

Purchaser Buying Guide

Buying property in Austria is one of the most secure overseas investments you could make. At all times your monies are protected in Escrow by an appointed trustee so in the unlikely event that the Development is ceased due to bankruptcy (for example) you can have peace of mind that your monies are secure and what's more the development will continue as it is the responsibility of the trustee to complete any remaining construction works.

Unlike the horror stories we all have heard about other overseas properties where planning and permissions have been over turned and owners left high and dry, regulations for planning and permissions in Austria are strict and after completing several existing developments within Austria our legal team have gained vast experience in this area, always ensuring that your interests are protected.

Worried about the Boom and Bust? Again Austria has one of the most stable economies with property prices steadily increasing each year meaning positive returns are almost certain.

And if all that doesn't get you thinking about buying a luxury property within Austria, then why not consider this final point, inheritance Tax within Austria is current at 0%.

So you have made your decision and you want to know more, to assist you with the finer details we have prepared this short guide to explain the different documentation, processes and procedures we will come across during your purchase.

I. Website

We have created a user friendly online system to assist you with the purchase of your property . Each purchaser will be provided with personal log in details to a secure area which is completely unique to them. From this area access to view the latest construction images, request plan changes, choose finishes and furniture, and use our 3D images to design your kitchen, print copy invoices, order forms and confirmations will be available plus lots more. Explore to your hearts content whilst in the luxury of your own home.

II. Documentation

Below is a list of documentation you may be sent throughout the course of your purchase. Where possible all documentation will be translated into your national language.

1. Reservation Form
2. Kaufanbot (Agreement to Purchase)
3. Payment Plan A
4. Kaufvertrag (Purchase Contract)
5. Infoblatt (Information Form) – Banking System Legal Requirement
6. Kontoverfügungsauftrag (Account Decision Application) – Banking System Legal Requirement
7. Leaseback Contract (if applicable)
8. Rental Pool Contract (if applicable)
9. Furniture Contract (if applicable)
10. Finishes, Furniture and Changes Order Forms and Confirmations
11. Invoice(s)

III. Legal Documentation

During the course of your purchase we will issue you with several legal documents which will require your signature.

Please note all contractual documentation should be signed within 14 days of the postage date, any extensions in this timescale must be authorised by Austrian Chalets prior to the expiry date.

- Kaufanbot (Agreement to Purchase). This document provides you with details of the property you have agreed to purchase, payment plan A (stage payments), plans, specification and details of any legal fees which will become due and can be signed in the comfort of your home as no witness is required.
- Kaufvertrag (Purchase Contract) this is the final agreement to purchase and requires a signature before an approved notary (for further details of English Notaries see point VI) .This document also includes several appended documents including the Infoblatt and Kontoverfügungsauftrag as detailed below. The appointed Solicitor will be on hand to assist you with any legal queries you may have.
- Infoblatt (Information Form) this form is a Banking System Legal Requirement and explains the Terms and Conditions of Business of Attorney' Trust. Once signed this document enables the appointed Solicitor to release funds from your pre-assigned Escrow Account (see point VII) again this document does not require a notarised signature
- Kontoverfügungsauftrag (Account Decision Application) as above this form is a Banking System Legal Requirement and provides details of your pre-assigned Escrow Account once signed this document enables the appointed Solicitor to release funds from your pre-assigned Escrow Account
- Leaseback Contract (If applicable) – Further information can be provided upon request
- Rental Pool Contract (if applicable) – Further information can be provided upon request
- Furniture Contract (if applicable) – Further information can be provided upon request

IV. Payment Stages

- Upon reservation €1,500.00 refundable within 14 days of reservation
- 15% Start of Building minus €1,500.00 reservation fee
- 35% Completion of Carcass & Roof
- 20% Completion of Rough Installations
- 12% Completion of Façade & Windows
- 12% Property Complete
- 4% At Hand Over
- 2% After 3 years or after Developer providing a bank guarantee or insurance to the Purchaser

Both the Real Estate Transfer Tax 3.5% and Land Registration 1% (rounded to nearest euro) become payable on signature of contract the amount payable is detailed in the Kaufvertrag. Solicitors fees of approximately 2% plus VAT and expenses (a detailed list of expenses will be provide upon signature of the Kaufanbot) also become payable either within 14 days of signature of the Kaufvertrag (Purchase Contract) or upon completion of the final property registration which will take place upon completion of the development (depending on the appointed Solicitor).

All additional items such as plan changes, extra finishes, upgrades, furniture etc will be invoiced separately and do not constitute part of the build stage payments. The payment terms for any additional items are 14 Days from Date of Invoice.

The simplest way to make a money transfer is to request that your currency provider/bank place an **EU regulated payment** when processing your payment to us. In order to utilise this system it is recommended that you open a Euro account to sit alongside your own personal bank account or by setting up an Austrian bank account (see point VIII). The maximum amount that can be transferred without incurring charges on this system is € 50,000 so the currency provider/bank may have to breakdown the amount you wish to pay into two or three separate amounts. In order to avoid any unnecessary bank charges please declare **Charges Share** on the form. Your own bank account should be familiar with the mechanism, but if you need any further assistance please do not hesitate to contact us.

V. Legal Representation and fees

It is standard practice in Austria for the Developer to appoint an Austrian Legal Representative and for both the Developer and Purchaser to utilise the services of the same legal representative. Fees for such representation vary from 1.8% to 2% plus VAT and expenses.

As a purchasers you are entitled to obtain further legal representation on an advisory bases only, this however would be in addition to the existing appointed legal representation and would therefore incur an additional cost.

VI. Signing the Kaufvertrag (Purchase Contract)

Kaufvertrag (Purchase Contract) can be signed at any Notary office within Austria or a Notary within the UK, upon you receiving approval from them that they are authorised to carry out this exercise. Alternatively the Kaufvertrag (Purchase Contract) can be signed at any of the following within the UK:

Austrian Embassy - London

18 Belgrave Mews West (nearest tube Hyde Park Corner)
Belgravia
London
SW1X 8HU
Tel: **0207 3443250**
Open: Mon/Fri between 9am-11am (Appointment Only)

Austrian Consulate – Birmingham

5, Barlows Rd
Birmingham
West Midlands
B15 2PN
Tel: **0121 454 1197**
Open: Mon/Thurs between 9am-11.30am (Appointment Only)

Austrian Consulate – Edinburgh

9 Howard Place
Edinburgh
Mid Lothian
Scotland
EH3 5JZ
Tel: **0131 558 1955**
Open: Mon/Thurs between 10am - 12pm (Appointment Only)

- A Fee of up to £80.00 will be payable locally at UK consulates or the Embassy (Cash or Cheque supported with Banker Card). When signing in Austria a Fee of €165.04 is payable for one purchaser and €190.56 for two purchasers. (Cash or Euro Cheque)
- All purchasers must take a form of Photographic Identification preferably a Passport
- Please ensure you take the copy of your Kaufvertrag (Purchase Agreement) or signature

VII. Escrow Accounts

These accounts are set up by the appointed Solicitor who acts as trustee of these accounts. All build stage payments excluding the reservation fees and additional items should be paid to this account upon request from either the Solicitor or Austrian Chalets. Monies can only be released from these accounts when the Solicitor is satisfied that the required build stage has been completed, this confirmation is provided to the Solicitor through a government approved surveyor by way of a build stage confirmation letter. At all times your monies are protected and will not be passed to us until the Solicitor has been provided with the written confirmation and is satisfied that the necessary works have been carried out.

VIII. Banking Systems and opening bank accounts

To enable the appointed Management Company to take the monthly service charge you will be required to open an Austrian Bank Account prior to handover from which the monthly fees can be deducted. Where applicable this account can also be used for the transfer of rental returns. There are many reputable banks within Austria and many property owners choose to utilise the service of the local bank within the community in which their property is situated. Should you require further details regarding the availability of banks within the local area we can confirm that the local tourist information centre will be able to assist.

Please note that bank charges within Austria differ from many European Countries and we would advise that you review such charges prior to setting up an account, in many cases you will be required to ensure that the credit within the account is kept to a minimum level to ensure it covers all outgoing payments and charges.

IX. Mortgages

Need a Mortgage? Why not let our Austrian Mortgage Broker take away the hassle of searching for a mortgage from you, AWD are based in Salzburg and have vast experience in obtaining mortgages for foreign buyers, Roswitha Prommegger and her team are available to assist you with obtaining a mortgage from as little as 40% up to 70% as well as a 50% Swiss Franc mortgages all at competitive rates. For further information please feel free to contact Roswitha and her team direct on E-mail: roswitha.prommegger@awd.at or Telephone: 00 43 662 88 00 66 99

X. Withdrawal

We understand how stressful purchasing a property in a foreign country can be, and if you have the added complication of obtaining a mortgage this can seem like a daunting concept. To assist we have adapted our Kaufvertrag (Purchase Contract) to allow purchasers to withdraw from the Kaufvertrag (Purchase Contract) with no financial penalty if a mortgage of at least 50% cannot be obtained within 3 months of signing the contract, or 1 month in the event the completion of that the development is within a 6 months of the contract signature date.

XI. Contents Insurance

It is important that you have adequate insurance in place for your property and its contents and based on our vast knowledge of the Austrian regulations we are happy to recommend two reputable companies who are able to assist you with all your requirements, alternatively if you already have insurance for your first residency then in most cases further contents insurances can be added to your existing insurance (for further details of the requirements for contents insurance please contact our offices)

Please note buildings insurance is covered within the monthly management fee which is payable (see point XXXI)

Generali Versicherung AG
Mr. Johann Schwarz
Leogangerstr. 13
5670 Saalfelden
AUSTRIA
Tel. 0043 6582 7276413
Mob. 0043 664 3368313
mail to: johann.schwarz@generali.at
www.generali.at

Mag. Margret Krackl
Generalagentur Krackl
Salfeldnerstr. 16
5700 Zell am See
Tel.: 0043 664 4247899

XII. Making Changes

We strive to assist purchasers with those all important plan changes, so much so that we have a specially dedicated English based Design Manager who is on hand to assist with any layout and electrical changes you may have. To register an interested to make a layout, sanitary, kitchen or electrical change simply log on to your secure on-line area within our website and click the Request Button in the changes section. Your registered interest will then be sent direct to our team who will contact you to discuss the changes you wish to make. Should you have purchased multiple properties of the same specification the website also provides an option to select your chosen finishes and apply the finishes to all apartment you have purchased.

XIII. Changes to plans due to regulations

On occasion the Austrian authorities and local governments may stipulate that changes to the property or development are made to fall in line with the local regulations. Many of these changes are dealt with at planning stage, but on occasion we may be required to make further changes once work progresses. We endeavour to negotiate with the relevant parties to keep any changes from the standard design and specification to a minimum, however should we need to make changes we will inform you at the earliest opportunity of any amendments that may be required.

XIV. Choosing Finishes

With several ways to select finishes for your property you will be spoilt for choice! Why not use a trip to our Austrian Office where our design team will be available to assist you with your choices, or alternatively visit our office in Leeds. For all those busy people out there why not put some time aside to log into our user friendly secure system and make your finishes choices. Our on-line system enables you to choose from our standard finishes to the available up grades whilst calculating the cost of the items you have ordered. Again simply click on the send button and your order will be processed and confirmation of your order sent to you. What's more we have even developed a system which allows you to build your own kitchen enabling you to see how your choices will look using our 3D mock up.

XV. Choosing Furniture

Again this couldn't be easier, simply log into your secure area and shop to your hearts content. With a vast choice available at competitive rates you will struggle to find anything that is better quality and value. All prices are clearly displayed but to assist we have again provided you with a Shopping Calculator. Once you have finalised your selection just click on that all important send button and your order will be sent along with confirmation to you. Should you wish to see colour samples these can be viewed in both our Austrian and Leeds Offices, and in some cases colour swatches can be sent direct to your door.

XVI. Changes to available Finishes & Furniture

We endeavour to provide the latest trends and specifications for all of our developments, on occasion we may be advised by a supplier that a item chosen by our design team is no longer available or does not comply with current regulations etc. Our design team appreciate that choosing finishes to suit your needs can be time consuming and personal attachments with your property begin to form once choices are made. Taking this into consideration we will always try to ensure that your requirements are met and in the event that an item can no longer be provided we will consult you and offer alternatives of the same or superior quality to those originally chosen.

XVII. Our Offices

We have offices situated in both the UK and Austria, our offices contain samples of all colour, finishes and selected furniture items for you to view. Feel free to contact us to arrange an appointment at the office which is most convenient to you.

UK Office: Shires House Shires Road Guiseley Leeds LS20 8EU Tel: +44 (0)1943 882 302 Fax: +44 (0)1942 882 300	Austrian Office: Marktstraße 43 5661 Rauris Austria Tel: +43 6544 20304 Fax: +43 6544 20304
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XVIII. Site Access

Please note site access is strictly forbidden unless accommodated by a member of our team. With this in mind we would ask that you contact our offices prior to your visit to ensure we can accommodate your visit. Due to Austrian regulations we are unable to allow access to any of our sites to persons under the age of 14. Once in Austria all visitors are required to report to a member of our team, you will be asked to complete and sign a disclaimer, please also note that all visitors must wear a hard hat whilst on site. (Hard Hats will be provided by our team)

XIX. Issuing Construction Updates and Newsletters

We feel it is important that you are kept up to date with the construction of your property, therefore once construction begins weekly updates will be provided, all images will be uploaded to your secure area within our website for you to view and print, to assist you with locating your purchased property all images will be labelled with the relevant unit information. We will also provide regular Newsletters which will contain information about our company, changes within Austria, new developments and general updates, again this information can be accessed via the online secure area.

XX. Issuing Plans Correspondence

All correspondence will be issued by e-mail and where possible by post, with this in mind we would kindly request that you keep us up to date with any changes to your postal and e-mail addresses. All generic correspondence will also be uploaded to your personal secure area, which will enable you to view and re-print any missing correspondence

XXI. Issuing Build Schedules

We will endeavour to keep you up to date with progress on site through our regular construction updates. As with many developments within the Austrian Ski region the weather has a big part to play which makes most developments weather dependant. With this in mind build schedules are reviewed at all times to ensure any delays are kept to a minimum, where delays do occur they will be reflected within the build schedule to fall in line with this and to ensure our best intentions at all times we will also provide regular construction completion and build stage payment due dates.

XXII. Rentals

Our properties in Austria offer a great investment opportunity and fantastic rental returns. Unless buying in a dedicated second home area then investment properties should be available for rent to avoid "cold beds" and keep the resorts popular and lively. All our projects offer reputable rental partners where applicable.

XXIII. Taxes

All property owners are required by Austrian Law to pay VAT and Income Tax on any rental returns received, however these taxes are offset against the property management fees, furniture purchased, borrowings etc. As a developer we are not authorised to provide any advice regarding possible taxations and would advise that you contact an Austrian tax adviser to obtain further details regarding this specialised area. We are happy to recommend Mag. Michael Fischer of Quintax, based in Salzburg m.fischer@quintax.at

XXIV. Tourist Tax

Tourist tax is a minimal fee (From €1.00 to €5.00 resort dependant) which is payable to the local Gemeinde and is used to benefit the resort in which your property is situated. With this in mind we feel it is important that all owners who choose to privately rent their property or who allow Family (not immediate) and Friends to use their property during personal usage weeks if in the Leaseback or Rental Pool are made aware that this tax is compulsory and must be paid by all visitors over the age of 15. Within many of our developments we will assist with this process by providing a onsite team who will be available for all visitors to register with, however if your property is not situated within one of our busier resorts then a visit to the local tourist information will be required and they will be able to provide you with all the information and documentation your require to ensure that you comply with this regulation. As a thank you many resorts will provide your visitors with a guest card on completion of the relevant paper work which will enable your visitors to use some facilities at no cost or at a discounted rate. It is stipulated by the local Government that this tax is paid and we would ask that you ensure all guests comply as any liability for failure to pay will fall on the property owner and could result in fines for missed payments.

XXV. Parking Spaces.

Within many resorts in Austria it is vital that underground parking is provided for new developments and with this in mind if the property you are purchasing is provided with underground parking as standard then all spaces will be pre-assigned at the design stages. If parking is an addition extra we will assign spaces on a first come first served basis, however we will endeavour to ensure parking spaces are assigned as close to your purchased property as possible. Plans detailing your assigned parking space will be provided with the Kaufvertrag (Purchase Contract).

XXVI. Washing Machines

Washing Machines are not provided within our standard specification but can be purchased at an additional cost using our online ordering system, please note our prices include full fitting and connection. It is standard practice in Austria for fitting and connection to be carried out by a qualified electrician and plumber therefore should you purchase a washing machine from another source we advise that you establish if the item purchased includes full fitting and connection.

XXVII. Laundry Sizes

Unlike the UK many European countries use different styles of bedding to that used in the UK. To assist you with furnishing your property with the correct bedding requirement we provide Bedding Packages within our furniture packs.

Should you wish to self furnish your property and also wish to utilise the rental schemes or laundry facilities (if applicable) we can confirm the following:-

- Single beds are fitted with a single duvet (140 x 200 cm) and one pillow (60 x 80 cm)
- Double beds are fitted with two single duvets (140 x 200cm) two pillows (60 x 80 cm)

XXVIII. Internet

Within many of our developments an internet connection is provided as standard and the cost is built into the purchase price paid, should you wish to utilise the service you will be required to set up a contract with a local internet provider, the cost for this service is dependant on the provider and service selected. The provider will then invoice on a monthly bases and it is recommended that an Austrian Bank Account is opened as international transfer costs from a UK bank account could increase the monthly fee.

XXIX. Cable TV

Within many of our developments a Cable TV connection is provided as standard and the cost is built into the purchase price paid, should you wish to utilise the service you will be required to set up a contract with a local provider, the cost for this service is dependant on the provider and channels selected. The provider will then invoice on a monthly bases and it is recommended that an Austrian Bank Account is opened as international transfer costs from a UK bank account could increase the monthly fee.

XXX. Referral fees

We place a high value on referrals and recommendations from existing customers and as such we would like to reward such loyalty through our Referral Incentives which is only available to owners of properties within The Candelisa Group.

The incentive works on an introduction to purchase based operation and by introducing us to your circle of family, friends and acquaintances we in return will ensure that you are generously rewarded for any introductions that progress to a property sale. Fees for marketing costs and agency fees are notoriously high in overseas property sales and as such we are able to offer fantastic returns in commission to you in return for any introductions you make. With this in mind any direct sales as a result of your introduction will be rewarded with a 4% commission, alternatively if you are feeling generous you could pass the commission to your family, friend or acquaintance by way of a 4% discount (or any agreed split of the 4%) off the purchase price of a property. Should you agree any such discounts the Kaufvertrag (Purchase Contract) will reflect the discount in the purchase price and any commission will be dealt with in the strictest of confidence.

All you have to do is introduce a prospective client and let us know their details in writing, via e-mail or fax, the introduction will then be registered under your name. The lead will be followed up and any site visits arranged etc. Once a property has been reserved and the purchase proceedings have commenced we shall keep you informed throughout the sales process. Upon completion of a full handover (if applicable) we will pay your reward either by cheque or directly into your bank account. This offer is only available going forward and cannot be done retrospectively, or for any existing valued introductions.

XXXI. Management Fees

It is standard practice in Austria for the Developer to appoint a Management Company for the development once completed. Fees for this service are payable by the property owner and are taken on a monthly bases. Fees are calculated based on the services provided and are linked to the living area m² size. (A calculation of which is taken upon completion also known as enjoyment value)

Details of the fee are detailed within the Kaufvertrag and further details of the services provided will be sent to you when the development is nearing completion along with a contract, power of attorney and direct debit form which you will be required to complete. As an owner you will have the option to attend an annual meeting to review and discuss the appointment of the Management Company along with associated cost and charges for the oncoming year.

XXXII. Handovers

Upon completion of the development you will receive confirmation of the handover period. You will be required to arrange an appointment with our team for handover to take place, once in Austria you will be escorted to your property where a full snagging list will be completed, furniture and finishes choices verified, meter reading taken, all legal documentation finalised along with a full site tour. In the event that you are unable to attend to take possession of your property within the given timescale we will be more than happy to organise a remote handover, a quick phone call to our team will secure such a handover.