



wanting your
own home

IS ONLY NATURAL



Raiffeisen
Naturally my bank

With over 90 years of banking experience, Banque Raiffeisen is undeniably part of Luxembourg's geographic and economic landscape. With its **local origins** and **cooperative status**, the bank listens, assists and reassures you, providing its experience in financial services and state aids. It offers all the benefits you would expect from a bank that carries out **all its business in Luxembourg**: **proximity**, with a network of nearly 40 branches across the country; **flexibility**, with its tailor-made solutions and personalised follow-up; **expertise** and **advice**, thanks to knowledge of the luxembourgish environment; and **reliability**, because it is **completely independent** in terms of commercial strategy.



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Buying or **building a home** or **buying a building plot** are long-term commitments. It is a decision that requires **careful thought and preparation**. Without claiming to cover every aspect, we have drafted **some tips** to help you through the process. The main thing is to know what you want and what you need. With that in mind, it will be easier for you to decide whether or not the **land, house** or **apartment** you have your sights set on really is **the one for you**.

When making your decision, remember that your personal and family situation may change. You should also take certain criteria into consideration when selecting your property, for example **its environment, its location** and **the means of access, how close** it is to your place of work or to your leisure activities. Always check whether the price of the property is in line with market prices, especially those in the district or neighbourhood in question.



4 CASES



1

BUYING A BUILDING PLOT

When **buying a building plot**, there are several important points:

- Check that the land is actually buildable.
- Check that it has connections to public distribution networks (electricity, water, sewerage, gas, telephone, etc.).
- Find out about potential delays in construction work. The notary, the land registry or the local authorities can provide information on these various points.

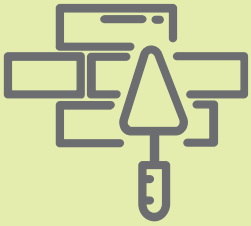


2

BUYING AN APARTMENT OR HOUSE

When you intend to **buy an apartment or house**:

- Find out about the state of the dwelling, i.e. its age, the state of electrical and sanitary installations, its energy passport...
- If you intend to carry out alterations, you should seek professional advice and request a quotation. You will thus be sure that the work is feasible and you will have an estimate of how much it will cost.
- Do not forget that for certain conversion work, you will need permission from the local council.
- If you are buying an apartment that is part of a condominium, it is important that you read the co-ownership regulations to be aware of your rights and obligations. Consult the minutes of the owners' meetings and find out about any work in progress or to come.



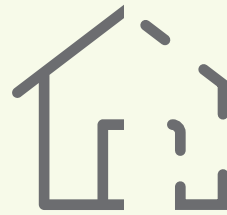
3

BUILDING AN APARTMENT OR HOUSE

Turnkey construction means you benefit from the services of professionals from the design stage until the end of the work.

If you opt for this, the contractor will coordinate the work and must respect the deadlines. You will not be required to supervise or coordinate the project yourself. However, you will receive the specifications setting out the plans, materials used, the price and the duration of works.

Own-build projects mean you choose your architect, the plans for your home and the materials to be used, according to your tastes and your financial resources. You can either personally ensure that the work runs smoothly or delegate this task to the architect.



4

BUYING AN APARTMENT OR HOUSE "OFF-PLAN"

When you **buy a house or apartment off-plan**, you will be required to examine a number of documents:

- The deed of sale for the land
- The plans and building contract, which contain details on the various works scheduled and their costs. The contract should mention the ten-year guarantee covering potential construction faults.
- The condominium rules and internal regulations, in the event of the acquisition of an apartment off-plan or under construction, plus the expected shared expenses.
- The extent of the bank completion guarantee, which insures successful completion of the work in the event of the seller's default.
- The acceptance agreement to be co-signed with the seller at the time of acceptance of the building, mentioning any defects and work not yet carried out.

Once you have settled on the property of your dreams, you can enter into **an initial agreement** with the seller.

INITIAL SALES AGREEMENT



This **contract** comes before the final deed of sale and is generally limited in time. It may contain termination clauses or suspensive clauses. The initial sales agreement is not a mere preparatory measure: it is a very important legal document with real legal value.

R-LOGEMENT HOUSING LOAN

The R-Logement housing loan is a comprehensive solution to finance your project and includes ways of protecting your family and your property. Together, we select the formula best suited to your personal situation. We will also assist you in your application for any state aid that your project is eligible for.

The R-Logement housing loan can be used to finance the purchase of a building plot, a house or an apartment, the construction of a new dwelling, or the conversion of an existing or newly-acquired dwelling.

Banque Raiffeisen is also your go-to partner for acquisitions abroad.

The financed property can be used as your main residence or second home, or can be rented out. The normal term of a loan is 20 or 25 years. However, it can be extended up to 30 years depending on the requirements, type of finance and the age of the applicant. If you have to continue paying rent while your property is being built or converted, you can decide to start repayment of the loan only once the work has been completed. In this case, you will only pay the interest due during the transitional period, which should not exceed two years.

In principle, the usual guarantees for a housing loan are:

- first-ranking mortgage registration for the property to be financed,
- fire insurance on the property, as security,
- outstanding balance insurance.



To find out how much it will cost to acquire a property, use our online housing loan calculator at www.raiffeisen.lu.

FINANCE AND PROTECTION



FINANCE

Fixed rate or variable rate?

Both options have their advantages. The **variable rate** adapts regularly to changes in market interest rates. You are therefore exposed to the risk of higher rates, but you also benefit when rates go down. Note that a variable rate is generally lower than a fixed rate. In addition, the repayment plan is more flexible, as early repayments are possible.

You can, for example, adapt your repayments as your professional income evolves, or make partial or total repayments at any time, without incurring penalties. With a **fixed rate**, you are protected from any increase in rates. We can offer fixed rates over different terms, for example over 3, 5, 10, 15 or even 20 years. The rate remains unchanged during the agreed period, which means that your monthly payments also remain constant. After this period, the rate is reviewed and can again be determined for a fixed period, or be replaced by a variable rate. In theory, the repayment plan for a fixed-rate loan cannot be modified. There are also solutions that combine fixed and variable rates.

Bridging loan

You already own your own property but now you want to sell your current home and invest the proceeds in a new project. The **bridging loan** is a flexible solution enabling you to seize an interesting opportunity while waiting for the final sale of your current home. When you complete the sale, the proceeds will be used to repay the bridging loan.

Looking to renovate or extend your current home?

As the years go by, your needs change: your family grows, you have new ideas such as a new bathroom, a loft conversion or an extension. Subject to acceptance of your application, you may be able to make use of the margin between the outstanding balance and the original amount registered for the housing loan, without additional cost, to **finance conversion, extension or renovation work**.

Tax optimisation

Depending on your personal situation, part of your home loan can be combined with a home savings account, offered in collaboration with our partner Schwäbisch Hall.

It is quite simple: you open a home savings account to set aside savings then, on expiry of the account, the amounts saved will be used to partially repay the loan. While you are building up savings, you only repay the interest due on the relevant part of the loan.

You thus benefit from the following advantages:

- deduction from your taxable income of the contributions paid on your home savings accounts, up to a maximum of €672 or €1,344 per person in the household, depending on the age of the youngest subscriber on January 1st of the year in question,
- deduction of interest expenses within the limits provided for by law.

Personal loan

A new home also needs furnishing. With a maximum term of 60 months, **the R-Classic personal loan** is the ideal way of financing all your extra expenses.



Use our online personal loan calculator at www.raiffeisen.lu



PROTECTION

Insurance

Buying or building a home is one of the biggest investments in your life but you wouldn't change your mind for anything in the world! It is therefore in your best interest to protect your loved ones and **insure** the building properly.

Outstanding balance insurance

Outstanding balance insurance protects your loved ones from financial worries in the event of your death. It pays off the full insured amount that remains due at the time of your death. For us, this is essential. The single premium paid out as outstanding balance insurance is tax deductible under "special expenditure". The amounts deductible vary according to the insured party's age and family circumstances.

Home insurance

Home insurance covers your home against major disasters (fire, storm, theft, vandalism and water damage) and minor problems (glass breakage). Together with its partners, Raiffeisen can offer the insurance packages you need to protect your family and property.



PUTTING TOGETHER A FINANCING PLAN

A financing plan will give you an overview of how you will finance your project and, if it is done properly, will help you avoid any unwelcome surprises. You will see how much you will need to borrow and decide whether or not you can afford the repayments.

How does it work? First, we recommend you list all the expenses involved in the acquisition or building of your new home. Remember to leave some room for manoeuvre in case of unforeseen expenditure.

To calculate the total amount you need to borrow, take into consideration any available funds you have and you want to invest in the project. The periodical repayments of the loan must leave you with enough available income for a decent standard of living. To help you establish your financing plan, you can use the summary table below. In it, we have listed the usual expenses incurred and the financial resources you may have.

Your financing plan

RESOURCES	AMOUNT	EXPENSES	AMOUNT
1 Personal deposit own available funds, sums gifted, etc.	>	1a Acquisition price (incl. tax)*	>
2 Price obtained for the sale of another property	>	Cost of any conversion work	>
3 Direct aids	>	Improvement work, including any architect's fees	>
3a Capital aids Home purchase grant	>	1b Construction* where applicable, cost of buying the building plot	>
Construction grant	>	Construction costs, including any architect's fees	>
Savings premium	>	2 Fees for notarial deeds, mortgage fees**	>
Home improvement grant	>	3 Outstanding amount insurance premiums***	>
Additional grant for architect's and consulting engineer's fees	>	4 Incidental expenses****	>
Partial reimbursement of VAT	>	5 Contingency reserve	>
3b Municipal grants	>	6 Other	>
3c Special grants		Total expenditure	>
4 Other			
Total resources	>		

Amount to be financed = total expenditure - total resources



You can visit www.raiffeisen.lu to automatically calculate the amount to be financed.

* The purchase or construction price: under certain conditions, a reduced VAT rate of 3% is applicable (see State Aid).

** Notarial instruments include registration and recording fees, as well as the fees due to the notary for the establishment of the notarial deeds. The rate applied is 1% for registration fees and 6% for recording fees. In some cases, however, the purchaser or buyer(s) is/are entitled to tax credit (see State Aid). Your notary can provide you with an estimate of this item.

*** Outstanding balance insurance covers in principle, in part or in full, the repayment of the balance of the loan remaining due in the event of the insured party's death.

**** Incidental expenses can be required by certain municipalities for connection to electricity, water, gas or telephone, as well as for possible development of the approaches or cleaning-up of the land.

USEFUL ADDRESSES

MINISTRY FOR HOUSING

Housing aid department

11, rue de Hollerich
L-1741 Luxembourg
T 80 02 10 10
www.logement.lu

ENVIRONMENTAL AGENCY

Energy Efficiency department

1, avenue du Rock'n'Roll
L-4361 Esch-sur-Alzette
T 40 56 56 400
www.environnement.public.lu

ADMINISTRATION DE L'ENREGISTREMENT ET DES DOMAINES / LUXEMBOURG REGISTRY

Reimbursement of VAT on housing

Bureau d'imposition XII
7, rue du Plébiscite
L-2010 Luxembourg
B.P.31.
T 247 807 07
www.aed.public.lu

MINISTRY OF CULTURE DEPARTMENT FOR NATIONAL MONUMENTS AND SITES

Renovation premium
26, rue Münster
L-2160 Luxembourg
T 247 866 52
www.ssmn.public.lu

MINISTRY OF ECONOMY AND FOREIGN TRADE

Energy Directorate

19-21, boulevard Royal
L-2449 Luxembourg
T 247 843 13
www.gouvernement.lu/meco

For further information or to make an appointment, please contact your nearest **Raiffeisen branch** or our **Client Service Center** on **24 50-10 00**.

OUR BRANCHES

Alzingen 24 50-71 60	Luxembourg-Ville 24 50-21 00
Bascharage 24 50-41 00	Mamer 24 50-63 00
Bertrange 24 50-63 30	Marnach 24 50-52 50
Bettborn 24 50-42 00	Mersch 24 50-13 80
Bettembourg 24 50-11 00	Mondorf-les-Bains 24 50-53 00
Diekirch 24 50-43 00	Niederanven 24 50-51 00
Differdange 24 50-19 00	Pétange 24 50-17 00
Dudelange 24 50-71 00	Redange/Attert 24 50-60 40
Echternach 24 50-49 30	Remich 24 50-70 00
Esch/Alzette 24 50-14 00	Saeul 24 50-60 70
Ettelbruck 24 50-31 00	Sandweiler 24 50-51 50
Grevenmacher 24 50-38 00	Soleuvre 24 50-41 20
Junglinster 24 50-49 00	Steinfort 24 50-63 70
Kayl 24 50-71 40	Strassen 24 50-16 00
Leudelange 24 50-67 00	Walferdange 24 50-15 00
Luxembourg-Gare 24 50-66 00	Wasserbillig 24 50-38 50
Luxembourg-Kirchberg 24 50-18 00	Weiswampach 24 50-52 70
Luxembourg-Limpertsberg 24 50-12 00	Wiltz 24 50-44 00
Luxembourg-Merl 24 50-68 00	Wintrange 24 50-52 00

For more information, please visit www.raiffeisen.lu.