

FFP LITE

This is our latest product: a hands-off programme with a return paid monthly.

THE BACKGROUND

In the course of our property-purchasing activity, we often hear from people who want to sell their houses to pay off their debts. In many cases, however, they have loans secured against the property so the amount they need is more than we can pay within our strict purchasing model. This is unfortunate as often the properties are attractive to us as long-term investments, and we would like to help the vendors out if we could before they might be forced into more drastic measures or be repossessed.

Sometimes an input of as little as £10,000 to £15,000 is the difference between a deal working or not ... if there were a way to find this.

Now there is!

Vendors are sometimes prepared to sell at a level that just clears both their mortgage and secured loans, provided other parts of their lives can be brought back onto an even keel. By doing our sums correctly and purchasing well, we will be in a position where the rent should produce a surplus. We're happy for our partners to benefit from some of this on a monthly basis.

HOW IT WORKS

1. We identify a property which we can buy with a specified additional input, e.g. £10,000.
2. Our partner (could be you) provides this and we make the purchase.
3. The monthly rent comes in and we send you a portion every month.
4. You have a steady monthly income, giving an excellent return on your £10,000.
5. As we hold property long-term, you can keep on receiving this level of return for as long as you choose.

And there's more: when the property's value has grown sufficiently, a few years down the track, we can re-finance or sell it. We'll share the profit with you by giving you a pro rata % of the capital growth. This investment is completely hands-off for you and you've helped someone out of trouble.

This is a way to benefit from the Financial Freedom Programme without taking on any mortgages.

Interested? E-mail info@giroma.co.uk or phone 01989 750 306 and ask for Rob or Bruce.





HOW MUCH CAN I MAKE?

Good question! The size of your return will depend on the rental income each property generates. As in the FFP, you need to take account of the longer-term equity growth as well as the month-by-month returns. Monthly you are looking at something between 3-10% depending on the property. Because we're buying at a discount there will be equity in the property from Day One, ranging from 20-35%.

For example, consider a property valued now at £125k. We purchase it at £100,000, you contribute £10k: 10% of the property purchase price. Upon purchase completion your share of the gross property value jumps to £12,500: 10% of £125,000.

You will gain around £65-£70 per month from the rental income the property generates. Even with one month void per year that gives a 7.7% return on your investment.

The capital gain would work as follows. Initially your share of the property is £12,500: an immediate gain of 25%. At the point where the property has increased by 50% to £187,500, your share is worth £18,750. The addition of £8,750 to your initial £10k input would be 87.5%, roughly 12.5% per annum if this gain in value were to take 7 years. Add this to the annual gain from the rent and you gain around 20% per annum.

The rent will increase over time, so your monthly return improves over the years.

DETAILS

You have a percentage interest in the property – typically 10%. This is based on the amount we pay for the property rather than the market value. Your interest is noted and secured by way of a Deed of Trust document. Giroma will pay 90% of the purchase costs and hold the Title Deeds to the property.

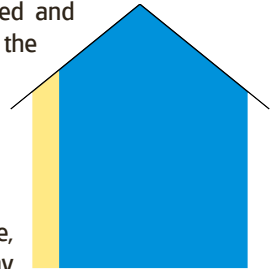
You will receive monthly payments every month that rent is collected. (Remember, we have a 90% interest in the property so we have a strong incentive to manage and care for it well!)

Giroma will care for routine maintenance including annual boiler service, gas safety check etc. You will have a 10% share of the expense of any major repairs beyond that if they are not covered by the Buildings Insurance.

As market conditions change, we will assess the value of the property and may suggest ways to extract some of the capital gain from time to time.

This is an income-producing investment that you can keep for the rest of your life if you wish. And it is flexible. For instance, you could:

- sell your share to us or another investor if you no longer want it
- hold the property longer-term as an income source (with possibility to re-mortgage if conditions are right in the future)
- sell the property in agreement with us and take the capital gain



Interested? E-mail info@giroma.co.uk or phone 01989 750 306 and ask for Rob or Bruce.