

# Morocco

Tanjah Beach and Golf Resort  
Tangier, Morocco  
Property Profile



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Tanjah beach and golf club

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# Introduction

## Tanjah Beach and Golf Resort

As promoters for the exclusive Tanjah Beach and Golf Resort development in the Tangiers area of Morocco, Focus International Property have prepared this short profile to provide interested clients with all the essential background information.

Should you need additional information, please contact us on +44 (0)20 8839 8989



Some of the pictures contained in this document are based on artists renderings and should not be relied on as statements of representations of fact. None of the statements contained in these particulars, as to this property, are to be relied on as representations of fact.

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# A Guide

## Tanjah Beach and Golf Club

### About Tangier

At the crossroads of civilisation, where the Mediterranean meets the Atlantic Ocean, Tangier flaunts its magnificent bay below lush green hills. From the "Place de la Kasbah", the highest point in the Medina, you can visit the Sultan's palace where every aspect of Moroccan art can be seen in the rooms around the courtyard. Or you can stroll down alleyways of the Medina to the terrace overlooking the straits of Gibraltar.

Its strategic position makes it a crossroad for civilisations. Tangier is the gateway to the African continent looking across at Europe from the shores of the Atlantic and the Mediterranean. As a meeting-point of routes to so many different destinations, Tangier has inevitably been marked by history with influences from the Phoenicians, Berbers, Portuguese and Spanish.

As with most Moroccan towns, Tangier, the White City, possesses its Medina, the old Arab town containing a pair of picturesque markets : the Grand Socco and the Petit Socco (the Spanish word for "souk"). Tangier is also renowned for the Mendoubia gardens, with their eight-hundred-year-old trees, the Sidi Bouabid Mosque, its minaret decorated with multi-hued faiences dominating the Medina, the Kasbah Square with its portico of white marble columns, and the great Mechouar where the Pashas once gave audience.

The status of international free zone which the city enjoyed for a number of years added to Tangier's celebrity and makes it an obligatory stop-off for any tourist in search of the real Morocco.



# A Guide

## Tanjah Beach and Golf Resort



### Why Invest in Morocco

King Mohammed VI of Morocco announced in 2001 his 'Vision 2010' as the guiding principle for Morocco's investment property and tourism development.

Morocco is the closest tropical country in terms of proximity to the UK. The land is amazingly diverse, both culturally and geographically and offers ancient cities, stunning coastlines bordering both the Mediterranean and the Atlantic, a fabulous year-round climate, skiing in the Atlas Mountains, superb cuisine and world-famous hospitality.

To these national treasures add world-class golf courses, a modern road network, an open-skies policy for travel access, and rock-solid government backing, and you have just some of the reasons why this wonderful country has been tipped as "one of the hottest investment opportunities in the world".

- Star-performer emerging market. Perfect time for property investment (Source: Aviva Global Equity)
- Annual capital growth over 15% and up to 30% in some locations (Source: Homes Overseas)
- Emerging property market with prices 50% lower than most European Markets
- No rental tax for 5 years
- Year round rental market
- No inheritance tax on title transfer within the family, given a Moroccan Will



# A Guide

## Tanjah Beach and Golf Club

### Why Invest in Morocco (cont')

- Low cost of living - experience a luxury lifestyle at little expense
- Booming property market
- Low rate of local Capital Gains Tax (between 0% and 20%)
- No annual property tax for first 5 years
- Rental occupancy reaching 85% most years during the Peak Season
- 75% mortgages available (subject to status)
- Vision 2010 to increase tourism proposed and implemented by King Mohammed VI to increase tourism by 10m visitors per year by 2010
- Vision 2010 to provide new roads, marinas, trains, 5 star resorts, shopping malls, beach clubs
- Open skies policy activated on 1st Jan 2006 will allow low cost airlines to service Morocco and create competition lowering fares
- Safe investment – Notary supervised property registration similar to France and Spain
- Mediterranean climate - Hot summers and mild winters
- Costa del Sol is just 30 minutes away by hydrofoil from Tangiers
- Accessible (Tangiers) via ferry and regular flights



# A Guide

## Tanjah Beach and Golf Resort



### About the resort

Tanjah Beach and Golf Resort specifications will be to a five-star standard, and include, but are by no means limited to, the following facilities:

- 18 hole world-class golf course
- Indoor spa and fitness club
- Water-park
- Sports centre
- Tennis and paddle courts
- 35 Swimming pools
- Children's club and playgrounds
- Beach club with water-sport facilities
- Restaurants, bars and night clubs
- Open air amphitheatre and cinema
- Medical centre
- Business facilities
- Car rental and transfer office
- 24hr/365day security
- Supermarkets
- Tourist shop
- Hair salons
- Boutiques
- Souk market in the main piazza allowing local traders to exhibit and sell their goods



# A Guide

## Tanjah Beach and Golf Club

### About the properties

Tanjah Beach and Golf Resort specifications will be to a five-star standard, and include, but are by no means limited to, the following facilities:

- Heating and air conditioning
- Heat-reflective glass
- Fully-fitted kitchens with granite work surfaces
- Phone, Satellite and Internet connectivity
- Fully-fitted wardrobes
- Safes in all units
- Storage areas for owners
- Parking facilities
- Jacuzzis on terraces in the case of Penthouses and Villas
- Fitted bathroom suites with high specification accessories

*The specification of the development is constantly being reviewed and improved.*

### Property Plans

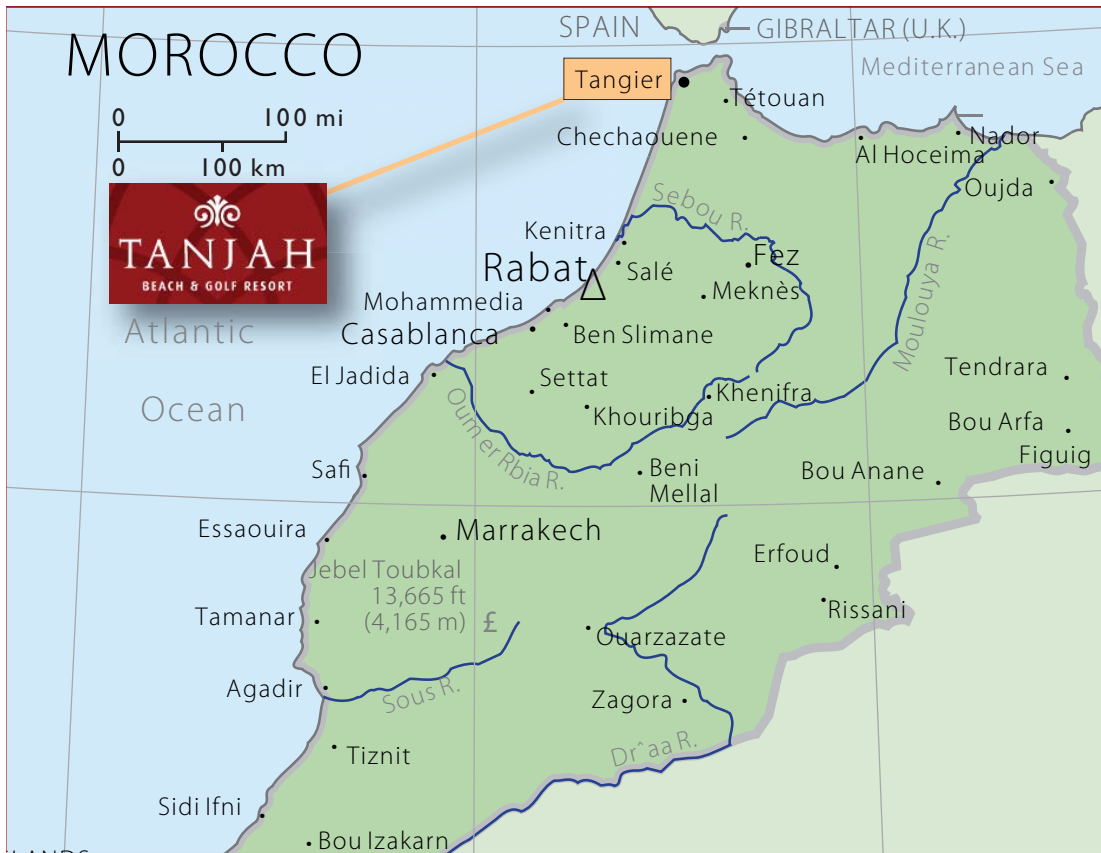
Each group is split into 18 x 2 bed apartments and 3 x 3 bed penthouses. Apartments are 80 sq. m. with a 20 sq. m. terrace. Penthouses are 100 sq. m. with a 60 sq. m. terrace





# Area Map

## Tanjah Beach and Golf Club



# Resort Map

Tanjah Beach and Golf Club



Atlantic Ocean

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# Floor Plans

Tanjah Beach and Golf Club

Proposed Apartment 1

2 Bedroom, 2 Bathroom - 80m<sup>2</sup> build, 20 m<sup>2</sup> terrace



# Floor Plans

Tanjah Beach and Golf Resort

Proposed Penthouse

2 Bedroom, 2 Bathroom -100m<sup>2</sup> build, 60 m<sup>2</sup> terrace

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# The Reservation Process

## Tanjah Beach and Golf Resort



1. Discuss the availability and the type of property in which you are interested with Focus International Property (+44 (0)20 8839 8989)
2. We can then supply you with a copy of the master plan, a location plan and floor plans for your chosen unit.
3. We will allocate a Property Consultant to help you with your purchase and your €375.00 + VAT booking fee will become due to Focus International Property.
4. As the purchase monies are required in Euros, if you have not already done so, an Interchange Currency account should be opened. Your Property Consultant will advise on this.
5. Fill in your reservation form and submit to Focus International Property with a certified copy of your passport, drivers licence and copies of 2 utility bills together with a payment of €5,000 payable to the developer. This is made up of €2800 reservation deposit and €2,200 Administration Fee.
6. You will then need to Instruct a Lawyer to act for you. Your Property Consultant will help you with this.
7. The developer will refer your reservation details to the UK solicitors within 30 days to commence the procedures for exchange of contracts.
8. You will then sign the "Reservation Contract" and exchange of contracts will take place. The exchange deposit of 25% (less the €2,800 reservation fee) is now due. Clients wishing to take advantage of the Deferred Payment Plan (DPP) should speak to their Property Consultant.
9. At this point, if required, we suggest you take Independent tax advice to ensure your property is purchased in the most tax efficient way. Your Property Consultant will co-ordinate this with you.
10. Six months before completion the mortgage application should be completed. The details of the mortgage should be discussed with your property consultant.
11. On completion you will sign the final contract and pay the balance purchase monies of 75% either in cash or by mortgage lending. (This is expected to be in July 2009)

*PLEASE NOTE: The reservation process is on a "first come first served" basis and we only have a limited number of properties available with the favourable current reservation terms, so early registration is advised.*



# Buying Off Plan

## Tanjah Beach and Golf Club

The option of buying off plan is open to either professional full time investors looking for several properties or individuals who want a single property, either as a holiday home or life-style change. To simplify the idea, property purchasers generally fall into two groups, Pioneers and Settlers.

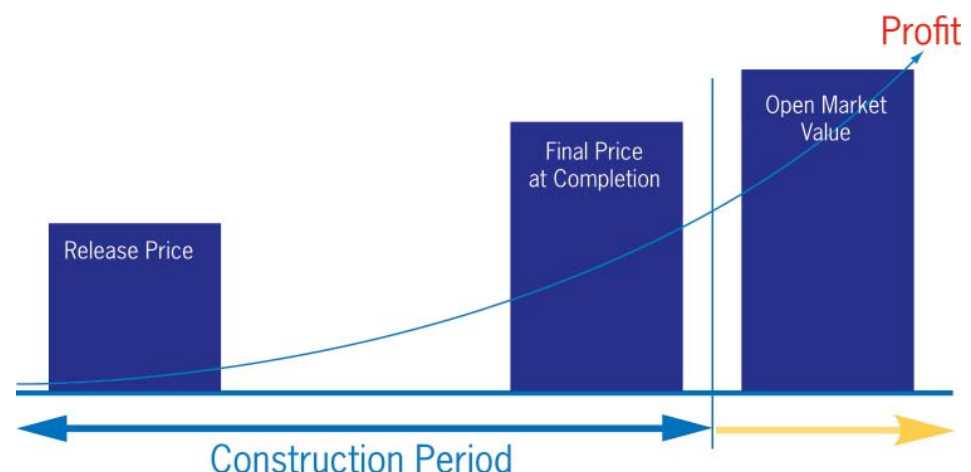
### *Pioneers*

Get involved with a project at the beginning. They believe in and have confidence in the concept, take advantage of the discounts available and, because properties are sold on a first come first served basis, they reserve the best properties in the best positions. Developers of schemes such as El Oasis de Marrakech need to show confidence in their projects to financial institutions to assist with funding. That is why a certain number of properties are offered off-plan. Pioneers take advantage of this. Pioneers have a long-term strategy and the longer the development takes the better it is for them. For a relatively small amount of money they are securing a property at a discounted price. The developers of El Oasis de Marrakech have informed us that the project will be released in phases and a price increase is planned for each phase. This means that by the end of the building process the properties could be worth significantly more than the original purchase price.

### *Settlers*

Want to see exactly what they are buying down to the last detail. They either buy from the Pioneers or directly from the developer. Settlers are generally interested in taking possession of their new home in the short term (1-2 months) and have not taken the long-term view of the Pioneers. They are obviously hoping that the property value will increase but a return on investment is not their main concern. A pleasant holiday home or lifestyle change is. They have of course missed out on the initial discount and any further property price increases during the build time. Settlers often become Pioneers when they see the potential returns that are available in buying off plan.

*Pioneers become settlers and enjoy their investment*



# Financing your Property

## Tanjah Beach and Golf Resort

Deciding on how to finance your property could be a crucial decision and with so many options available, it is really important that you take good financial advice.

We recommend you speak to an authorised and regulated individual on how best to finance your property. @mortgageCity can provide you with independent advice on all aspects of your mortgage and insurance needs and they are fully regulated by the Financial Services Authority to give advice in the UK.

So whether you are thinking about re-mortgaging your existing property or taking out an overseas mortgage we recommend you speak to them.

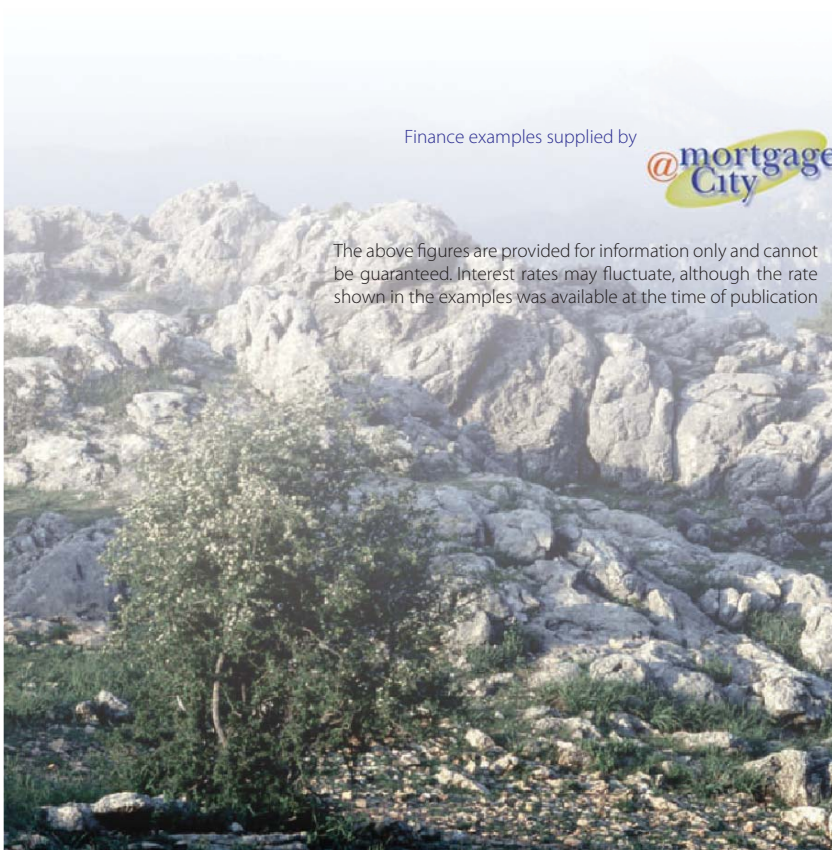
Typical Finance Examples  
(mortgage being raised on Moroccan property)

mortgage  
term  
15 years

Interest Rate 5.25%

1	Typical Purchase Price	€ 143,190
	Mortgage 75%	€ 107,392
	Monthly payment rates over 15 years*	
	Interest Only	N/A
	Repayment	€ 863.30

\*Mortgage must be repaid by age 65.



# Buyers Guide

## Tanjah Beach and Golf Club

### Morocco taxes and legal system

The legal system is Latin-based and similar to that in France and Spain. Clients should allow for around 6% of the purchase price excluding legal costs and any agent or associated mortgage costs.

An indication of potential charges are as follows:-

Registration fees (equivalent to stamp duty)	2.5%
Notary's Tax	0.5%
Notary's fees (Dependent upon area)	1.0%
Land registry (Land registration fee)	1.0%

A land registry fee of up to 1% (for properties valued under €500,000) is charged for registering a mortgage at the land registry. Plus a legal fee charged by your UK solicitor which may be incorporated in a total Notary fee.

Please be aware that these are not the definitive costs, this figure can only be provided by your solicitor and the above figures are only an indication.

All properties will be freehold. Focus or the developer do not add VAT to the purchase of residential property as this is a builders cost and is already paid.





# Buyers Guide

## Tanjah Beach and Golf Resort



### Summary of Procedure for Exchange and Completion of Contracts on Tanjah Beach

#### *Reservation*

- Submit reservation form
- Certified copy of Passport (scanned), proof of address,
- Reservation fee of €2,800, and administration fee €2,200 (Totalling €5,000 made payable to Dreamworld.com Limited). This is fully refundable up until the exchange of contracts.

#### *Exchange*

- Buyer receives a contract pack from the solicitor.
- Buyer signs the contract and returns to the solicitor with the 25% deposit (less €2,800 reservation fee) and 75% of the total 3% legal & Notary fees (costs identified in contract pack).
- The solicitor exchanges contracts with the Moroccan Notary and pays the deposit money to the Notary.
- The solicitor receives the signed contract from the seller.
- The solicitor sends a letter to the buyer confirming receipt of the deposit money and legal fee's and exchange of contract.

#### *Mortgages*

- For those requiring mortgages the buyers need to make their application six months prior to completion. (Will be contacted by @mortgageCity).
- The solicitor must receive the mortgage offer from the bank before completion is executed. (Provided by @MortgageCity to solicitor).

#### *Completion*

- The buyer receives a completion pack from the solicitor.
- The buyer signs a completion contract and then returns it with completion monies (if no mortgage) including payments for taxes and title registration and the balance of the 25% legal fees of the 3% total cost.
- The solicitor sends the contract to the notary with the completion monies.
- The notary registers title and mortgage if any and sends the solicitor the title deeds and receipts for taxes.
- The solicitor sends a letter to the buyer enclosing title deeds and tax receipts and arrangement for collection of the keys.



# Buyers Guide

## Tanjah Beach and Golf Club

### Purchasing property

Property investments in Tangier are of particular interest to real estate investors seeking the next emerging hotspot in Morocco. Flight times to Tangier are just two and a half hours from the UK, the resort town is situated where the Mediterranean meets the Atlantic. Tangier is definitely Morocco's most cosmopolitan city although some argue that it doesn't actually have a typically Moroccan feel! Tourism numbers in Tangier are strong due to its close proximity to the European mainland. Consequently there is a huge demand for renting properties which an investor can capitalise on.

Popular Northern Moroccan coastal alternatives to Tangier are Tetouan on the Mediterranean Sea or Casablanca on the Atlantic Ocean. Both are holiday hotspots, both have seen tourism numbers increasing recently and both offer an investor the chance to target both the tourism market and a slowly forming second home market which seeks both renovated traditional properties as well as purpose built holiday villa and apartment properties for sale.

Real estate investors and second homers seeking an emerging market within Morocco tend to head south, however where the countryside is more magnificent but the current opportunities for profit are fewer. There's plenty of evidence to suggest that the southern coastal regions of Morocco will grow in popularity because of the very fact that they are currently unspoilt. Therefore an investor could buy in now and hold property assets for the longer term to enjoy maximum capital growth potential.

In recent years Morocco has begun to develop a reputation as a country with excellent golf courses partly because the country's King Hassan II was an internationally ranked golfer and those who have created courses in the country have done so very professionally. Slowly but surely the numbers of property developments springing up particularly around Morocco's sixteen best golf courses in Marrakech, Rabat, Casablanca and Agadir have increased in line with the demand for them.

In total Morocco has in excess of thirty golf courses and there are now a number of tour operators offering golfing holidays to Morocco. This area of tourism is therefore growing rapidly and is an area a property investor might like to investigate further. In addition to targeting the golfing tourist, an investor should consider that the demand for properties for resale around the best courses is already quite intense and only likely to intensify further so that those with more substantial sums of money could buy into this period of predicted property price growth.

# Buyers Guide

## Tanjah Beach and Golf Resort

### Purchasing property (cont')

Morocco has a wealth of potential for a property investor and the Moroccan government have recently made it even easier and more attractive for overseas investors to own and profit from real estate in Morocco. Morocco can offer an investor the potential for everything from immediate income to long term sustained property price growth and is therefore a country worthy of consideration by all real estate investors considering property portfolio diversification.

The key to successfully navigating the real estate purchase process in Morocco is seeking the assistance of a recommended real estate agent or simsaar. These people have a local working knowledge of the property market in the particular part of Morocco in which they work and they are often able to shield the buyer from paying over the market price by understanding the true value of properties for sale.

As with many emerging markets property investors who broadcast the fact that they are in the market for real estate will often find that the places they're offered for sale suddenly go up in price – with the help of a good simsaar the foreign buyer will pay the same as a local buyer in Morocco. A simsaar will usually charge two and a half percent of the property's purchase price in fees and some charge a daily rate which can be deducted from this fee. The amount of time and money they can save an investor means that they are well worth their commission.

However, because these agents often speak little English or French it is usually necessary to have a translator as well and a cautious approach should be taken when finding a translator, real estate agent and solicitor in Morocco. The Moroccan people are keen to attract foreign investment and the majority of professionals an investor will deal with will be happy to genuinely assist – but as the saying goes, 'buyer beware' when employing anyone to assist with the buying process in any country in the world!



# Taxation Advice

## Tanjah Beach and Golf Club

### Tax on rental income

Every tax system is different and the Moroccan system is no exception. With its tax laws left as a legacy from the French colonial days, it is essential to have a professional guide you through the process. Each case is unique and there is no rule of thumb to go by.

For this reason Focus International Property have partnered with independent tax advisors to help you with your potential Moroccan property purchase. To speak with our independent tax experts regarding your tax position.

### Tax on Rental Income

Investors from the UK looking to operate a buy-to-let strategy with their Morocco based property investment will be required to pay tax on this generated income.

The first three years can be exempt of tax, but afterwards investors must pay tax on 60% of their generated income at levels between 22% and 44%.

In Tangier, for example, a buy-to-let investor would, after 3 years, be subject to a tax of 22% on 60% of the rental income from his buy-to-let investment property in Morocco.

### Property Tax

In Morocco, property owners are required to pay an annual property tax. The first five years are exempt. After this, tax is due based on the annual rental value of the property. The table below gives an approximate guide to the taxes due:

### Value Tax

Less than 3,000 dh	0%
between 3,001 and 6,000 dh	10%
between 6,001 and 12,000 dh	16%
between 12,001 and 24,000 dh	20%
between 24,001 and 36,000 dh	24%
between 36,001 and 60,000 dh	28%
more than 60,000 dh	30%

# Taxation Advice

Tanjah Beach and Golf Resort

## Purchasing property

### Property Rental Tax

If investors do not live in the property at all, a tax of 13.50% on the rental value is levied.

### Garbage Collection Tax

The owner of a property is exempt from the garbage collection tax for the first five years. After this period, tax is charged at 10% of the property's annual rental value.

### Capital Gains Tax

If the property is sold within five years, capital gains tax is charged at 20% of profit with a minimum of 3% of the sale price. A property sold between six and ten years of ownership will pay 10% capital gains tax and 0% thereafter. Capital gains tax is based on the sale price less the purchase price.

### Inheritance Tax

There is 0% inheritance tax for family members, but it is essential to make a legal Moroccan Will and seek professional tax advice beforehand. You can ask specific questions or request a call from a tax specialist by completing the small form above.

### UK-Morocco Tax Treaty

There is a double tax treaty in place between Morocco and the UK and this protects the investor from being liable for capital gains tax in both countries.

### Corporate Tax

If you are considering investing in multiple property units in Morocco, it may be an idea to consider creating a Moroccan private limited company.



# Foreign Exchange

## Tanjah Beach and Golf Club

### What is foreign exchange?

The foreign exchange market is vast. Every day \$1,600 billion is traded through thousands of dealing rooms in dozens of countries throughout the world. Amazingly, this figure is greater than the global equity markets (shares) trade in an entire year. 95% of this amount is traded for speculative gain and is largely accounted for by banks trading with each other, known as 'inter-bank' trading. However, this still means that £80 billion is traded daily for commercial reasons for both businesses and private investors alike.

The UK is by far the world's largest financial market. In fact the UK trades a greater volume than the financial markets of New York and Hong Kong put together. This is partly due to the historical significance of London as a world-trading centre and partly because of the time zone advantage the UK has over other countries, which enables it to cover both European and US hours of trade.

The market opens in the Far East on Sunday evening (UK time) and trades continuously through the Middle East, Europe, London and the US. The only break in operations comes between Friday night close in the US and Sunday night opening in New Zealand.

### What relevance does this have with my overseas property purchase?

More than you might think. The timing of when to buy or sell currency is at the heart of every foreign exchange transaction and with property deals taking anything up to 18 months and beyond, control and understanding is the key to success.

Most people identify with foreign exchange through the buying of holiday money, however, this bears little relation to the bulk buying of currency for a property transaction.

The annual buying of holiday money provides scant opportunity to identify with the speed exchange rates move, nor the ranges within which they trade. This is often the most surprising aspect of foreign exchange for those unfamiliar with the markets. However, when understood and correctly harnessed, exchange rate volatility and near 24 hour, 7 day a week trading opportunities can present excellent opportunities to save you money. Conversely, anyone choosing to ignore the market, will either fail to make the most of these opportunities, or at worst will find the cost of their property escalate beyond their budget.

# Foreign Exchange

Tanjah Beach and Golf Resort



## Foreign exchange, foreign language

With normal conveyancing periods of 2 months or more and the construction of new build properties taking anything up to 18 months and beyond, a simple, information led foreign exchange service can take much of the confusion and worry out of buying overseas.

Unfortunately, the banks will offer you limited choice. More often than not, they will simply advise you to buy your currency on the day that you need to transfer money. Not only is the exchange rate likely to be uncompetitive but you will also have missed out on any opportunities that the markets may have presented.

You may also suffer added expense if the exchange rate has moved against you. Fortunately, more timely and readily available information flows, a single dedicated specialist point of contact, 24 hour exchange rate monitoring and simple solutions to achieve better rates of exchange are now not only the preserve of 'blue chip' organisations.

## How can I secure an exchange rate?

When you buy foreign currency there are two contract types -spot and forward. A 'spot' contract enables you to buy foreign currency immediately for settlement within 2 working days. This is the simplest way to buy currency. If you need to make a fast payment, then this contract may suit you.

A 'forward' contract enables you to fix an exchange rate for settlement anything up to 2 years in the future. This fixed exchange rate enables you to calculate the sterling cost of your property and, as it does not need to be paid for until the maturity date, it enables you to budget and resolve any immediate cash-flow concerns. This is often the case if, for instance, your house sale has not completed but you want to secure an advantageous exchange rate.

As the availability of your funds, the payment plan of your new property and the best available exchange rate rarely coincide, forward contracts are a popular option. They are a cost effective and simple way of securing an exchange rate and simultaneously eliminating the risk posed by exchange rate volatility.



# Foreign Exchange

## Tanjah Beach and Golf Club

### How does this relate to my property purchase?

Let us assume you have signed for a property, priced in Euros, and that you have calculated that it will cost you £100,000. Will this be the same in two months time when you need to pay for it?

Also assume you have agreed to buy a house overseas. You need to transfer your deposit over immediately. You will want the best exchange rate!

You need to make 3 additional staged payments over the next 12 months. How much will these cost you in sterling? You have retired overseas. You know that your pension, paid in £'s sterling, will be £15,000 per year. What will this be worth in the country where you are now living?

You have agreed on a local currency mortgage to buy your overseas property and will be paying for it out of your £'s sterling income. How much will your mortgage payments cost over the next year?

Budgeting your expenditure accurately is impossible without knowing what exchange rate you will get to convert your sterling into foreign currency.

### What are the solutions?

There are several possible actions you could take:

#### *Do nothing!*

The most common action from overseas property buyers sadly often costs them money. If the exchange rate for £'s sterling against the local currency improves, people are happy. If it worsens, then they overstretch their budget, often by £000's. The value of the Euro can and does fluctuate on a daily basis. This volatility will ultimately affect the final price that you pay for your overseas property.

#### *Buy the currency now*

This will tie up large quantities of your money for long periods. The overseas funds will earn very little interest because Continental interest rates are usually lower than UK rates.

#### *"Forward Buy" the currency*

You can fix an exchange rate for delivery on an agreed date in the future. Money can be drawn down whenever you want it during the period of the contract or the contract can be extended if, for example, the construction of your property is delayed



# Preferred Partners

Tanjah Beach and Golf Resort



## Legal Matters:

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## Taxation Matters:

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