

Latest News



From top: Rear of Berlin Medical Centre and Pharmacy
forming part of Berlin Medical Centre.

For further details on our latest investment opportunity, The Fourth Augusta Syndicate – Germany, please turn to page 4 of this Newsletter.



I am pleased to announce the completion of The Third Augusta Syndicate – Germany. Interest in the Syndicate vastly exceeded the number of allocations available and on the closing date we were substantially oversubscribed.

Since the completion of The Third Augusta Syndicate – Germany, our research and active involvement in the German property market has highlighted a strong demand for so called “grey euro” property investments amongst investors. Germany's ageing demographic profile, combined with its well-established private health care sector is, we believe, driving this demand for investment into properties such as medical centres and retirement homes.

Investors are choosing this type of property because it offers good value and, in an ageing population, it is likely to be around for a long time. It is our opinion that these “grey euro” properties will attract a considerable amount of consolidation in the medium to long term. Not only do these properties offer the potential for high yields and capital appreciation, but investors can also benefit from strong tenant covenants and CPI indexation linked leases.

With this in mind we hope to launch The Fourth Augusta Syndicate – Germany shortly. This Syndicate will be incorporated to part purchase, along with bank debt, a retirement home in Hanover, Germany. Given that many experts now view the German property market as similar to that in the UK in the mid nineties we believe that this type of property offers investors the greatest potential for reward. For more details please see page 4 of this Newsletter.



Declan Kennedy
Managing Director

AUGUSTA NEWSLETTER AUTUMN 2006

AUGUSTA PRIVATE ACTIVITY



Augusta aims to reduce the risks, costs, time and effort associated with property investment

Elevation of Planned Retirement Home Purchased by Cronin & Co.



Mr. Derek Page of Cronin & Co with Frau Susanne Boehnke, the Operator. Left to Right: Philipp Matuschka (Augusta), Dr. Astrid Frense (Noerr Stieffenhofer Lutz, Solicitors) Derek Page (Cronin & Co, Purchasers), Frau Susanne Boehnke (VS Buergerhilfe GmbH, Operators) and Herr Manfred Schneeweiss (Nursing Home Consultant).

Aside from our Open Syndicates, Augusta has also been involved in a number of private transactions in 2006. Our Private Syndicates offer investors the opportunity to utilise our services and expertise to assist small groups in the purchase and management of UK and German property investments. Our approach aims to minimise, not only the risks and costs to the syndicate, but also the time and effort needed to maintain and manage the properties.

In September 2006 we completed a transaction in conjunction with Cronin & Co. Chartered Accountants whereby we assisted in their purchase of a retirement home building project. This transaction was part financed by some of their investor's own equity, combined with bank debt. The investment is structured to last for 10 years.

The project is due to be completed in the final quarter of 2007 with a large German retirement home operator beginning occupation in the first quarter of 2008. As with similar transactions we are involved in, this project was purchased with full planning permission and the contract included a fixed price build and an operator's lease. Additionally, the lease contains automatic CPI indexation.

Cronin & Co. did not have a particular property in mind when they decided to invest in the German property market. However, using our knowledge of, and experience in, the German market we were able to identify a property that suited their investment needs.

If you are interested in utilising our experience and expertise to assist you with the purchase and management of UK and German investment property, please contact our office on (01) 2300 858 to arrange an appointment.

LATEST NEWS ON GERMAN PROPERTY MARKET

Unlike in Germany, we have found it increasingly difficult to find 'good value' commercial property in the UK. However, there are a growing number of reasons why we believe that Germany will continue to represent a better opportunity for potential investors than other European property markets.

Firstly, there is growing evidence that the German economy, the 3rd largest in the world, and representing one third of the entire "Eurozone" economy, is finally emerging from a 15-year recession.

“We believe the German property market is similar now to the UK market in the mid 90's.”

On 5 September 2006, Peer Steinbrueck, the German Finance Minister, announced that he expected the German economy to grow by 2% in 2006. This is faster than the German Government's initial prediction of a 1.6% growth rate this year. He also indicated that the economic recovery has reached the labour market with both unemployment figures down and Tax revenues up.

Additionally, Germany's ageing demographic profile is driving a demand amongst investors for so-called "grey euro" investment properties such as medical centres and retirement homes. Investors are attracted to these properties because of the high rental yields and potential for capital appreciation.

Our Syndicates allow Augusta investors to take advantage of Germany's economic recovery and unique demographic situation. We believe that the German property market is similar now to the UK property market in the mid nineties. It is not unusual for investment properties in Germany to still command yields in excess of 8% and we believe that these strong yields, as well as the recovery of Germany's economy and relatively low interest rates, will attract more and more investors away from other European property markets.



Map of Germany.

theFinanceBusinessIntegrity

The Fourth Augusta Syndicate – Germany are pleased to announce The Finance Business as our preferred partner when it comes to leveraging your investment. The Finance Business can offer preferential rates to investors wishing to borrow to invest in The Fourth Augusta Syndicate – Germany.



For more information
please contact:

James Grainger

The Finance Business
The Osprey Business Campus,
Devoy Quarter, Naas, Co. Kildare
P: 045 881 701
E: james@thefinancebusiness.ie
W: www.thefinancebusiness.ie

KEY FEATURES OF THE GERMAN PROPERTY MARKET

1. Size of the Economy:

Germany is the largest economy in Europe making up almost 1/3 of the entire Euro Zone economy

2. Interest Rates:

Interest rates in the Eurozone, at the date of this document, stand at a relatively low 3.25%

3. Rental Yields:

The average yield of the 700+ properties on our database is between 6.5 – 9%

4. The Euro:

As Germany is a member of the single European currency there is no current threat of currency fluctuation to investors from Ireland

5. Capital Appreciation:

Yield compression in the German property market should additionally increase the capital appreciation of the Property

THE FOURTH AUGUSTA SYNDICATE – GERMANY



Grey euro properties represent an attractive investment opportunity.

The Fourth Augusta Syndicate – Germany has sourced a retirement home in Hanover, Germany for investment purposes. We see these “grey euro” properties as offering the greatest potential for reward to investors, given Germany’s unique demographic position.

The property is high yielding and in an area of Germany renowned for the provision of care facilities for the elderly, with a number of medical centres and a large hospital in the vicinity. We are currently undertaking our due diligence on the property.

The minimum investment into The Fourth Augusta Syndicate – Germany is €50,000 and in units of €10,000 thereafter. The investment is expected to last approximately 6 years and, as with all Augusta investment opportunities, will benefit from a tax efficient exit.

There are a number of ways an investor can invest in this Syndicate, using your own equity, using investment finance or through your pension. Please contact your financial advisor if you are unsure as to which of these investments would best suit your needs. Alternatively you could contact The Finance Business (see advertisement on page 3) who can guide you through all your available options without any obligation to you.

If you would like more information on this opportunity please do not hesitate to contact us using the details provided below.

CONTACT DETAILS

Declan Kennedy

E: dkennedy@augusta.ie

Steven O'Rourke

E: sorourke@augusta.ie

P: +353 1 2300 858

F: +353 1 2300 868

Philipp Matuschka

E: pmatuschka@augusta.ie

Lena Sy

E: lsy@augusta.ie

Augusta

Longford House
Longford Place
Monkstown
Co. Dublin