

Only Pay What You Use; The
Intelligent Investment;

More Variety & Choice; **Best Of**

VILLA

ITALIA
Luxury Italian Apartments

Villa Italia E-Brochure

Share The Cost, ENJOY FULL
BENEFIT; Your Share - Only
Yours; *Luxury At A Fraction;*
Diversify Your Portfolio; Fraction Is
More Than Whole; Only Pay What You
Use; The Intelligent
Investment; More Variety &
Choice; **Best Of Both**
Worlds; Optimize Investment;
Only Own What You Use; *Share*
The Cost, ENJOY FULL BENEFIT;
Your Share - Only Yours;



FZP PROPERTY INVESTMENT 
FRACTIONAL OWNERSHIP

WWW.FZPCO.ZA



More for Less...

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INTROCUCTION AND OVERVIEW

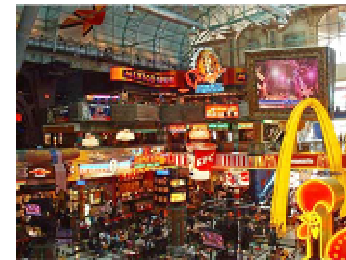
Villa Italia is a sophisticated upmarket residential development at Century City, Cape Town, South Africa.

Situated in close proximity to the City Centre, pristine beaches, a booming business complex and a plethora of amenities, Villa Italia is sure to perpetuate the staggering growth curve recorded within the Cape Town property market.

Villa Italia is situated opposite Canal Walk at Century City. A more central Capetonian place of residence is hard to imagine. The Villa Italia development represents a central geographic landmark, ideally situated within easy reach of the Cape Town City centre, the Northern Suburbs, airports, beaches as well as countless other landmarks and amenities that add to the sheer richness and texture of your day-to-day life.

The cherry on top would be nearby Canal Walk Shopping Centre, bringing exclusive shopping, entertainment and urban convenience to the doorstep of your Italian styled home. Also within walking distance are the Ratanga Junction Theme Park and Facets Ladies Lifestyle Centre, including wellness centre, day spa, restaurants and deli, childcare centre, business centre, lifestyle centre and creative centre.

Source: www.villaitalia.co.za





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THE CONCEPT OF FRACTIONAL OWNERSHIP

What is Fractional Ownership?

Fractional Ownership (Property Syndication) is a method of co-owning a single asset by more than one individual or entity – a group of investors. It is a legal entity through which a number of investors become shareholders (owners) of a leisure property (holiday home). The costs and usage of the property is shared amongst the shareholders in relation to the percentage shareholding. The shareholders are the owners of the property, and therefore control all aspects of the property through a private company. The company allows shareholders time periods to utilize the property by means of a shareholders' agreement. An 8% share would allow 4 weeks usage per annum (see "How does it work?" for more information).

This investment method offers the most favourable and optimal combination of leisure lifestyle, investment, and property ownership, by offering a share in an appreciating asset at a fraction of the cost – without the burden of management and maintenance.

Note...

You own 8% of the value of the total property – an appreciating asset.

Best Of Both Worlds





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THE CONCEPT OF FRACTIONAL OWNERSHIP

The Benefits Of Fractional Ownership

More and more people are realizing that the best solution for owning a second property is Fractional Ownership – the benefits are endless...

- Nobody makes use of a second property or holiday home all year round. Fractional Ownership offers you the perfect solution - only pay for what you use.
- It offers more affordable ownership in exclusive leisure destinations as costs are shared. Majority of people would otherwise not be able to afford a second leisure property.
- You can invest in more than one leisure property in different locations at the same cost as one single property. Conventional property investment would cost 13 times more.
- Leisure destinations, because of demand, increase in value much faster than average residential properties.
- Minimal capital outlay whilst enjoying maximum benefit in different locations.
- You don't have the sole burden and cost involved in maintaining and managing the property, as this is shared between all shareholders and taken care of by someone else.
- You can earn rental income for your own sole benefit if weeks not utilized are rented.
- You can exchange your time slot to suit your individual needs and requirements.
- Limited security concerns as result of maximum usage and higher occupancy, and secure estates / developments.
- You can sell your share in the property at the current property market value at any time.
- You invest in property with capital growth.
- Limited surety for your portion only – not the entire value of the property.
- Own your holiday destination as opposed to renting it.
- **You get more for less...**

Your Share – Only Yours





More for Less...

THE CONCEPT OF FRACTIONAL OWNERSHIP

NO!

The only similarity is that more than one party is involved in the property... However the advantages of Fractional Ownership over timeshare are distinct and far more superior.

- Timeshare buys you time – Fractional Ownership buys you an appreciating asset.
- With timeshare you never own the property or become a shareholder.
- Property value increases and so does your shares within Fractional Ownership.
- Fractional Ownership unlike timeshare is aimed at a more up-market sector.
- Timeshare decreases in value whilst Fractional Ownership accumulates capital growth.
- Fractional Ownership shares can be sold at any time – no contractual period.
- With timeshare demand is higher than supply – availability is a serious concern.
- Timeshare includes brokerage commissions of up to 60%. Fractional Ownership attracts standard sales agents' commission of approx 7%, but like with any property transaction is paid by the seller.



Is Fractional Ownership Similar To Timeshare?

ENJOY FULL BENEFIT





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THE CONCEPT OF FRACTIONAL OWNERSHIP

The concept is perhaps best demonstrated by way of example. 13 Investors each purchase 7.7% of the shares in a company which owns a leisure property worth R1.950 million, for R150 000 each, and in return, each receives 7.7% share in the property, as well as 4 weeks a year (in different periods) at an exclusive holiday destination. FZP Fractional Ownership will select & secure the land, ensure development of the property, and market to potential shareholders.

Development Steps

- Location is selected based on high demand and capital growth
- Land/plot is surveyed and considered for optimal growth and potential
- A syndicate company is registered which acquires the land
- FZP Fractional Ownership enters into agreement with the syndicate company in respect of development, project management & marketing of shares.
- Shareholders commit & contribute with payments at various intervals to facilitate completion of the project.
- Upon completion of the project the property is handed over to the syndicate company and the shareholders agreement is signed.
- The management agreement is signed between the syndicate company and FZP Fractional Ownership. This includes marketing of the rental pool.

Your payments are held in a trust account which is managed by a firm of Attorneys /Auditors, which have the skills and experience in Fractional Ownership. Upon transfer into the syndicate company, each shareholder receives a fully tradable share certificate indicating the shareholding in the property/company.



How Does Fractional Ownership Work?

Your investment remains exclusive in that the number of shareholders is limited to 13, or less, per property - unlike timeshare.

Shareholders are conventionally allowed 4 weeks holiday period or usage per annum for every 7.7% (1/13th) share. These weeks are split up into various time slots (2 weeks peak and 2 weeks off-peak) and rotate on an annual basis. Investors can however take up more than one share. No shareholder can take up more than 25% share.

FZP Fractional Ownership will always retain a share in the property indicating our confidence and commitment.

Fractional ownership operates on a usage roster. A specific roster is developed for each property in advance for up to 10 years ahead. Weeks are rotated on an annual basis giving all shareholders equal opportunity. All shares therefore have equal value.

Exchanging and/or combining allocated weeks may be done via FZP Fractional Ownership at the discretion of the respective owners.

Should you prefer not to make use of your allocated weeks, you may make your time slot available into the rental pool for your own profit.

The management of the property (including rental), is taken care of by one party - FZP Property Management (Management Company).



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THE CONCEPT OF FRACTIONAL OWNERSHIP

If you answer yes to any of the following questions, you are a candidate for Fractional Ownership.

- Are you interested in entering / investing in the property market?
- Do you want to own a second property / holiday home?
- Are you interested in diversity of your investment portfolio?
- Do you have cash available or equity in your existing bond?
- Would you prefer more choice and flexibility during your holiday?
- Are you interested in creating wealth through a leisure property?
- Do you want better returns on investment by lowering risk?
- Would you rather prefer someone else to manage your holiday home?
- Do you rather want to own your holiday home as opposed to rent it?
- Would you prefer a better lifestyle?



Is Fractional Ownership For Me?

Only Own What You Use





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FINANCIAL OVERVIEW

The Offer

- 2 Bedroom / 2 Bathroom Upmarket Apartment
- Large wrap-around terrace overlooking Piazza
- Patio Set
- Fully Equipped Kitchen
- Washing Machine & Tumble Dryer
- Open Plan Living Room with 6-Seater Dining Table
- DSTV & DVD Player
- Broadband Internet
- Master Bedroom (King Size Bed)
- 2nd Bedroom (Double Bed)
- Outdoor Pool
- Olympic Size Indoor Pool
- Gym
- 2 Secure Parking Bays

Size

Apartment 72m2
 Covered Patio 10m2
 Plus large wrap around terrace

Price:

8% share & 4 weeks usage R135 000
 Valid until 30 October 2007

Payment

A cash deposit of 10% upon signature of the agreement.

Balance of the land price (or 40%) within 30 days by means of guarantee or cash payment.

6 equal monthly payments to facilitate the development of the property / secure the balance of the purchase price.

Optimize Investment





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FINANCIAL OVERVIEW

Monthly Expenses (Levies)

Estimate

Estate/Sectional Title Levy	1075
Rates & Taxes	0
Water & Electricity	500
Insurance (Content & Structural)	400
Housekeeping / Domestic Service	800
Pool, Jacuzzi & garden Services	0
Repair & Maintenance Provision	500
Refurbishment Provision	400
DSTV (Satellite)	450
Accounting & Audit	700
Management Fee	1350
Total per month	6175
Total per shareholder (1/ 13)	475

All the shareholders have full access to the budget and actual spending of the company.

Share The Cost





More for Less...

FINANCIAL OVERVIEW

Return On Investment (ROI) Analysis

Capital Growth						
Details	Current Value		Future			
	Total	1/13 Share	Year 2	Year 3	Year 4	Year 5
Property	1000000	76923	88462	101731	116990	134539
Annual Growth %	15	15	15	15	15	15
Furniture	250000	19231	19231	19231	19231	19231
Total	1250015	96154	107692	120962	136221	153770
Initial Investment		95000	95000	95000	95000	95000
Growth Value		1154	12692	25962	41221	58770

Holiday Value						
Rental Days	14	14	14	14	14	14
Daily Rate	700	700	753	809	870	935
Inflation/Increase %	7.5	7.5	7.5	7.5	7.5	7.5
Total Holiday Value		9800	10535	11325	12175	13088

Note: Based on 50% of your allocated weeks for own personal use

Rental Income						
Rental Days	7	7	7	7	7	7
Daily Rate	700	700	753	809	870	935
Inflation/Increase %	7.5	7.5	7.5	7.5	7.5	7.5
Gross Rental Income		4900	5268	5663	6087	6544
Less Agent Commission %	10	10	10	10	10	10
Nett Rental Income		4410	4741	5096	5479	5889

Note: Based on 50% occupancy of the remaining 2 weeks.

Diversify Your Portfolio

Gross ROI						
		Year 1	Year 2	Year 3	Year 4	Year 5
Capital Growth	ZAR	1154	12692	25962	41221	58770
Holiday Value	ZAR	9800	10535	11325	12175	13088
Rental Income	ZAR	4410	4741	5096	5479	5889
Total		15364	27968	42383	58874	77747

Expenses						
Annual Levies	ZAR	5700	6042	6405	6789	7196
Inflation %	6	6	6	6	6	6

Note: Includes Management Fee

Nett ROI						
		Year 1	Year 2	Year 3	Year 4	Year 5
Total		9664	21926	35978	52085	70551
%		10	23	38	55	74



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SERVICES OFFERED

- Selection of prime investment opportunities in locations which will ensure optimal return on investment and leisure lifestyles.
- Marketing of the Fractional Ownership scheme.
- Development of each property including Project Management from acquisition of land to furnishing & decorating.
- Handling day-to-day management, administration & utilization (including rentals) of each property on behalf of shareholders.
- Storage of your personal items i.e. books, pictures & photos, dvd's, cd's etc.
- Facilitate resale of shares
- Acts as facilitator to ensure that shareholders do not enter into disputes or suffer negative experiences related to their investment.

The Complete Property Investment & Management Solution – so much more!

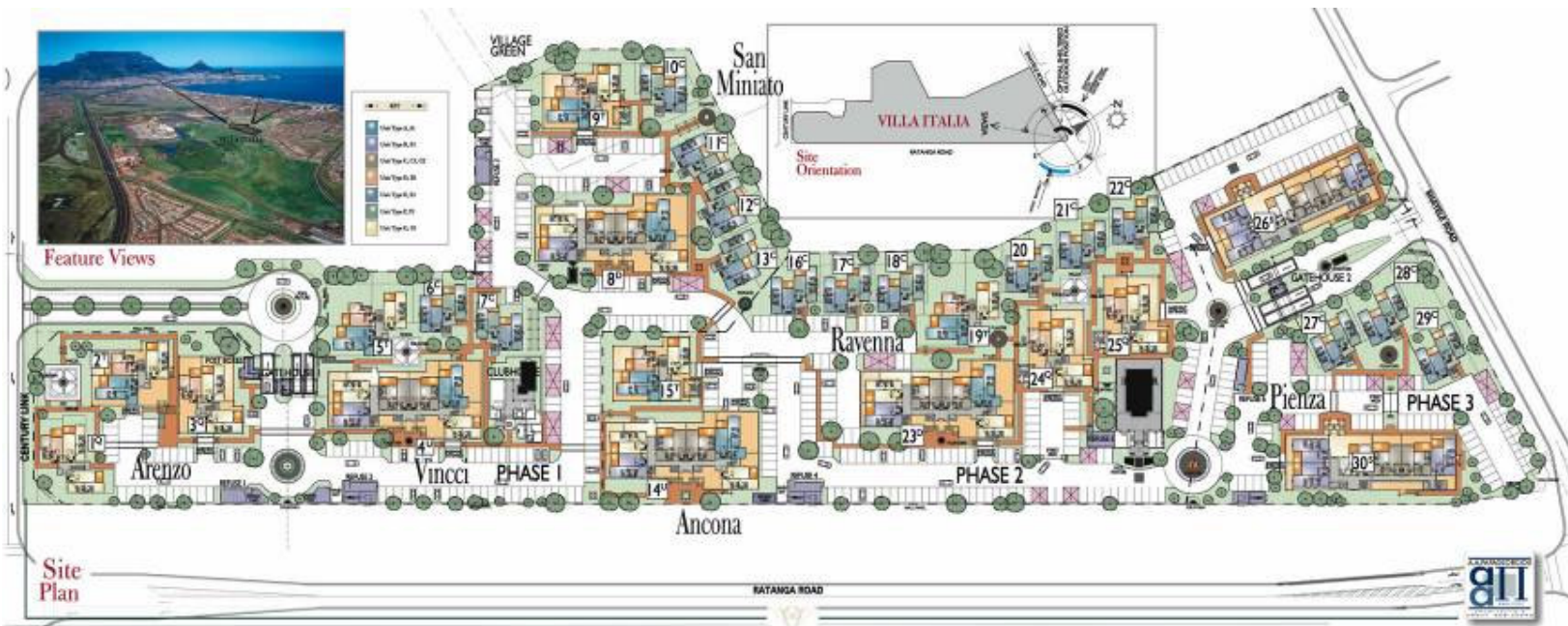
Fraction Is More Than Whole





More for Less...

LAYOUT: SITE / FLOOR PLANS



Luxury At A Fraction





More for Less...

LAYOUT: SITE / FLOOR PLANS

G • AREA • G	
UNIT	71.74m ²
COV. PATIO	9.79m ²
SEC. TOTAL	81.53m ²
GROSS	81.53m ²

G • 2 BEDROOM - 2 BATH • G	
VILLA UNO & DUE	VILLA TRE & QUATTRO



The Intelligent Investment



More for Less...





More for Less...



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