

Leaseback Schemes hit British shores

DAILY EXPRESS

Friday February 17, 2006

LEASEBACK schemes have emerged in Britain for the first time as buyers become more sophisticated about investing in property.

Simply put, you buy a holiday home in a managed resort and then rent it back to the seller for a guaranteed income. Two years ago, French developers were struggling to explain the concept to a sceptical audience. Now the leaseback product is so popular that it has made its way across the Channel. Last autumn, 15 lodges in the grounds of an old manor hotel near Gleneagles, launched on the market by CLC Country Homes, sold out within weeks.

CLC Country Homes is a division of the Club La Costa group which specialises in European timeshares and has branched into the UK holiday home market. Encouraged by the success of the Gleneagles project, founder Roy Peires swooped down on the Cornish coast when he heard that Trenyhton Manor, a similar hotel overlooking the delightful Fowey estuary, was on the market.

With remarkable speed he concluded a deal to build 19 luxuriously equipped and furnished chalet-style bungalows in its 24 acres of grounds and the first of these will be ready for occupation in April. The hotel's facilities, which include a health suite with a pool as well as a restaurant and bar, are all set for a facelift under the new management. Owners will have full access to these facilities and, in addition, they can enjoy holidays at any of Club La Costa's other resorts.

The two-bedroom furnished properties are sold on a 10-year leaseback deal with a guaranteed rental income of 6.5 per cent. The expected appreciation in value of the properties, priced at £295,000, is 2.5 per cent per annum. If the figures stack up, and assuming buyers take a 75 per cent mortgage, the return on equity notched up at a healthy 13 per cent.

Property investor Mike Thornby, from Ascot, Berkshire, who bought three lodges at the earlier Duchally estate site, has already reserved

two at Trenyhton Manor. He says: “There are only two companies that I know of doing leaseback in the UK and the returns are better than in France. The advantage over residential lettings is that you don’t have the hassle of managing it.

“Also, holiday homes are classed as a business asset and this reduces the amount of capital gains tax that you pay. The only risk I can see is if the developer goes bust, so it is important to be attached to a high-quality hotel. The area must also be in a place that has a good influx of tourists.”

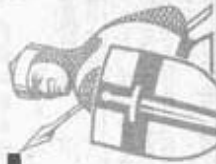
CLC Country Homes, which requires the homes for their guests, is confident that the attractions of this area of Cornwall will justify their offer and it is easy to see why. Property in this part of the UK commands a staggering premium thanks to the beautiful countryside, coastline and the UK’s warmest weather.

The fish-loving celebrity chef, Rick Stein, whose Padstow restaurant is internationally known, has snapped up five Cornish properties which are now all successful restaurants. An older generation will remember a rather different local celebrity – Daphne du Maurier, whose house at the head of the Fowey estuary remains, looking out towards the creek she made famous in her tale of a dashing French pirate.

But the most significant feature from a tourist perspective is a newcomer – The Eden Project. This green theme park was conceived by Tim Smith, who also re-created the Lost Gardens of Heligan nearby, after its application for a rare breeds park was turned down by local planners. In the end, it worked out better than Smit could have ever imagined. The Eden Project has welcomed seven million visitors and now plays a major role in educating youngsters (and their parents) about the importance of preserving our relationship with the natural world.

All of which means five of the new units have been reserved in advance of the public viewing days on February 25 and 26.

INFORMATION: CLC Country Homes: 01764 661075
www.clccountryhomes.com



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CLC Country Homes is a division of the Club La Costa group which specialises in European timeshares and has branched into the UK holiday home market. Encouraged by the success of the Gisors project, founder Roy Peires swooped down on the Cornish coast when he heard that Trenython Manor, a similar hotel overlooking the delightful Fowey estuary, was on the market.

With remarkable speed he concluded a deal to build 19 luxuriously equipped and furnished chalet-style bungalows in its 28 acres of grounds and the first of these will be ready for occupation in April. The hotel's facilities, which include a

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TOURISM HOTSPOT: The Eden Project

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