

WELCOME

A Happy New Year to all our readers! We hope you will prosper in every way in 2010. Giroma is entering its seventh year of operation on a distinctly optimistic note. Although there are plenty of challenges facing us all in the current economic climate, our team finds it more fruitful to concentrate on solutions than on problems. The human mind is wonderfully agile, able to overcome all sorts of difficulties.

We're launching an exciting new syndicate in this newsletter. The objective is to raise funds so that suitable development projects can get off the ground now that so many conventional lenders are timid, to say the least. Our regular readers will know that we specialise in creating win-win solutions to suit the market as we see it. Co-operative endeavour with like-minded people is what we're all about.

In order to help you find your way around this edition, we've made some changes to the format of this page. Now you can see all our topics at a glance and decide what to read first. If you have questions that are not answered by the newsletter, please visit our website: www.giroma.co.uk Alternatively, if you don't have easy access to the internet, please contact the office by letter, phone or fax.

Giroma has built up a strong base of supporters over the past six years. If you're one of them, we'd like to thank you for helping us to come this far. If you're new to our work, we hope this brief introduction will whet your appetite for more.

CYNONVILLE

The appeal hearing was held on the 7th January at the Neath Port Talbot Council offices. It was an interesting event involving reptiles and tapering villages. (See page 3)

PLOVDIV, BULGARIA

Our Bulgarian partner met all four of us directors on his latest business trip to the UK. We had a fruitful and informative discussion. (See page 4)

BLAKENEY

In spite of inclement weather, work is proceeding on this in-fill development. (See page 4)

INSIDE

FFP LITE

There's been strong interest in the Lite version of our Financial Freedom Programme. The benefits are outstanding, as you can see on page 3 and in the enclosed leaflet.

DEVELOPMENT SYNDICATE



We're inviting interested individuals to pool resources with us to acquire and develop property for mutual advantage. See page 2 and the enclosed postcard for further information.

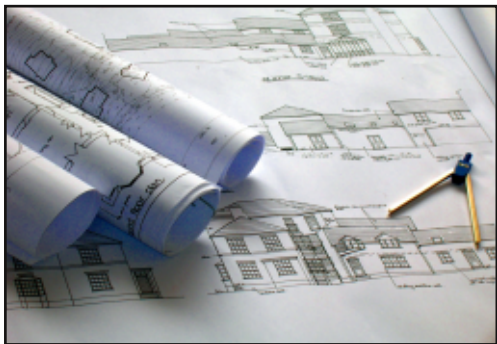
NEW DEVELOPMENT SYNDICATE

In our office we have a small poster showing a little clump of flowers growing between the cobblestones of a city street above the following caption:

"Growth can happen anywhere.
You just have to know where to look."

The idea of growth is not always associated with recessions or crises, but a half-empty glass contains as much as a half-full one so ... often it's a question of attitude and perspective.

In our experience, many components of a solid business plan are the same in good or difficult times. Good times simply are more forgiving of bad plans, but they're still bad plans. (We're resisting a political or banking jibe here!) One unfortunate reality that has become obvious over the last year is that many of our financial institutions lost the ability to tell the difference between good and bad business plans, and now they're in such a mess they are afraid to touch anything at all.



The result is that some good solid (no pun intended) construction projects are stalled needing funding and, sometimes, a little management help to be completed. We're looking at these and applying the same rigour we use with our own planning and decision-making, and if they stand up we see them as opportunities. We would not have had access

to these projects in "good" times as the banks and lenders would have been throwing money at the developers and they would have been keeping all the profits. The situation has changed and significant shares of the proceeds are available to anyone who can pick up the pieces.



We've said it before, the current recession has nothing to do with a drop in demand for good housing and the backlog is stacking up. Where Giroma can find solutions for struggling developers, our partners can share a slice of the success through our New Property Development Syndicate scheme.

Here is an outline of one project which will be ready to go by April/May this year. It's a small development site where we can build 12 apartments in a suburb close to a large teaching hospital in Wales. There's a demonstrable rental demand in this area and the units will appeal to investors (including Giroma itself and some in our Share a Deal scheme), as well as first-time buyers. These feasible exits mean those interested in part-funding the development stand to make a strong return within 18 months.

The New Development Syndicate is suitable for experienced people who understand the risks and the potential for profit.

Please see the enclosed postcard for information about joining.

FFP LITE REPORT

The opportunity to buy a stake in an income-producing property has certainly tickled many people's fancy! And well it should. The advantages to the stake-holder are clear: a solid monthly return and a share in an asset that is likely to appreciate well over the years. But rather than go on about why we think the FFP Lite is such a good programme, we thought we'd share the thoughts of some of the people who've joined.

Mr A (not his real name) is looking forward to retirement in a few years. He reckons that in seven or eight years he'll be just about ready for a bit of extra cash, and he thinks the UK property market will have recovered well by then. His 10% share in an FFP Lite property, currently valued at £11,000, could be worth £20,000 or more by then. Meanwhile he's enjoying the monthly income.

Miss B (not her real name either, surprisingly) has taken a stake in two properties – one for each of her children. She enjoys the monthly income now and the children will benefit from the capital growth in the future. She thinks



this is a good deal, and we agree!

Others have joined to supplement their pensions, to create an on-going and long-term solution to their lifestyle needs, or simply to make their hard-earned money grow so they can enjoy a perpetual stream of income that is based on fulfilling other people's basic need for housing.

We're all in favour of people taking a proactive approach towards personal financial freedom and say "Well done!" to those who've made a positive start.



tapered transition from village to countryside, speed limits and traffic control, the comparative density of urban and village development and whether or not new houses really need to have nesting boxes attached to them when they are surrounded by large stands of trees.

We re-convened on site and trudged through the snow so our man from the Welsh Assembly could get a better view of the scope of the project.

Altogether it was an instructive day. We had agreement on the access point, but the arbitrator will deliberate for a few weeks on the appropriate density of housing. Neither we nor our

CYNONVILLE - APPEAL HEARING

There were seven in the meeting: three from the local authority, one adjudicator, two of us from Giroma, and our planning consultant. During the introductions we sized each other up: who would be our most contentious opponent: the Highways Authority or the Planning Officers? What approach would the arbitrator take?

After an hour and a half we adjourned. We'd discussed reptile surveys, the notion of a

planning consultant can guess what that decision will be. So the drama continues!

PLOVDIV, BULGARIA

Land for development

We drove up to Nottinghamshire to meet our Bulgarian partner during his recent UK trip. With the effects of the global credit crunch now extending into Eastern Europe, we agreed that now is not the time to commence development on our land. Instead we'll continue to monitor the situation so that we can proceed as soon as the local economic conditions warrant it. We also agreed to schedule a visit to Plovdiv at a mutually convenient time in the first half of 2010.

BLAKENEY

In-fill development: 3-bedroom terrace

The builders have made great progress on our Blakeney site over the last few months, even though the weather has been most unco-operative. It's exciting to see this new home taking shape in the side garden of



Above: The Blakeney Project

what used to be the end-terrace property.

Our addition is really very modest, adding a fourth dwelling to the existing row of three. However, it will provide comfortable accommodation for a family in this area of outstanding natural beauty.

We're confident about finding good tenants as soon as the property is ready to be occupied. We often hear from people who know one or more of our current tenants and are looking for a home to rent themselves.

YOUR TURN

If you know anyone who might be interested in our work, please encourage them to get in touch. Perhaps you could give them this newsletter when you've finished with it.

They'd be welcome to browse our website, register for one or more of our programmes, or contact us personally. We welcome enquiries at any time by e-mail, post and fax, and during UK business hours by phone. We enjoy talking to like-minded people and will do our best to answer their questions. Meetings can be arranged on request.

NEXT EDITION

Our spring newsletter will be out in April 2010. For news and information before then, please visit the website.

Thank you for your continued interest in Giroma.

QUOTE OF THE QUARTER

Imagination is more important than knowledge. For while knowledge defines all we currently know and understand, imagination points to all we might yet discover and create.

(Albert Einstein)

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WOULD YOU LIKE A MONTHLY INCOME FROM UK PROPERTY WITHOUT TAKING ON A MORTGAGE?

Consider the Lite version of Giroma's Financial Freedom Programme

FFP Lite gives you:

- an armchair investment with a return paid monthly
- a steady, reliable, long-term income
- a chance to buy into the UK property market at an attractive level (£2,000+)
- no mortgage
- easy payment options: credit card, cheque, electronic transfer or monthly DD (from £500)

THE BACKGROUND

Giroma frequently hears from people who are struggling to sell their houses in the current market. Often the properties are such bargains that they appeal with their short-term profits as well as making good long-term investments. Sometimes we can even help vendors before they might be forced into more drastic measures.



Some are willing to sell just to clear their mortgage and loans, if other parts of their lives can be stabilised. Others just want to move on to new things and not be held back by an unsold property. By buying well, we ensure that the rent will produce a surplus. We're happy to share this with our partners every month.

HOW DOES IT WORK?

- 1 You buy into a small proportion (2-15%) of the property.
- 2 You have a legal document detailing your ownership share.
- 3 Every month you receive a payment benchmarked at 7% pa return on your input funds.
- 4 When the property achieves a level of capital growth you can take an additional lump payment.
- 5 As we hold property long-term, you can receive this level of return for as long as you like. You can even include your share in your estate and leave it for future generations.

SHOW ME AN EXAMPLE OF ONE OF YOUR PROPERTIES



Your Percentage Share	10%	5%	2%
Monthly Return	£81.67	£40.83	£16.33
Annual ROI (Rental)	7.00%	7.00%	7.00%
Your Share of Growth	10%	5%	2%
Buy-in Cost	£14,000	£7,000	£2,800
Discounted Buy-in Value	£140,000		
Property Value	£162,000		

For availability and more information, go to www.giroma.co.uk/ffplite or call **01989 750306** and talk to **Rob** or **Bruce**

HOW DO I MAKE MONEY?

You'll receive 7% pa, based on rent from the property. You'll also share in the property's long-term capital growth. Together this means an average return of 20% or more pa. And because we're buying at a discount you have a head start from Day One.

WHAT DO I ACTUALLY OWN?

You own possessory rights to a percentage (typically 2-15%) of the property, based on a discounted value.

WHO COVERS THE RUNNING COSTS?

Giroma will insure, manage and maintain the property. You will pay your percentage share of any repairs over £1,500 that are not covered by the Buildings Insurance.

WHAT IF THE TENANT LEAVES?

We'll still pay your monthly return.

WHEN DO I GET THE LUMP SUM PAYMENTS?

As the market changes we will assess the property's value and suggest ways to extract some of the capital gain from time to time. You might want to time this to make best use of your annual CGT allowance.

WHAT IF I WANT TO SELL MY SHARE OF THE PROPERTY?

You can offer to sell your share back to us or to another investor.



SHOW ME AN EXAMPLE

Take a £125,000 property, bought for £100,000.

You put in £10,000 for a 10% share - worth £12,500.

You receive monthly payments of **£58.33 (£700 pa = 7%)**, supported by the rent.

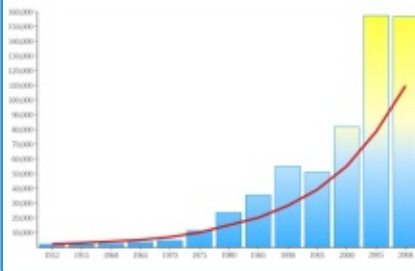
From time to time, you get a lump sum payment based on the property's value.

When the value increases by 55%, **your share is worth £19,375.**

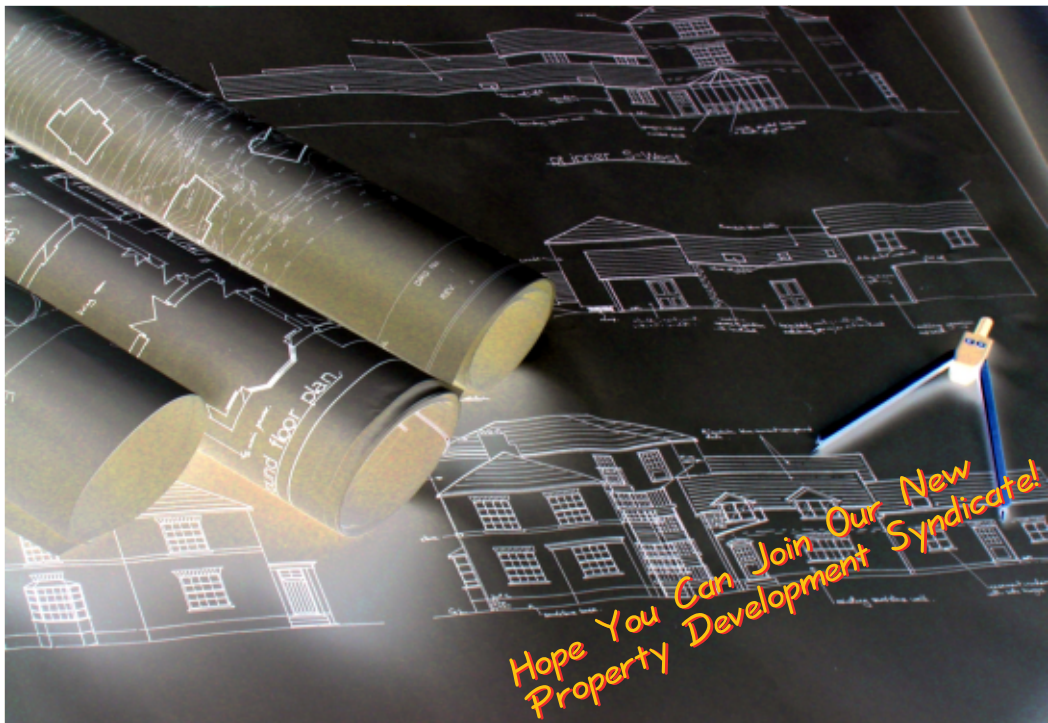
If this takes 7 years, adding £9,375 to your initial £10,000 input gives **93.75% ≈ 13.39% pa.**

Combine this with your annual 7% gain from the rent and **you've made around 20% pa.**

The red line below projects a 7% pa growth in property values - conservatively below the actual average growth of 8.55% pa over the last 50 years. The bars show actual property values between 1952 and 2008.



For more information and availability, go to **www.giroma.co.uk/ffplite** or call **01989 750306** and talk to **Rob or Bruce**



Hope You Can Join Our New
Property Development Syndicate!



WOULD YOU
LIKE TO
FACILITATE NEW
PROJECTS FOR
MUTUAL GAIN?

We've come across a couple of good development opportunities that are ready to proceed as soon as the funds are in place. However, there is a notable reticence among lenders. This is placing a squeeze on the people who want to take these opportunities forward. Conditions are therefore ripe for private individuals to pool their resources and profit together from the proceeds.

Are you interested in joining such a group?
If you would like more information, e-mail info@giroma.co.uk or phone **01989 750 306** and ask for Rob or Bruce.