

SHORT TERM vs LONG TERM RENTAL ANALYSIS

PROPERTY OF REFERENCE: 2 BEDROOMS APARTMENT · PRICE: 350.000€

I. SHORT TERM RENTAL

ADR (AVAILABLE DALIY RATE x DAY) COMPARATIVE ANALYSIS

| APARTMENTS ANALYZED | ADR x DAY | | | | | | | | | | | | ADR AVERAGE IN THE YEAR |
|-------------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------------|-------------------------|
| | JAN-20 | FEB-20 | MAR-20 | APR-20 | MAY-20 | JUN-20 | JUL-20 | AUG-20 | SEP-20 | OCT-20 | NOV-20 | DEC-20 | |
| EL CAMPANARIO | 118 € | 118 € | 118 € | 141 € | 141 € | 206 € | 231 € | 231 € | 198 € | 178 € | 178 € | 156 € | 168 € |
| LAS TERRAZAS DE ATALAYA | 145 € | 145 € | 145 € | 221 € | 224 € | 219 € | 296 € | 296 € | 180 € | 156 € | 164 € | 145 € | 195 € |
| HORIZON BEACH | 166 € | 171 € | 171 € | 182 € | 182 € | 182 € | 239 € | 239 € | 197 € | 177 € | 171 € | 171 € | 187 € |
| VALLE ROMANO | 89 € | 89 € | 127 € | 127 € | 127 € | 207 € | 214 € | 246 € | 133 € | 129 € | 127 € | 127 € | 145 € |
| ALCAZABA LAGOON | 175 € | 175 € | 175 € | 190 € | 220 € | 220 € | 183 € | 198 € | 220 € | 175 € | 175 € | 175 € | 190 € |
| ALCAZABA BEACH | 191 € | 266 € | 241 € | 241 € | 241 € | 275 € | 275 € | 325 € | 266 € | 191 € | 191 € | 191 € | 241 € |
| CORTUO DEL MAR RESORT | 117 € | 117 € | 105 € | 117 € | 114 € | 158 € | 162 € | 162 € | 144 € | 144 € | 144 € | 117 € | 133 € |
| | | | | | | | | | | | | ADR x DAY 180 € | |

Source: BOOKING

OCCUPANCY RATE x MONTH ANALYSIS

| JAN-20 | FEB-20 | MAR-20 | APR-20 | MAY-20 | JUN-20 | JUL-20 | AUG-20 | SEP-20 | OCT-20 | NOV-20 | DEC-20 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------------------|
| 10% | 10% | 30% | 40% | 50% | 75% | 90% | 100% | 75% | 60% | 50% | 30% |
| | | | | | | | | | | | X YEARLY AVERAGE 51,6% |

| | |
|---|----------|
| ADR | 180 € |
| OCCUPANCY RATE | 51,60% |
| DAYS OCCUPIED | 188 |
| GROSS REVENUES x YEAR | 33.840 € |
| MANAGEMENT EXPENSES (25%) x YEAR | 8.460 € |
| NET REVENUES x YEAR taxes NOT included | 25.380 € |
| NET REVENUES x MONTH taxes NOT included | 2.115 € |
| RATE OF RETURN x YEAR 7,25% | |

Before taxes

II. LONG TERM RENTAL

| APARTMENTS ANALYZED | BEDROOMS | FLOOR | PRICE x MONTH |
|---|----------|--------|------------------------|
| ATALAYA-ISDABE | 2 | ground | 1.100 € |
| KEMPINSKY HTL | 2 | 1st | 2.200 € |
| LAS TERRAZAS DE ATALAYA | 2 | 1st | 2.100 € |
| CARTUJA DEL GOLF | 2 | ground | 1.100 € |
| CANCELADA AREA | 2 | 1st | 1.700 € |
| LA ALQUERIA | 2 | ground | 1.400 € |
| PARAISO-BARRONAL | 2 | ground | 1.200 € |
| EL CAMPANARIO | 3 | ground | 1.500 € |
| HACIENDA DEL SOL | 2 | ground | 1.500 € |
| BENAMARA | 2 | 1st | 1.200 € |
| This is the average of an old apartment | | | x MONTH 1.500 € |

Source: IDEALISTA & FOTOCASA

| | |
|---|----------|
| RENTAL X MONTH PROPOSED | 1.700 € |
| GROSS REVENUES x YEAR | 20.400 € |
| EXPENSES COMMISSION FOR RENTING=1 MONTH | 1.700 |
| NET REVENUES x YEAR taxes NOT included | 18.700 € |
| NER REVENUES x MONTH taxes NOT included | 1.558 € |
| RATE OF RETURN x YEAR 5,34% | |

Before taxes

III. SHORT TERM vs LONG TERM

| | LONG TERM RENTAL | SHORT TERM RENTAL | DIFFERENCE |
|--|------------------|-------------------|--------------|
| GROSS REVENUES x YEAR | 20.400 € | 33.840 € | 13.440 € |
| EXPENSES | 1.700 € | 8.460 € | 6.760 € |
| NET REVENUES x YEAR taxes NOT included | 18.700 € | 25.380 € | 6.680 € |
| NET REVENUES x MONT taxes NOT included | 1.558 € | 2.115 € | 557 € |
| RATE OF RETURN per YEAR | 5,34% | 7,25% | 1,91% |

This is a preliminary study of market for short & long term rentals, information purposes only.

✓ **RENTALS IN SPAIN.** RENTALS CLIMB FOR FIFTH CONSECUTIVE YEAR IN SPAIN. The average annual rental yield in Spain equates to 5% of a property's value. Buy to let in Spain has proven a hugely successful investment for savvy investors. You can realistic expect to rent our nine months a year in Spain as a holiday rental, with huge landlord tax breaks of 70%, or more, on (rental) income tax. This lenient tax relief also extends to non resident landlords. The rental money can be used to offset overheads and maintenance expenses, such as mortgage repayments. No other investment is giving a 5% yield/year safely. But that is not all, it only gets better!!! Besides soaring rental yields, you also need to factor in the capital appreciation of property (the increase in value of real estate over time). Properties in Spain have seen their value increase over the previous 5 years at an average of 5% pa. (Source: Moody's). When you combine both soaring rental yields and capital appreciation, you reach the conclusion that Spanish Real Estate is giving a safe two-digit return year on year. That's over a 10% yield every year safely. This is ideal if you are afraid of sharp stock market fluctuations and seek a save investment in bricks for your pension pot. (Source: Larrain Nesbitt Lawyers). ✓ **TUSCANY HOLIDAY LIVING responsibility:** key holding, basic maintenance, marketing and platforms management, customer welcome, cleaning cost (including bed sheets & towels). ✓ **PROPERTY OWNER responsibility:** payment of all the expenses attached to the property (not included in this Preliminary study) such as: taxes, insurance, community of owners fees, utility bills, etc. ✓ **TAX OBLIGATIONS. TAX INCOME:** 1) Tax Residents in the Economic European Community must pay 19% ON PROFIT. All expenditures related to the property can be offset against profit. 2) Non EU citizens must pay 24% ON PROFIT. In this case you are not allowed to offset any expenditure against profit.