio	From € 92 K	21 Sqm	Furniture Included

Capital Appreciation for apartments in Vincennes

- + 12.1 % in 2005
- + 12.5 % yearly average over the last 5 years

Source – FNAIM (French Federation of Estate Agents)

Payment Schedule

Apartment & Parking

		Total
5 %	Deposit at reservation stage	5 %
25 %	Start of the building works	30 %
5 %	Completion of the foundations	35%
25 %	Completion of the first floor (lower floor)	60 %
10 %	Roof fitted	70 %
15 %	Windows and doors fitted	85 %
10 %	Works completion	95 %
5 %	Delivery	100 %

Furniture		Total
100 %	Signature of the title deed or power of attorney	100 %

The installments are calculated on the VAT included price. The VAT will be recovered by your accountant in France (COFIC) on a quarterly basis. In other words, the VAT paid within a quarter is clamed back at the end of the quarter. The quarterly refunds will transit through the French Notary's office.

Annual costs & taxes

- **Land & property tax *(Taxe foncière)***

  This tax is applicable to the property owner whether the property is leased or not. This estimated annual tax for the Residence is:

  - For a studio apartment: € 380 / year

- **Running costs**

  All running costs are covered by the management company however a part of the co-ownership syndicate costs remain payable by the owner. These costs are estimated at € 1/ Sqm / year.

- **Accountant costs**

  In order to manage your accounts and represent you before the French tax office, it is recommended that you take an accountant in France. The accountant firm COFIC is proposed by Key To France and the developer. COFIC will manage your accounts and do your tax returns in France. The accountant fees for 2005 are €214 / year for the first apartment and €70/year for the subsequent apartments.

Costs associated with the buying process

- **Legal fees**

  - For this property the legal fees, mainly composed of the Notary fees & stamp duty will be approximately of 2.5 to 3% the property price.

  - When a French mortgage is required to finance the property, a 2 to 3 % mortgage registration fee applies as well.

- **Other costs**

  - When taking a mortgage in France, the lending institution will charge a mortgage arrangement fee of 1% of the mortgage required.

  - If you choose to sign a power of attorney in Ireland rather than traveling to France to sign before the designated notary, the Irish Notary Public will charge a fee of €80.

Financing

For non residents, up to 80% mortgage for up to 25 years can be arranged with Crédit Foncier, the financial Institution we have partnered with. Crédit Foncier is a leading French financial institution which meets investors' expectations with a wide range of highly specific and original solutions.

The Developer

Bouygues Immobilier is the Bouygues group's property development company. The Bouygues Group started with the Francis Bouygues company in 1956. Today, the group employs 115 000 people in 80 countries; 97 000 of them are employed in real estate construction and sales. Bouygues Immobilier had a turnover of € 1.5 billion in 2005. In 2003 Bouygues Immobilier was granted ISO 9001 Certification.

The residential properties developed by Bouygues Immobilier range from 15-unit apartment buildings and village communities of single-family houses to complex, large-scale projects with hundreds of units: more than 45,000 homes were built by Bouygues between 1991 and 2001.
http://www.bouygues.fr/us/index.asp

The Operator

The Reside Etudes Group, established in 1989, combines Property Development with Property Management. Initially the Group focused essentially in developing and managing Student Residences then it diversified in three main areas.

1. Development and Management of Furnished accommodations
   - Student Residences - Les Estudines
   - Business & Tourism Residence - Residhome
   - SPA Residences - Relais SPA

2. Development of Buy to Let Residential Property – Les Activales

3. Development of classic Residential Property – Domaine de Charme

In 2007, the Reside-Etudes Group will have:

- 70 residences developed in France
- 15 000 apartments under its management
- 12 000 owners / investors

http://www.reside-etudes.fr

The buying process

- **Step 1 – Signing of the preliminary contract**
  Once you have chosen an apartment we will ask you, within 7 days, to sign a preliminary sales contract as well as all the annexed documents (property description, apartment plans, general site plan, etc…). At that stage you will be required to transfer the 5% refundable deposit to the Notary's account or to a secure regulated account. The documents will be sent to the developer to be countersigned.

- **Step 2 – The cooling off period**
  The countersigned documents will then be sent back to you by registered post. Upon receipt, French law allows for a 7 day retraction period (cooling off period) where you, as the buyer, can stop the purchase process and be refunded of your deposit.

- **Step 3 – Financing**
  If required, the mortgage and current account in France should be applied for as soon as the preliminary contract is signed. When meeting for the signature of the reservation contract, we will ask you whether you wish to finance your property with a French mortgage. If it is the case we will provide you with the process to be followed.

- **Step 4 – Signing of the title deeds or power of attorney**
  Signing of the deeds can be done before the notary in France. In general, Irish investors sign a power of attorney before a Notary Public in Ireland allowing the French notary to sign the deeds on their behalf.

  On average, it takes six months to complete steps 1-4

Disclaimer

Every effort has been made to offer information that is current, correct and clearly expressed. The information in this summary is intended to be no more than a general overview of the position and certain details have been deliberately omitted. The contents of this document should not be taken as an authoritative statement. Neither the author nor the publisher are responsible for the results of actions taken on the basis of information contained in this summary, nor for any errors or omissions. This text is not intended to render legal, accounting or tax advice. Readers are encouraged to seek professional advice concerning specific matters before making any decision.