

YOUR NEW HOME. OUR PROJECT.



**TOGETHER WE CAN MAKE
YOUR DREAM COME TRUE**

THE BANK THAT BELONGS TO ITS MEMBERS

Banque Raiffeisen, société coopérative



Raiffeisen

THINKING ABOUT OUR MEMBERS

As **Luxembourg's first cooperative bank**, we have, for over 90 years, been committed to supporting you in your endeavours and working in your interests only. Our **roots are in Luxembourg** and there is a relationship of trust at the heart of our approach.

We are committed to offering products and services that are not only high quality, but also carefully adapted to your financial services needs, and to the steps that you need to take to apply for financial aids for your property project.

To us, our members are more than just customers. That is why listening, regular follow-up and strong, lasting relationships are at the heart of what we do. Fixed or variable rate, loan duration, monthly payments, State home loan guarantee: we analyse what mortgage make-up best suits your needs and finances, in a transparent and cooperative way.

WHATEVER YOU'VE GOT
PLANNED FOR YOUR LIFE,
WE'RE HERE TO SUPPORT YOU.

TOGETHER, LET'S MAKE
YOUR DREAM COME TRUE!

SUMMARY

Introduction	4
4 Scenarios	6
▪ Buying a building plot	
▪ Buying an apartment or house	
▪ Building an apartment or house	
▪ Buying an apartment or house "off-plan"	
Initial sales agreement	8
R-Logement housing loan	9
Financing	11
Protection	13
Establishing a financing plan	14
Useful addresses	16

A LONG-TERM COMMITMENT - YOURS AND OURS

Buying or building a home, or purchasing a building plot is a long-term commitment. When you make this sort of commitment, you are designing your future, as well as that of the loved ones you share your life with. It is a decision that you need to take very seriously, so it requires careful consideration and **proper preparation**. To help you start thinking about it, the below list - which is not intended to be exhaustive - sets out some advice that might help you.

- Generally speaking, it is essential to know and understand the details of your needs and requirements, in terms of property type, surface area, access, etc. Knowing all this will make it easier for you to judge whether the land, **house** or apartment you have in mind is a perfect match for **what you are looking for** and will meet your expectations once you are living there.
- Also, think about other relevant criteria relating to your choice of property, such as its **surroundings**, its **location**, **access** and **proximity** to your workplace, public transport, leisure activities, shops and other important places, such as schools.
- Whatever else you do, check whether the price of the property is in line with current market prices in the town or area where you are buying. Enquire with the seller about whether they are prepared to negotiate on the asking price.
- Finally, don't forget that your personal or family situation is likely to change, as are your life plans. Give yourself time to think before you make your final decision.

Once you have made your decision, we can work together to figure out the formula that best fits your situation and needs. We will also help you with the process of applying for a **State home loan guarantee**, and for any other **financial support available** for your project.



4 SCENARIOS



BUYING A BUILDING PLOT

There are several important points to consider when buying a building plot:

- Make sure that building on the land is permitted.
- Check that the plot is connected up to the necessary services (electricity, water, sewerage, gas, telephone, etc.).
- Enquire about whether construction permits could potentially expire.

The notary, the land registry or the local authorities can provide you with information on these points.



BUYING AN APARTMENT OR HOUSE

When you intend to buy an apartment or a house:

- Enquire about the dwelling's condition, including its energy efficiency: how old it is, the condition of electrical and sanitary installations, its energy passport, etc.
- If you intend to carry out refurbishment or renovation work, it is wise to seek professional advice and ask for a written quote. This will ensure that the works are actually feasible, and will give you an estimate of the cost of your investment and better predictability for it.
- Don't forget that you need a permit from the local authorities for certain types of conversion work.
- If you are buying one of several apartments in a building, it is important to read the co-ownership rules to find out your rights and responsibilities. Consult the minutes of the owners' meetings and find out about any work that is in progress or upcoming.



3.

BUILDING AN APARTMENT OR HOUSE

If you choose a turnkey solution, the company will coordinate the works, from design to completion, ensuring that they are finalised before any permits expire. This will mean you don't need to supervise or coordinate the works. However, a specification will lay out the plans, materials to be used, price and duration of the work.

Project-managing the build yourself enables you to choose the architect, the architectural drawings and the materials to be used, according to your tastes and finances. You can either oversee the work yourself or delegate this job to the architect.



4.

BUYING AN APARTMENT OR HOUSE "OFF-PLAN"

When you buy an unfinished house or apartment, there are a number of different documents that need to be examined:

- The deed of sale of the land
- The drawings and the construction contract, which will give you information on the planned works and their costs; the contract should mention the 10-year guarantee covering possible construction defects
- The co-ownership rules and internal regulations, if you are buying an unbuilt or unfinished apartment, as well as the expected shared expenses.
- The extend of the bank completion guarantee, which ensures the successful completion of the work if the seller becomes insolvent.
- The acceptance agreement, to be co-signed with the seller upon acceptance of the property, stating any defects and any works not yet carried out

INITIAL SALES AGREEMENT



Once you have decided on your dream property, the first step, legally speaking, will be to sign the initial sales agreement, summarising the conditions of sale agreed with the seller.

This preliminary contract is an important legal instrument; it is definitely not a preparatory instrument devoid of any legal force. From a legal point of view, the initial sales agreement constitutes a sale, but it generally includes termination or condition-precedent clauses.

Once the initial sales agreement has been signed, we can help you formalise a suitable financing solution.



R-LOGEMENT HOUSING LOAN

The R-Logement housing loan offers a complete solution for financing your property project, but also for protecting your family and home.

It is intended to provide you with the financing required for purchasing land, or for buying, building or converting a home, whether in Luxembourg or abroad.

The financed property can be used as your primary or secondary residence but can also be rented out. Banque Raiffeisen offers you loans at variable rates, fixed rates or a mixture of both, with terms that range, in most cases, from five to 30 years, depending on the applicant's needs, financing type and age. In order to facilitate this process, we can offer you the option of starting to repay the capital only once the works have been completed and, if you have to keep paying rent while your home is being built or converted, paying just the interest during this transition period, which should not exceed two years.

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

- a first-ranking mortgage registration on the property to be financed,
- fire insurance on the property under guarantee,
- a single premium outstanding balance insurance policy.



Simulate your mortgage online at
www.raiffeisen.lu



FINANCING



FIXED OR VARIABLE RATE?

This tricky question comes up time and again; there is no easy answer. Both types have benefits, depending on your situation and needs. A variable rate regularly changes in line with the fluctuation of market interest rates. You are therefore exposed to the risk of rising interest rates, but you can also benefit when rates go down. In addition, the more flexible repayment plan allows you to repay your loan early without incurring penalties. For example, you can adapt your repayments to changes in your income, or make partial or total repayments at any time without incurring penalties.

A fixed rate protects you from rising interest rates. We offer you fixed rates for various terms between five and 25 years. The rate and your monthly payments remain unchanged for the agreed period. After this period, the rate is reviewed and can be set again for another fixed period or replaced with a variable rate. The repayment schedule of a fixed-rate loan cannot, in principle, be modified. Combined fixed- and variable-rate solutions are also possible.

Once again, you need to think carefully about which choice is best for your life plan. Our advisors can help you with this.

BRIDGING LOAN

Are you a homeowner wanting to sell your current home and invest the proceeds in your new project? The bridging loan is a flexible solution that allows you to seize an interesting opportunity that comes your way while you wait for the final sale of your current home. When the time comes, the proceeds from the sale will be used to repay the bridging loan.



Find out about the advantages of our personal loans and simulate the financing for your project at www.raiffeisen.lu

RENOVATION OR EXTENSION OF YOUR CURRENT HOME

Life plans change over the years: for example, your needs might have evolved, your family might have grown, or you might have had some new ideas. Need a new bathroom? Want to convert your loft? Fancy building an annexe? Provided your application is accepted, you can use the difference between the outstanding balance and the recorded mortgage amount to finance conversion, extension or renovation work, at no extra cost.

TAX OPTIMISATION

Depending on your personal situation, part of your home loan can be combined with a home loan savings contract which we offer jointly with our partner, the German building and loan association Wüstenrot.

It is simple: in a home loan savings contract, you build up savings that will be used to repay part of the mortgage loan at the end of its term. During the savings phase, you only pay back the interest due on the relevant part of the loan.

You can thus benefit from the following advantage:

- The payments made into your account with Wüstenrot are deducted from your taxable income, up to a maximum of **EUR 672** or **EUR 1,344** per year per person in the household, depending on the age of the youngest subscriber on 1 January of the year in question.

PERSONAL LOANS

When you buy a new home, you often need to make internal improvements, refurnish or extend it. With its maximum term of 60 months, the R-Classic personal loan is the ideal way of financing these additional purchases.

Since sustainability is so crucial nowadays and is also a strategic part of Banque Raiffeisen's positioning, we offer you the R-Eco personal loan solution, which is specifically designed to finance your energy-renovation project or technical installations aimed at reducing your home's energy consumption (e.g. solar heating, photovoltaics, wood-fired heating, etc.).

PROTECTION



INSURANCE

Buying or building a home is a major investment in your life and, of course, you wouldn't want to lose it. So, before you invest in your property, think about protecting your loved ones and making sure your new home is insured. In cooperation with our partners, we at Banque Raiffeisen can offer you individual, tailor-made insurance packages to protect your family and your property.

OUTSTANDING BALANCE INSURANCE

Outstanding balance insurance protects your loved ones from being left with any financial worries in the event that the worst happens to you. In that situation, it enables you to pay off all or part of the outstanding insured amount. You might say that this makes it an essential element of responsible risk management. Depending on your individual circumstances, part or all of the single premium for the outstanding balance insurance might be tax-deductible as a special expense. The allowable deduction varies according to the age of the insured and his/her family situation. The amount refundable is capped at **EUR 6,000 + EUR 1,200** per child and **8% per full year above 30 years of age** at the time of taking out the policy, up to a maximum of 160% of the above-mentioned EUR 6,000.

HOME INSURANCE

Home insurance covers your home against fire and weather-related risks, theft, glass breakage, vandalism, and water damage. For a comprehensive insurance policy that meets your needs, you also need a personalised solution here.

ESTABLISHING A FINANCING PLAN

The financing plan will give you an overview of the financing of your project and, if it is carefully planned, you will avoid unpleasant surprises. It is essential to minimise any risk linked to your loan by setting repayments that represent a sustainable proportion of your net income, so as not to overreach yourself.

How does it work? We advise you, first of all, to calculate all the expenses necessary for buying or building your home. Remember to leave yourself enough room for manoeuvre in the event of unforeseen expenses, which are almost inevitable in any property purchase.

Next, in order to work out the amount you need to borrow, calculate the funds that you can and want to invest. The regular repayments for this loan should leave you with enough disposable income to allow you a decent lifestyle, in line with your current lifestyle and your plans for the future. In order to help you draw up your personalised financing plan, you can use the summary table below, in which we have set out the usual expenses to be met and the finances you might possibly have at your disposal.

Did you know that our online loan simulator allows you to automatically calculate your theoretical monthly mortgage repayments or the total cost of your property project?

Visit www.raiffeisen.lu

YOUR FINANCING PLAN

EXPENSES	AMOUNT
1a purchase	
purchase price (TTC)*	>
cost of any alterations	>
alterations, including any architect's fees	>
1b Construction*	
if applicable, cost of land purchase	>
construction, including any architect fees	>
2 Notarial deed fees, mortgage fees**	>
3 Outstanding balance insurance premium***	>
4 Incidental expenses****	>
5 Contingency reserve	>
6 Other	>
Total expenses	>

SOURCES	AMOUNT
1 Personal contribution	
own funds, potential donations	>
2 The amount obtained from the sale of a building	>
3 Direct aids	>
3a Lump-sum capital payment, purchase subsidy	
construction subsidy	>
savings subsidy	>
renovation subsidy	>
subsidy supplement for architect or consulting engineer fees	>
VAT rebate	>
3b Municipal aids	>
3c Special premiums	
4 Other	
Total resources	>

Amount to be financed = total expenses - total resources



Do not hesitate to visit www.raiffeisen.lu to find out how much you can borrow to finance your real estate project.



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

** Notarial deeds include transcription and registration fees as well as the fees payable to the notary for drawing up these notarial deeds. The rate applied is 1% for the transcription fee and 6% for the registration fee. In some cases, however, the buyer(s) is/are entitled to a tax credit (see State aids). Your notary will be able to provide you with an estimate of this expense.

*** In principle, this life insurance covers the outstanding balance of the mortgage in part or in full in the event of the death of the insured person.

**** Additional costs may be required by some municipalities for the installation of electricity, water, gas or telephone lines, as well as for any development of the surrounding area or cleaning of the site.

USEFUL ADDRESSES

Ministry of Housing

Single point of contact for housing assistance

11, rue de Hollerich
L-1741 Luxembourg
T 8002 10 10
www.logement.lu

Environment Agency

Energy Saving Department

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

Registraton Duties, Estates and VAT Authority

VAT rebate

Bureau d'imposition XII
7, rue du Plébiscite
B.P.31
L-2010 Luxembourg
T 247 807 09
www.aed.public.lu

Ministry of Culture, National Sites and Monuments Service

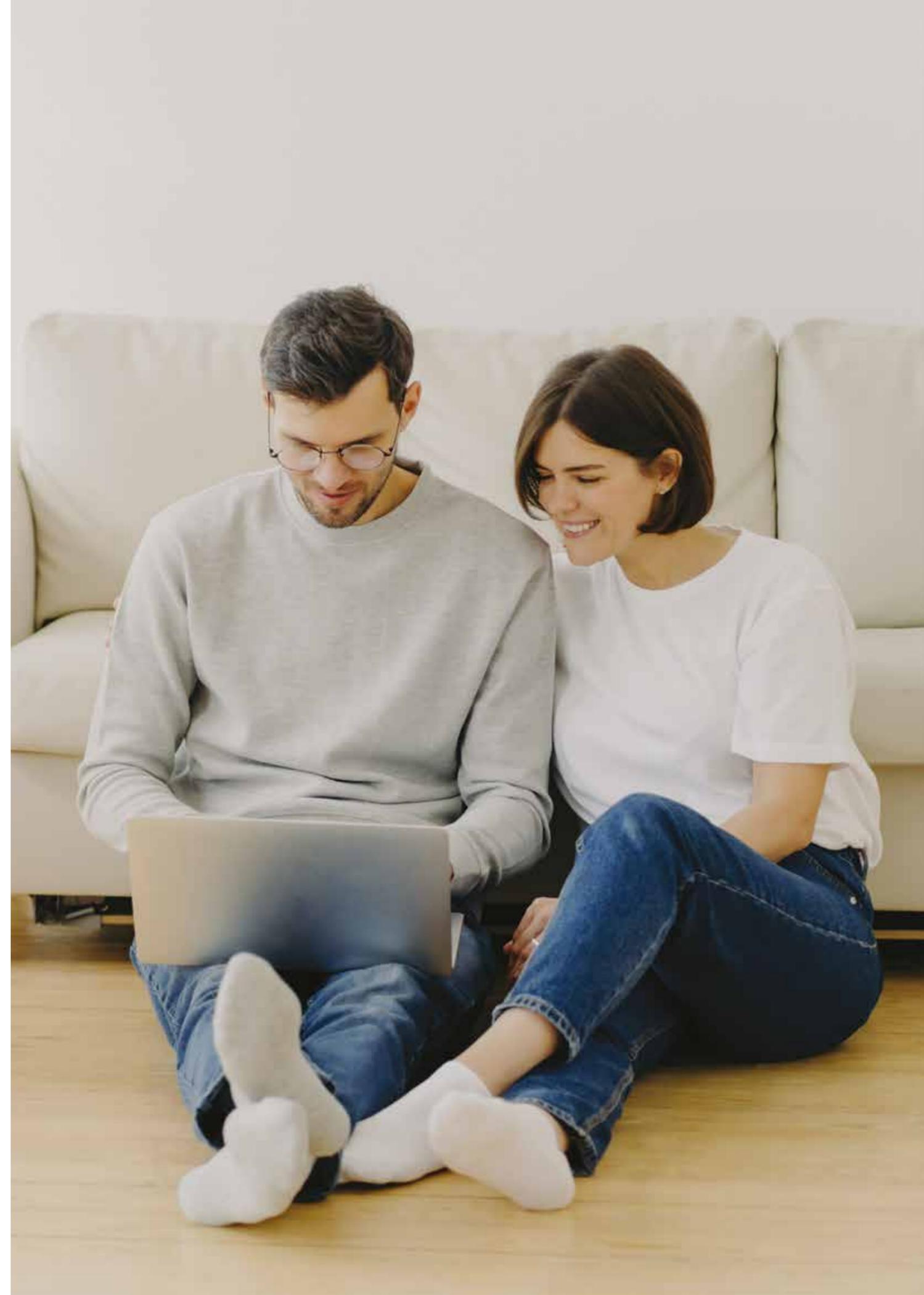
Aid for restoration work

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

Ministry of Energy and Spatial Planning

Department of Energy

19-21, boulevard Royal
L-2449 Luxembourg
T 247 824 78
www.mea.gouvernement.lu

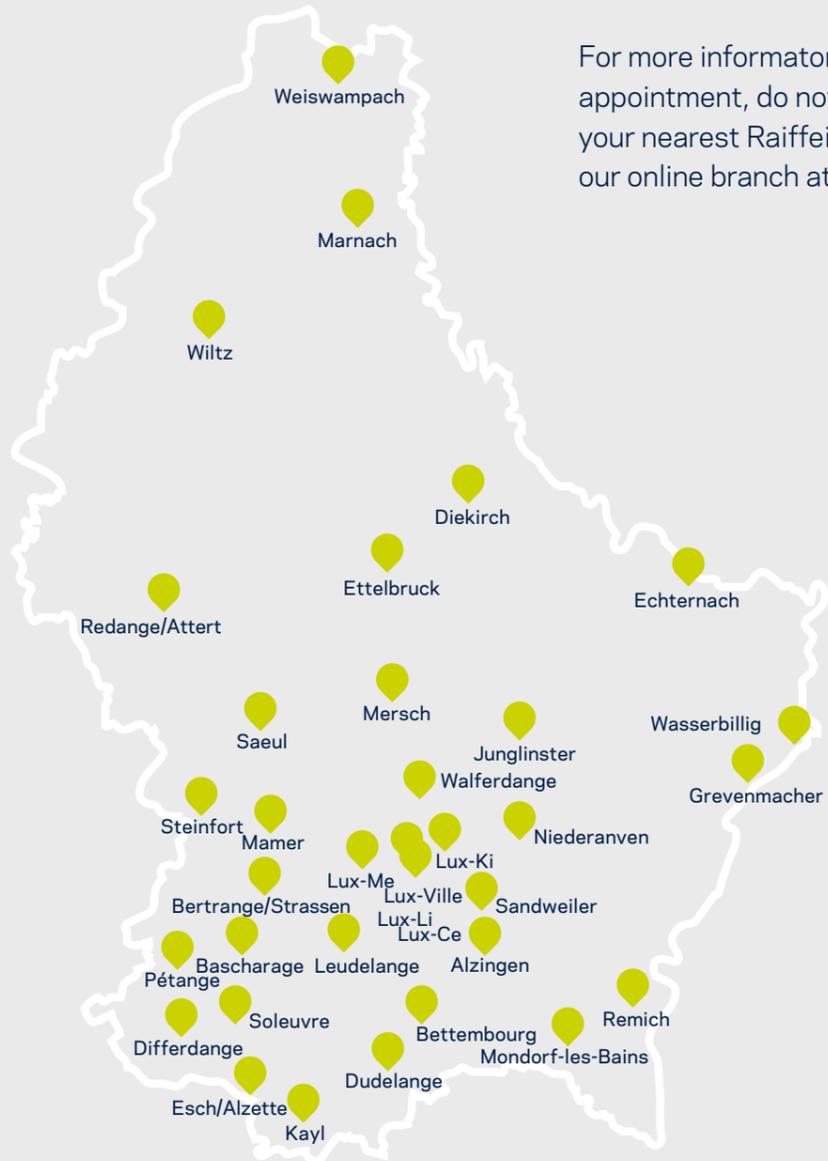


OUR BRANCHES

ARE YOU LOOKING FOR A RAIFFEISEN BRANCH?



For more information or to make an appointment, do not hesitate to contact your nearest Raiffeisen branch or our online branch at **2450-1000**.



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

Opening hours on www.raiffeisen.lu.

