

## Rental Yields

Based on our extensive knowledge of the long-term let market, via our in-house leasing agency for long-term lets "[Rentals Montenegro](#)" we can predict the yield that your future apartment will provide.

The apartments that we are building under the brand "**Mini Condos™**", have been designed in great part based on the requirements expressed by our long-term lets clients who are looking for a higher quality of construction, modern design and furniture, spacious bathrooms and kitchen space, good internet connection, parking space, and a well organised maintenance of the building.

For these apartments, we can predict an effective yield between 7% and 9%

## Guaranteed income "leaseback"

We offer a **guaranteed leaseback yield** for all our apartments, with the following return (net of annual property income taxes).

Type of Apartment	Leaseback %	Ex. of Purchase Price	Annual Return
Studio	4.0%	60.000€	2.400€
1-bedroom	4.0%	120.000€	4.800€
2-bedroom	4.0%	180.000€	7.200€
3-bedroom	4.0%	240.000€	9.600€
4-bedroom	4.0%	300.000€	12.000€

## Terms

We offer the leaseback program on **all the properties we build**. The minimum duration of the leaseback contract is **3 years**. Leaseback payments start once **at least 70% of the purchase price has been paid** and is calculated on a pro-rata basis until the full price is paid. The leaseback is paid **monthly**.

The apartments need to be bought **fully-furnished** (with our "kitchen and furniture packs") and fully equipped (with "small appliances" – either our standard small appliances pack, or small appliances to be bought by the owner of the flat), therefore **fully ready for rental**.

On signing a **10 years leaseback** contract, the Furniture and Kitchen Pack + Small appliances pack are **free of charge**. On signing leasebacks from 4 to 9 years, the Furniture and Kitchen Packs + small appliances are offered with a 40-90% discount.

We pay the **taxes on the rental income** on behalf of the owner.

The Owner is responsible for paying the **condominium charges, yearly property tax and the property insurance.**

### Special “Leaseback – Cashback” offer

Under the “leaseback-cashback” offer, we pay the leaseback upfront **for the full period**, with a discount of 25% on the lease. For ex. 4% leaseback becomes **3% when paid upfront.**

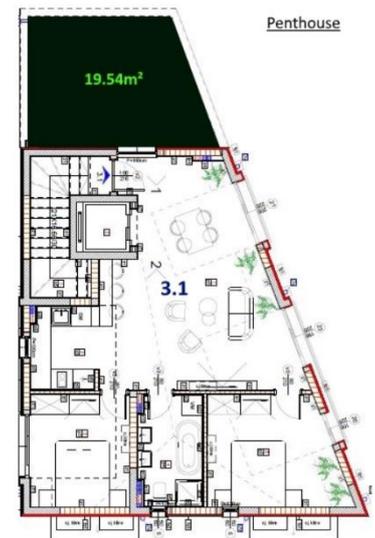
For example, this [2-bedroom penthouse apartment in Dumidran 2 residence](#), worth 162.125€ and can be purchased for **only 113.488€** with a **10 years leaseback-cashback option.**

The full Kitchen and Furniture pack + small appliance pack are **free of charge.**

- The yearly leaseback is:  $162.125\text{€} \times 3\% = 4.864\text{€}$
- 10 years leaseback (immediate cash return) = 48.638€
- Purchase price to pay:  $162.125\text{€} - 48.638\text{€} = 113.488\text{€}$

### 5 years leaseback-cashback for the same apartment:

- Apartment + 50% of equipment’s packs:  $162.125\text{€} + 13.600/2 = 168.925\text{€}$
- Yearly leaseback:  $168.925\text{€} \times 3\% = 5.068\text{€}$
- 5 years leaseback (immediate cash return) = 25.339€
- Purchase price to pay:  $168.925\text{€} - 25.339\text{€} = 143.586\text{€}$



### Cancellation policy

In case the Owner wishes or needs to terminate the Leaseback or Leaseback-Cashback Contract before the term (for ex. in case of a resale of the property), a penalty fee is paid to the Lessee.

**1/ In case of standard leaseback** the penalty equals the total amount of the remaining leaseback rents for the 3 years minimum period + 50% of the value of leaseback for the extended period after 3 years.

For ex. Studio 60.000€ with 5 years signed leaseback contract (2.400€/year). If terminated after 2 years, the penalty is  $3-2=1$ -year LB + 50% of  $5-3=2$  years LB =  $2.400+2.400=4.800\text{€}$

**2/ In case of “Leaseback - Cashback Combo”** the penalty equals 1.5 times the value of the leaseback for the remaining period.

For ex. Studio 60.000€ with 5 years leaseback-cashback signed contract (value:  $1.800\text{€} \times 5 = 9.000\text{€}$ ), if terminated after 2 years, the penalty is  $1.5 \times (5-2) \times 1.800\text{€} = 8.100\text{€}$