



# novanta

---

## EXPERIENCE HOTEL + APARTMENTS

An opportunity to own one of 12 unique, no hassle,  
no risk, dream houses in Tuscany with a guaranteed return on investment.

# Financial Information Apartments Castello di Gello

## Novanta Serviced vacation homes @Castello

*Enjoy your property, make your money work for you and let us take care of the rest! In this document you'll find an explanation of the services, cost and income for the houses, an infographic and a few examples of the calculations of income, cost and revenue.*

### Service Cost

The Service Fee is charged by Next Level Hospitality srl. the hotel company that's responsible for the services at Castello. The following services are being provided:

- Marketing
- Upkeep and replacement of furniture
- Booking management
- Revenue optimisation
- Handling of the customer journey

The houses are delivered with a complete interior designed and made by the Novanta inhouse design team. All furniture and materials are owned and maintained by Next Level Hospitality to guarantee a consistent level of quality in Castello.

### Maintenance Cost (Next Level Real Estate)

The property company of Novanta (NLRE) takes care of all maintenance of your house and Castello. For the owner of a house in Castello this guarantees that their house will be taken care of without worries for the long term.

The maintenance cost of the houses is a yearly fee charged for upkeep of:

- Paintwork, roof, windows and doors
- Pool cleaning and gardening
- Electrical and heating systems
- The surrounding garden and roads
- It includes Utilities & internet

This work will be done by the experienced inhouse maintenance team of Next Level Real Estate, Novanta's real estate company that has a maintenance pro's in Gello year round. So if the tiles fly off the roof or the house needs to be made ready for winter, we'll take care of it!



## **Stay in your house**

As the owner of the apartment you are welcome to stay 8 weeks / year in your property (2 weeks / quarter), you only pay a cleaning fee for this. When you are not enjoying your own property, Novanta hotel (Next Level Hospitality SRL) will manage your investment. Owners can book in advance, from October onwards for the following year. As an owner you may also gift your stay to family or friends. If you don't come in Summer we'll award you an additional high season availability fee of 250,-/week. All bookings are made through the hotel website([www.novanta90.com](http://www.novanta90.com)) or [info@novanta90.com](mailto:info@novanta90.com).



## **Booking**

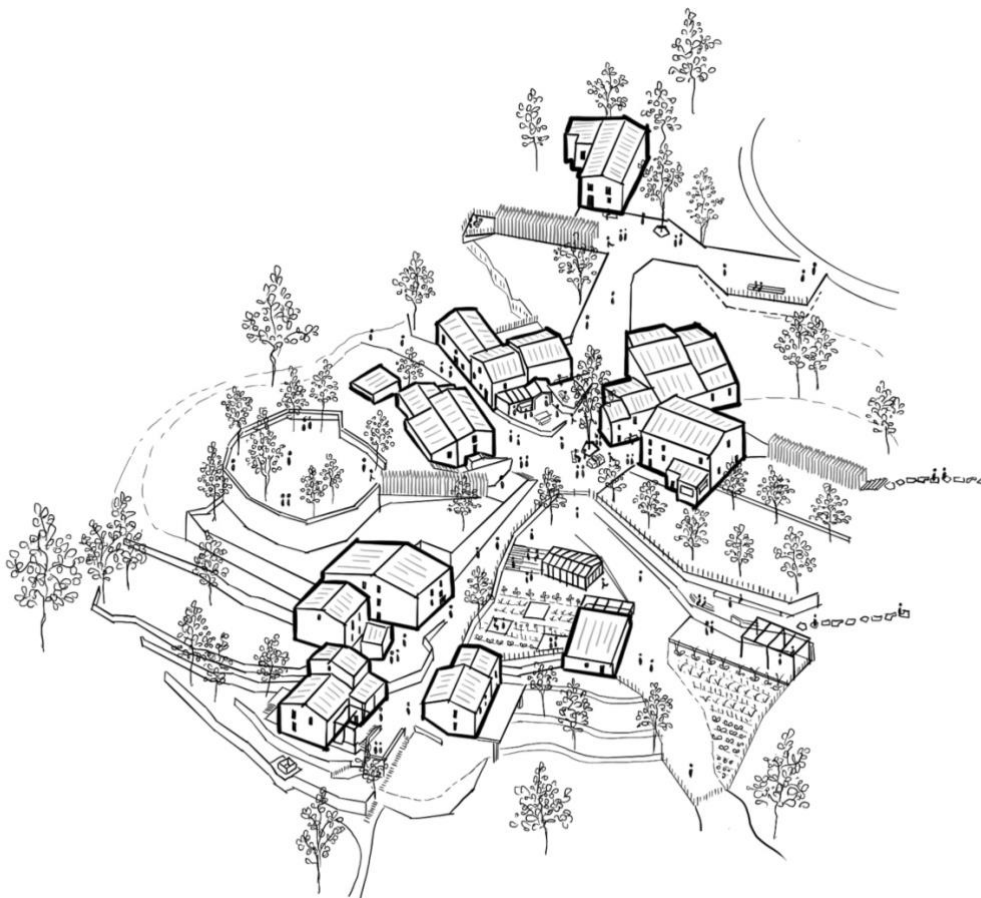
Novanta hotel rents the houses/apartments out on the vacation housing market as well as the Hotel market. Marketing, branding, booking management and check-ins/-outs are taken care of for the service cost, which is a percentage of the total booking amount. This includes any cost for registration on On-line Travel Agencies (OTA) like Booking.com and Expedia.

### **Pricelist consumers**

In low season guests have a minimum stay of 3 days (15 sept-15 june), in the high season (15 june-15 sept) a minimum stay of 7 days from Saturday to Saturday applies. Prices vary from year to year, they are indexed and rise as Novanta becomes more popular, and are decided and communicated every year in October.

### **Revenue pool**

All revenue at Castello is entered into a pool to guarantee a fair division. All owners then receive a percentage of this collected total income based on the net size (as per the sale contract) of their house. Please see Annex 'Revenue Pool' and Annex 'Example Revenue Statement'.



### **Final cleaning**

Novanta cleans after each stay to ensure hotel quality standards of your property. This will also be charged when owners, family or friends stay to guarantee a consistent level of cleanliness.

### **Secret room**

All houses have a secret room or hidden closet, which is only known to the owners. This is the place to leave your private gear for when you are in Gello. Our architects design this in such a way that only you can open this - so everything is kept safe and secure.

### **Return on investment**

As an owner you will receive a yearly analysis report for your property. Please see the included graphs for the Return on Investment (ROI) at different occupancy levels. For an exact calculation of the yearly return on investment see Annex I.

### **Extra services**

Hotel Novanta provides extra services (cleaning, 'fill your fridge', ecc.) that are excluded from the ROI calculation. These services are charged directly to the guests who stay in the houses in Castello. Lunch & dinner can be booked by Castello guests at Hotel Novanta as well. This is also excluded from the ROI calculation and charged directly to the guests.





## **Financial information & Rental system**

The following rental system is designed to work for the long term within the boundaries of Italian Property Law, as well as the regulations of the Agenzia delle Entrate, which registers rental contracts and charges a 1% registry tax for both parties registering a contract.

### **Rental contract**

Novanta's hotel company Next Level Hospitality (NLH) rents your house in Castello for 21+9 years as follows:

- Base rent 1.000,-/year paid by NLH.
- 70% of income (excl. VAT) over 8.000,-
- After 5 years we evaluate and change/prolong the contract upon mutual agreement.
- NLRE has a right of first refusal at sale, called a prelazione In Italian.

NLH pays for OTA's (Expedia.com & Booking.com), website ([www.novanta90.com](http://www.novanta90.com)), marketing, 3rd party websites and administration.

### **Taxes in Italy (the financial advisors of Studio Bartolini can do your tax return for you)**

- In order to buy a house and to pay taxes on the profits, one need to request a personal tax number (codice fiscale)
- The VAT in Italy accounts for 22%.
- Rental income taxes for private individuals are 21,85% per year for profits under 15.000 € in 1 year, 25,65% between 15.001 € and 27.000 €. If the owner has other profits in Italy they are summed up on the values above.
- Local taxes to be paid account for 2%
- Registered rental contracts are taxed at 1% per party over the yearly rent. This is paid after the fiscal year has closed.
- For foreign/Dutch companies: taxes need to be declared in a yearly audit of profits made in Italy. We advise you to make an appointment with Studio Bartolini to work out a tax plan.

## Poolsystem

All revenue for stay of guests in Castello is gathered into a Revenue Pool and divided by the amount of net surface in operation in that year.

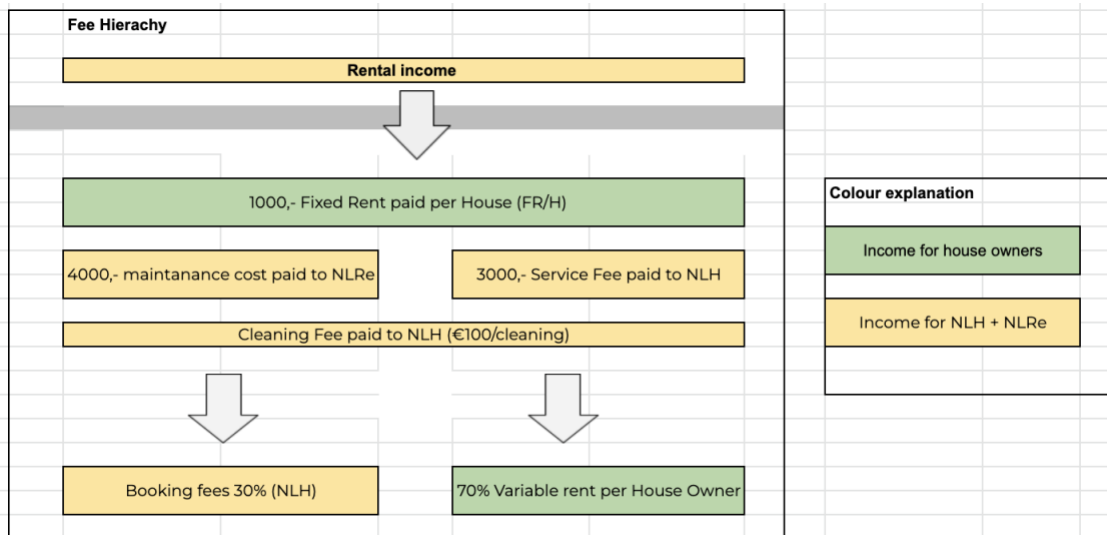
For example if Castello has 7 units in operation with a total net surface of 750m<sup>2</sup> and you own a house of 125m<sup>2</sup>, you receive a 16,67% share of the total net income of Castello.

After technical delivery of the house (with kitchen and furniture), operation of the house by NLH starts. After legal transfer of the house the new owner starts to share in the revenue. In the possible intermediate phase between delivery and transfer, Castello Development Company (the developer) receives the owners 70% share of the revenues.

## Operational income / House in Castello

The total operational income of Castello is calculated by adding up all bookings and deducting VAT and the 8.000,- threshold.

For example: If the 7 units in Castello are booked 17 times (pool average) in total for 2.139,-per booking week in a given year this leads to a total gross income 254.492,- After deducting 22% VAT this leads to a total operational income of 208.640,- for Castello. Minus the 8.000,- (threshold/house) and 1.700,- (housekeeping fee/ house) This leads to 140.700,- total operational income to be divided between all the houseowners (70%) and NLH (30%).



**Total net income Castello owners**

In this example NLH receives 30% of 140.700,- which is 42.210,- and the owners receive total net income of 98.490,-.

As owner, having a 16,67% share (1 of 7 equal sized apartments) you receive 14.070,- plus the base rent of 1.000,- which is 15.070,- of revenue in this example\*.

\*From this revenue the owners pay the rental tax (21,85%), Contract commission (imposta di registro of 1%) and local taxes (2%).

**What you need to do as owner:**

- Register for Codice Fiscale
- Pay taxes over rent income in Italy
- Pay local taxes (around 2%)
- Please ask advice to your fiscal advisor on all of the above.