Borderline Homes: High-Velocity Townhouse Development at the French-Swiss Border

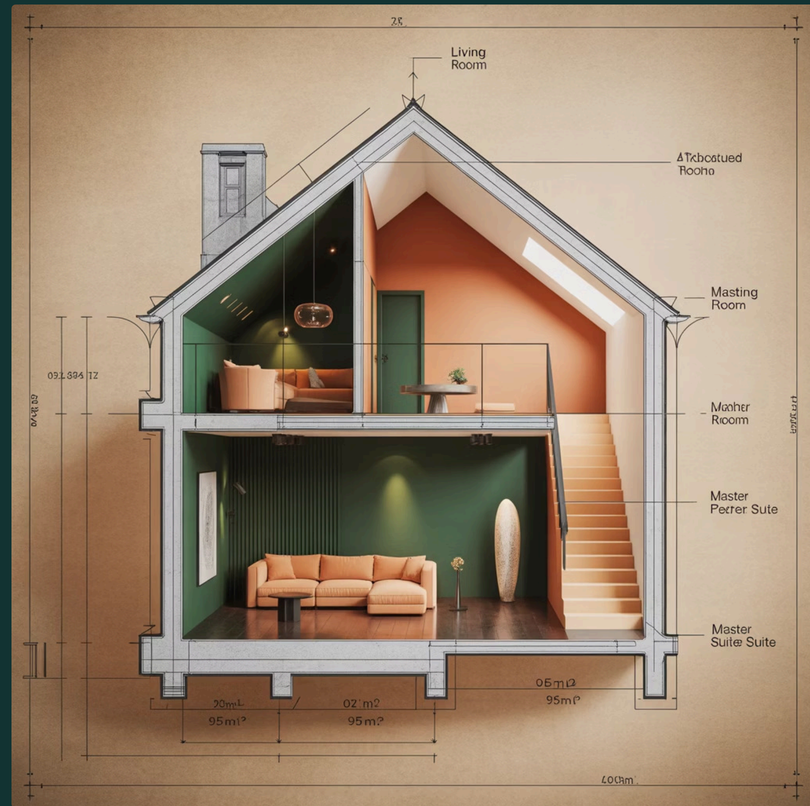
We monetize planning gain + build margin, not speculative appreciation. Our model delivers consistent 72% post-tax ROE in 18-month cycles by targeting the structural price arbitrage between Swiss salaries and French real estate markets.

The Investment Proposition

We acquire serviced plots just inside France bordering Switzerland, build standardized 3-bed townhouses on fixed turnkey contracts, and sell below local Swiss-adjacent comparables—delivering ~€120k gross / ~€86k net profit per unit in ~18 months with 30% equity investment.

Our model capitalizes on the cross-border economic dynamics while minimizing risk through standardization, fixed-price contracts, and velocity-focused pricing. This creates a scalable, repeatable business model with exceptional returns and multiple exit strategies.

Unlike traditional developers who bet on speculative appreciation, we focus on capturing planning gain and construction margin, delivering predictable returns regardless of market cycles.



Our standardized 95m² townhouses are designed for efficient construction and maximum appeal to the cross-border worker market.

Structural Demand Drivers

Swiss Income, French Living

Cross-border workers leverage higher Swiss salaries to afford more spacious homes at lower French prices, creating a strong and consistent buyer base.

Chronic Undersupply

Tight zoning and lengthy permitting limit new housing stock, ensuring consistent demand and price stability in the border regions.

Affordability Arbitrage

We strategically price units below comparable properties to accelerate sales velocity, protecting downside risk and maintaining margins.

Multiple Exit Strategies

Properties appeal to diverse buyers, including end-users and investors. A rental backstop covers interest, ensuring positive cash flow if sales timelines shift.

These structural market conditions create an environment where our development approach can thrive regardless of broader economic cycles. The Swiss-French border region represents a unique micromarket with persistent favorable dynamics for our specific development model.

Example Unit Economics

95m² Townhouse Economics

Delivered Cost	€400,000
Land + Fixed-price Turnkey Build + Soft Costs (~10%) + Financing	
Exit Price (velocity-capped)	€520,000
€5,470/m² - Below Prime Swiss-border Comparables	
Gross Profit	€120,000
Net Profit (after ~28% blended tax)	€86,000
Equity Required (30% of cost)	€120,000
Pre-tax ROE (18 months)	~100%
Post-tax ROE (18 months)	~72%
IRR (indicative)	~60% p.a. pre-tax / ~43% p.a. post-tax

The rental safety-net provides positive carry if units are sold later than planned, with interest and management costs covered by rental income. This eliminates forced sales and provides strategic flexibility.

Why It's Profitable & Repeatable

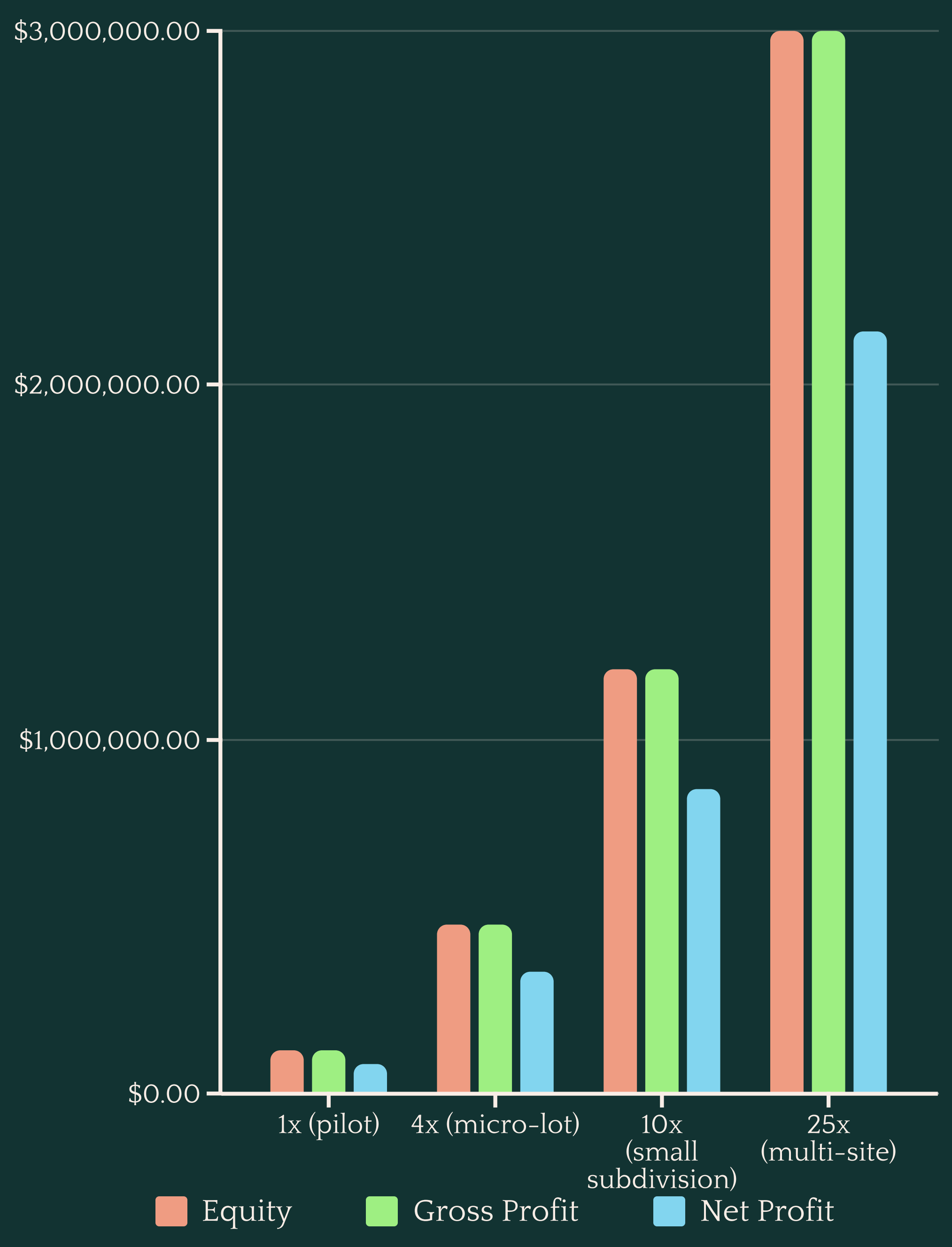
- We sell below comparable properties for faster absorption and reduced marketing risk
- Fixed-price turnkey contracts cap construction risk
- Standardized specification and short development cycle creates scalability
- Positive cash flow from rentals if timing slips prevents forced sales

Scaling Mathematics

Our model maintains consistent margins, 30% equity investment, and 18-month development cycles as we scale, delivering predictable returns regardless of batch size.

Batch Size	Equity @30%	Gross Profit	Net Profit	ROE (pre/post-tax, 18 mo)
1× (pilot)	€120k	€120k	€86k	100% / 72%
4× (micro-lot)	€480k	€480k	€344k	100% / 72%
10× (small subdivision)	€1.20M	€1.20M	€0.86M	100% / 72%
25× (multi-site)	€3.00M	€3.00M	€2.15M	100% / 72%

Projected Financial Growth by Batch Size



IRRs remain approximately constant across all scales because development timeframes, leverage ratios, and profit margins don't change as we expand. This linear scalability makes our model particularly attractive for investors seeking predictable returns.

Replication Levers to Defend & Enhance Returns

- **Geographic Diversification:** Expand along the entire French-Swiss border (Ain, Haute-Savoie) to maintain the CHF/EUR arbitrage while reducing concentration risk
- **Prefab Panelization:** Reduce build costs by 10-15%, adding 8-10 percentage points to ROI or cushioning margin if land prices increase
- **Presales (VEFA):** Secure 5-10% deposits to reduce interest costs by €2-3k per unit, enhancing ROI by 3-4 percentage points
- **Equity Recycling:** Compound returns by recycling equity every 18 months, potentially tripling equity in just 3 years

Capital Structure & Use of Funds

Example: 10-Unit Development (€400k cost per unit)

Total Delivered Cost	€4.0M
Equity (30%)	€1.20M (investors)
Debt (70%)	€2.80M (interest-only bridge ~3% p.a.)
Target Net Profit (post-tax)	€0.86M
Development Cycle	~18 months

Investor Offer (Illustrative)

We structure each development as a separate SPV with clear investment terms:

- **Investment Vehicle:** Investors provide the 30% equity layer per SPV/project
- **Preferred Return:** 12-15% annualized
- **Profit Share:** 70/30 to investors above the preferred return until a hurdle, then 50/50

Security & Transparency

- Segregated SPVs for each development
- Notarial control of titles and financial flows
- Fixed-price general contractor contracts
- Quarterly reporting to investors
- Professional third-party oversight

This structure provides investors with both downside protection and significant upside potential, while maintaining governance transparency throughout the development cycle.

Market Risk Controls

- Exit pricing below local €/m² comps
- Multiple buyer pools (end-users, investors, PRS)
- Structural cross-border demand dynamics

Cost Risk Controls

- Fixed-price turnkey contracts with guarantees
- Standardized specifications and designs
- Bulk purchasing as we scale

Financing Risk Controls

- Short tenor (~18 months) financing
- Presales to reduce drawn interest periods
- Rental income provides positive carry if needed

Execution Risk Controls

- Repeatable template development model
- Rolling pipeline instead of single mega-projects
- Geographic diversification along border

Roadmap to €2M+ Annual Net Profit

1 — Pilot Phase

Complete single-unit development to prove margin and velocity assumptions

2 — Micro-Lot Phase

Develop 4-10 unit projects, repeat success, and onboard external equity investors

3 — Program Scale

Expand to 25+ units across multiple sites, implement prefab panelization to enhance margins and compress build time

4 — Equity Recycling

Recycle equity every 18 months to reach ~50 concurrent units (€6.0M total cost / €1.8M equity per 15 units) and exceed €2M/year net profit

Investment Opportunity & Call to Action

€1.2M	€0.86M	72%	€2M+
Equity Sought	Net Profit Target	Post-Tax ROE	Annual Profit Potential
To fund a 10-unit border-market programme with total development cost of €4.0M	Expected returns after taxes in approximately 18 months	Exceptional returns in a compressed 18-month timeline	Clear blueprint to scale linearly through equity recycling

Borderline Homes offers sophisticated investors a unique opportunity to participate in a high-velocity real estate development model that capitalizes on the structural economic arbitrage at the French-Swiss border. With proven unit economics, multiple risk controls, and a clear scaling pathway, we're positioned to deliver exceptional risk-adjusted returns.

Contact us today to schedule a detailed investment discussion and site visit to our development locations. Limited equity participation available for qualified investors.