

## Low Risk High Yield Property Investment, Alicante Spain.

Spain offers a fantastic opportunity for property investors.

**A recent report by report by Shawbrook Bank and the Centre for Economics and Business Research that looks at the impact of recent Government regulation on the UK buy-to-let sector;**

*Activity in the UK buy-to-let market is set to drop further in the coming three years as a result of Government interventions and a wider housing slowdown.*

*The recent tax crackdowns on buy-to-let regulations are expected to lead to a further 'professionalisation' in the sector, while some amateur landlords could see their properties become loss-making once the gradual withdrawal of mortgage tax relief is completed in 2020.*

Conversely, the Spanish market is buoyant and a recent Lucas Fox report stated;

*The Spanish property market has continued to grow throughout 2018 so far with 217,539 properties exchanging hands in the first five months of the year, according to the National Institute of Statistics (INE), an increase of 13% over the same period in 2017. The number of new homes in the first five months of 2018 showed a similar growth, with 38,238 new homes being sold across Spain, representing 18% of the total sales.*

*According to official data from the Spanish Property Registry (Registradores) almost 17,000 homes were sold to foreigners in the first quarter of 2018, representing just over 13% of total sales, compared to just under 15,000 in the same period in 2017.*

They then go on to say;

*Just over a third of all Lucas Fox buyers purchased property as a primary residence in the first six months of 2018 with a similar share buying as a secondary residence. **The remainder mainly bought for investment purposes.***

Interestingly, only 6 Weeks rental in Quesada could provide a return to 12 months of a UK buy to let! So, a UK buy to let investor rents out a property for 52 weeks a year with all the incumbent risks only to end up with a potentially tired looking property with minimal profit.

Many investors look to this investment to provide much needed income, but as the markets are now changing here's how investing in Quesada can work for you....

### **For Example;**

A small 3-bedroom 3-bathroom townhouse in a gated community, with a beautiful garden and a large communal swimming pool, costs approximately **£180,000/€190,000**

A minimum Deposit of 25% is required and the balance mortgaged in Spain by a Spanish Bank which includes all taxes and legal costs at a very competitive interest rate (between 1-2%).

### **Please Note;**

*We have a very close relationship with many Spanish Banks due to the levels of business that we put through. It is fair to say that we have never had a mortgage case declined as arranging a mortgage is still done at a local level unlike in the UK/Ireland. So, if your credit history is less than perfect or you don't quite fit into the box, then we are able to package an application in such a way as to be acceptable.*

Repayments can be either are with a full capital repayment mortgage, or an interest only mortgage, however full capital repayment would be more beneficial (see below).

For illustration purposes our calculations are in Sterling but the same applies for any currency such as Dollars/euros etc.

Purchase Price = £180,000. Tax-IVA(Vat) is 10% (£18,000) and Legal Fees 1% (£1,800) are added to the mortgage.

Deposit = 25% = **£45,000**

Mortgage = **£154,800**

A) full Capital Repayment = **£650 per/month** (25-year term)

B) interest only = **£193 per/month** (25-year term)

### **Rental options: INCOME**

High-Season. June/July/Aug/Sept. **£4,250 per/month**

Mid-Season. April/May/Oct/Dec. **£3,500 per/month**

Low-Season. Jan/Feb/Mar/Nov. **£2,500 per/month**

Through our own in- house rental team, if required, we can provide a “**Guaranteed High Season**” rental option, which guarantees occupancy for 12-16 weeks per/year, with a potential yield of **£17,000**.

The income from the summer months is excellent, but as the urbanisations are occupied all year round with people who live/work there as well as holidaymakers, the rental market is buoyant throughout the year.

Taking into consideration the cost of a full capital repayment mortgage - **£7,800 per/annum**, this would leave a profit of **£9,200**, just from high Season rental, plus, the mortgage repayment is paying down each year - this is a great investment.

So, either buy off-plan or simply buy Key-in-hand! Off-plan deposits are lodged with the bank and a banker’s guarantee given. Off-plan properties when constructed, are worth much more than the value at initial deposit stage - normally around 20% higher value.

### **Non-EU Investors.**

By investing only €500,000, owning a Spanish Property guarantees Spanish Residence not just for the investor but for the whole family which includes full EU travel rights (including UK and Ireland). The property can be sold at a future date and funds divested. Commonly known as the “Golden Visa Scheme”. We can add a mortgage to leverage this investment if required giving far greater financial returns.

All the necessary paperwork will be arranged through us and further details can be supplied upon request.

## Why Quesada?

**Ciudad Quesada** is a district in the municipality of Rojales in the Province of Alicante, Spain. With a population of 16,583 people, It is in the southern area of Rojales, 6 km from Mediterranean Sea. Justo Quesada, a Spanish entrepreneur, started the city in the 1970s and it is now considered to be a Spanish town with its own town hall.

Ciudad Quesada is located approximately 8 kilometres inland from the Costa Blanca at Guardamar de la Segura.

Alicante and Murcia airports are both 50 kilometres away and the nearest beach is only a 10 minutes' drive.

### Leisure and recreation

The town centre of Ciudad Quesada is well provided with shops, bars, restaurants, a golf course and its own water park.

### Golf

There are many championship golf courses to choose from: Villamartin, Las ramblas and Campoamar are the closest. There are many more within an hour's drive.

### Shopping

Torreveija town and other markets nearby are open every day during the summer months. La Zenia Boulevard Shopping Centre is the new shopping mall at the Orihuela Costa and is the biggest shopping centre of the province of Alicante.

### Nature

There are an abundance of flamingos and other wildlife on the salt lakes. The area is considered to have a very healthy climate.

### Excursions

For a day or evening out, Torreveija is close by. One of the greatest tourist attractions of Torreveija has always been its variety of entertainment for families and young people. There are more than a hundred-night bars, the majority concentrated in the so-called El Baluarte area in the La Punta district, which have become a major attraction for thousands of people from all over the world.

### Beaches

The many Blue flag beaches of Torreveija, Guardamar del Segura, and Santa Pola are all within 15-minute drive.

### Cuisine

The local cuisine in Ciudad Quesada is typically that of the Costa Blanca, which combines delicacies from both land and the Mediterranean Sea. Many civilizations have lived in this area (Celts, Iberians, Greeks, Romans, Muslims), all of which have all left their mark on the gastronomy.

The diet in Ciudad Quesada is a typically, healthy Mediterranean one; the Costa Blanca is rich in fish, vegetables, olive-oil, rice and fruit and the ingredients which are all used to prepare delicious, healthy dishes, such as Paella Valenciana, Arroz Negro (black rice), Arroz al horno (Oven baked rice),

Arroz a Banda (fish and rice stew), Arroz del Señoret (Princes rice).

Aside from seafood, typical dishes include succulent lamb chops, rabbit in garlic, roast leg of lamb with garlic and fresh rosemary, and homemade sausages and black puddings.

If you have a sweet tooth then you will enjoy the local homemade pastries and deserts that the whole region is famous for. Or Jijona ice-cream (Nougat), which is made with the almonds of the region.

While in Ciudad Quesada you can delight the palate with the ample wines an offer from the region giving Jalon wine a special mention due to its quality and bouquet.

There are many international restaurants close by offering a wide choice of different cuisines from around the world.

### HealthCare

Health Care in Alicante is world class. There is a new primary care centre, located in Ciudad Quesada, covering an area including the urbanizations of Pueblo Lucero, Ciudad Quesada I and II, Doña Pepa I and II, Pueblo Bravo, LaSiesta I and II & Benimar II.

The opening of this new centre will satisfy the healthcare needs of many citizens living in the urbanizations near Rojasles, and a total of 8,282 patients will be attended at this new centre.

### Climate

Castalla enjoys a typical Mediterranean climate; as it is surrounded by mountain ranges, it can sometimes get very hot in summer, but it is protected against the cold North winds in winter. The area averages nearly 3,000 hours of sunshine each year and the average temperature easily exceeds 20 degrees.

In 1986 the World Health Organisation recommended the climate of the area as one of the most equitable in the world - neither too hot in the summer nor too cold in the winter. On average it can boast 325 sunny days each year making it an ideal all year-round destination.

