



## **Purchasing as Bare Ownership**

**This type of investment is based on the separation of ownership into "bare ownership" and "usufruct".**

An investment in bare ownership offers the best outlook in performance in a fully secure climate. The buyer receives, in the form of an immediate reduction of 40% to 50% on the purchase price, the equivalent of all updated rents, net of costs, taxes and charges, that he would have collected over the period had he invested in full ownership. No hidden expenses or risks. At the end of the temporary usufruct, the bare-owner immediately becomes the full owner. The net gain results from the free and automatic recovery of the usufruct, to which is added the re-evaluation of the property over the whole period.

### **The concept**

A private investor acquires a quality property for 50 to 60 % of its value, in bare ownership.

At the same time, the usufruct is acquired for a fixed term (15 to 17 years) by an institutional investor who collects the rents and manages rental. Over the whole period, this investor is responsible for all costs, work and taxes.

At the end of the usufruct, the original investor automatically and free of charge, recovers full ownership of his property, maintained and renovated.

### **The advantages**

Priority to asset quality: Our offers are based in Paris and the Paris region, the Côte d'Azur, exceptional locations in major regional or tourist cities.

Maximize your investment capacity: properties with an immediate reduction of 40 to 50% of the value of full ownership, with no risk of sacrificing quality.

An investment with no tenancy risks: Constraints caused by management, unpaid rent, etc. are eliminated. Similarly, all management, maintenance, repair or renovation costs are contractually borne by the usufructuary.

Complete liberty

No minimum duration of ownership is required. At any time, you can sell your bare ownership of the property and keep the tax advantages acquired. At the end of the

operation, it is up to you whether you sell, rent or occupy the property. The ENL Law of July 2006 provides that leases signed by the usufructuary are automatically terminated on the day the usufruct expires.

### **Optimize your tax situation**

Investing in bare ownership gives rise to no tax consequences and can even generate attractive tax savings

Income tax: no rental income, no additional income tax

Possibility of deducting your mortgage interest from any existing or future rental income.

Wealth tax: bare ownership is not liable to French wealth tax (ISF) and the debt is deductible from taxable assets. The result is a net wealth tax saving.

Property tax: payable by the usufructuary

Capital gains: Complete exoneration of capital gains tax on resale after the 15<sup>th</sup> year.