A nighttime photograph of the Reichstag building in Berlin. The central focus is the iconic glass and steel dome, which is illuminated from within, creating a warm glow. The building's facade is also lit up, with large windows reflecting the interior lights. In the background, the German flag is visible on a tall pole against a dark blue twilight sky. The overall scene is a mix of modern architecture and historical landmarks.

Berlin



## Berlin: Germany's property hotspot

Berlin is buzzing. It is one of the most exciting, 'happening' cities in Europe.

Tourism is booming and creative people from all over the world flocking to live there.

Since its restoration as Germany's capital, the government has moved to the city and invested 75 billion in its infrastructure.

### ROCK-BOTTOM PRICES

But due to unique historical circumstances, property in the new capital currently lies at rock-bottom prices.

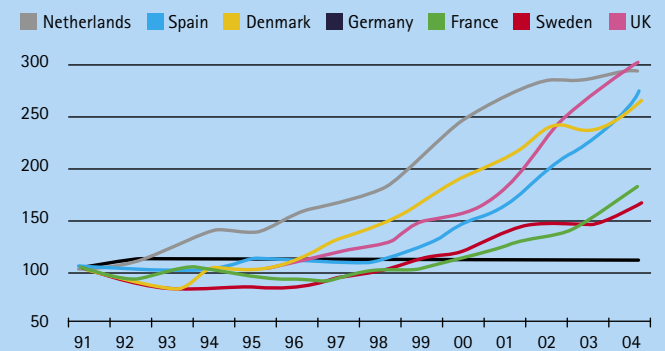
That's why ever more shrewd British investors are bargain hunting in Berlin where fashionable city centre apartments can be snapped up for the price of a London garage ... for now.

Backed by a resurgent German economy, Berlin is the destination for smart and secure real estate

investment. Private equity giants such as Goldman Sachs, Morgan Stanley and George Soros have snapped up billions of euros of Berlin property in the last two years.

This is your second chance to get in at the start of another property boom!

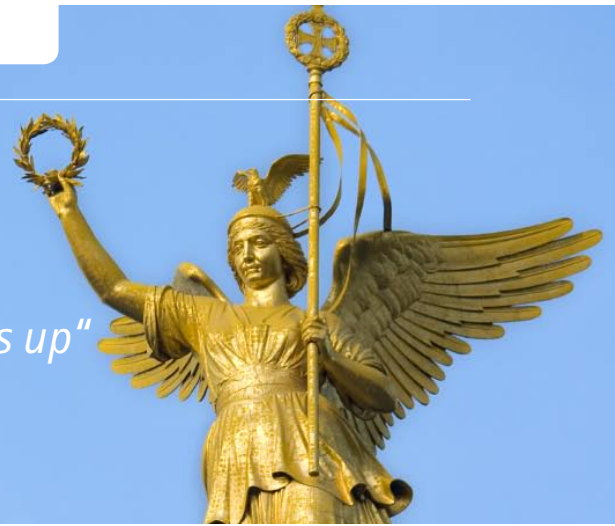
### TREND OF PURCHASE PRICES FOR EUROPEAN RESIDENTIAL REAL ESTATE.



Source: Nationwide. Nat. Stat. Amter, Bulwein Gesa, NVM

*"Cutting-edge Berlin is a feast of history, theatre and music ... Since reunification in 1990, it has evolved into a dynamic, sexy and creative city"*

- Lonely Planet



*"The only way is up"*

## Germany: an economic giant back on its feet.

Germany:

- ▣ The world's BIGGEST exporter of goods
- ▣ The world's 5th largest economy
- ▣ With 82 million inhabitants it is Europe's most populous country
- ▣ Sitting at the heart of Europe, it is bordered by 9 other EU states

After a decade of poor performance Germany is once more becoming Europe's economic powerhouse at the forefront of advanced industrial technology. Its population enjoys one of the highest standards of living in the world.

*So why is property in its capital so cheap?*

*The answer lies in its uniquely turbulent history.*

### BERLIN, THEN AND NOW

After the war, industry fled the divided city. Reunification, recession and entry into the euro caused house prices drop to some of the lowest levels in Europe. Berlin property prices are still significantly below the 1990 level, but have been rising by about 6% a year since 2006.

### THE TIME IS RIPE TO CLIMB ONTO THE BERLIN REAL ESTATE MARKET

Home ownership levels in Germany are among the lowest in Europe at 44%. In Berlin the figure is around 13% due to decades of heavily subsidised rents, when both the Communist regime and the West sought to artificially prop up the isolated city. However, rents are expected to rise in future, resulting in more people opting to buy. Government initiatives are providing better financial packages to help up to half the population step on to the property ladder. The time is now ripe to climb onto the Berlin real estate market before this long-standing market correction resolves itself.

Cover of "The Economist". Report on Economic Upturn in Germany.



Source: The Economist



## Berlin - portrait of a great city.

*"If your mental image of the German capital derives from war films or spy stories, prepare to be pleasantly surprised by one of the greenest cities in Europe"*  
- Time Out

Worldwide perceptions of Berlin changed after it hosted the 2006 FIFA World Cup Final, when a million people partied along the main street in glorious sunshine.

But if you still imagine it to be a gloomy, bombed-out city crawling with spies, you are in for a shock: the German capital is one of the greenest cities in Europe, with 30% of the city covered by parks, lakes and forests.

*"Berlin has much fine architecture, as well as an extraordinary spread of museums which collectively rank among the very richest on the planet"*  
- Rough Guide

A major cultural centre, it is teeming with museums, galleries and concert halls. The modern city has a reputation for cutting edge architecture, led by Sir Norman Foster's stunning restoration of the Reichstag.

Hop on a short, low-cost flight from the UK and you can experience Berlin's unrivalled café culture for yourself, sitting out on its wide tree-lined boulevards, enjoying long, hot summer evenings, or its legendary nightlife in a host of clubs and bars.

As well as a Mecca for artists from all over the world, Berlin has long been a world-class educational centre, home to 150,000 students attracted by its affordability. A few years ago they would have had to leave the city to find work after graduation, but now they are staying on as international companies move their European headquarters to the capital.

**New industries are also springing up: Berlin is now a biotechnology, IT and new media cluster.**

*"There's an air of completion and confidence about Germany's largest city"*  
- Time Out magazine

The city has Europe's largest central station, linked by high-speed train across the continent. A new airport Berlin Brandenburg International (BBI) in Schönefeld will be Europe's most modern, with passenger growth forecast to rise to 30 million, making Berlin the international hub of Europe.

*"The medium to long-range prospects are brighter, bolstered by the extremely good education and research infrastructure and the city's open society. This attracts young, creative people, facilitating the settlement of new branches of industry"*  
- Deutsche Bank research

With the expansion of the EU to the east, Berlin became a major European capital sitting at the centre of a united Europe. But due to its unique history Berlin is currently one of the most undervalued cities in the world.

## Why buy in Berlin?

### BERLIN – THE 'NEXT BIG THING'

Property prices bottomed-out in 2006 after a decade of stagnation and are now beginning to take off. Berlin used to be Europe's Best-Kept Secret – now it's the Next Big Thing in property investment.

**Peace of Mind.** Berlin is an extremely safe investment compared to Spain, the newly joined EU countries or the likes of Morocco or Dubai. A founder member of the EU, Germany's transparent legal system protects the rights of individuals, making your investment as safe as if you were purchasing a property in the UK.

**High Growth Potential.** Revenue in the commercial and residential sectors are rising, up around 6% in 2006 with a similar rise in 2007, but

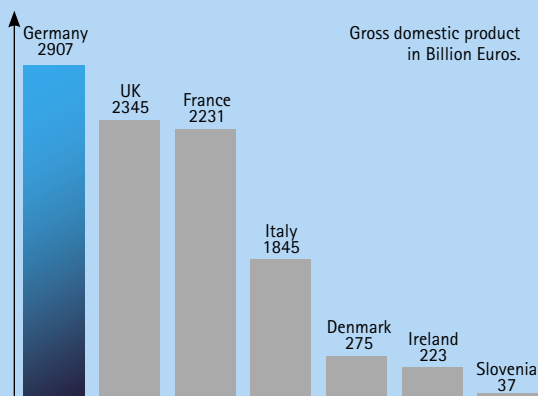
analysts still believe the city remains significantly undervalued, with prices still 30% below the norm for Germany.

**Long, Stable Tenancies.** Most Berliners rent their homes, living in the same property for a decade, encouraging them to take good care of your property. Properties can be bought with tenants already in residence. And unlike holiday resorts, a Berlin property will be let 365 days a year.

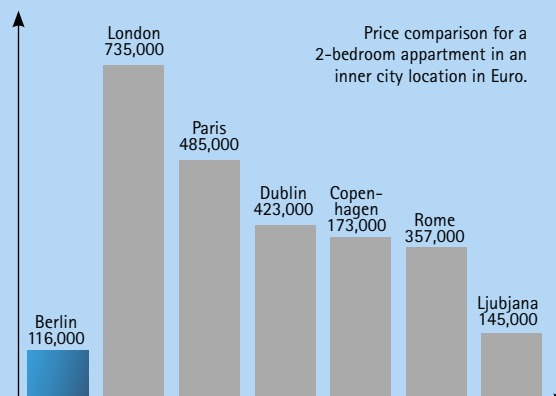
**Easy To Let And Manage.** Grabag's services ensure minimum worry for owners. Demand is high for rents, and with the city's population predicted to boom in the near future, you should have no shortage of tenants.

**Painless Buying And Selling Process.** Grabag makes the whole process hassle free and as safe as buying in the UK.

GERMANY IN COMPARISON TO OTHER EUROPEAN ECONOMICS (2006).



BERLIN IN COMPARISON TO OTHER EUROPEAN CITIES (2006).





## Why go with Grabag?

Buying any property is a major decision.

If you have only ever bought within the UK, German investment can seem confusing, with different processes to the UK and language barriers.

**No problem:** Grabag can help you with your Berlin buy-to-let property, taking care of everything and making the whole process hassle free.

Grabag has 30 years experience in the German property market. We have learned over the decades that it is not only the properties themselves that make good investments; every bit as important are

the partners you choose to work with.

We have established a close-knit group of well-established, independent partners who work together as a team providing the best services available for our clients: [Lawyers](#), [Notary](#), [Finance](#), [Tax advisors](#), [Property management](#)

### GRABAG OFFERS:

- ▣ Inside knowledge of the Berlin buy-to-let situation
- ▣ Speed of transaction
- ▣ Stress-free buying procedure
- ▣ No hassle rental and property management
- ▣ Carefully-chosen expert independent partners
- ▣ Early focus on your exit strategy
- ▣ Friendly British and German team

And unlike many companies Grabag charges **NO AGENTS FEES**, saving around 6% of the purchase price + 19% VAT!



### THE INVESTMENT-CYCLE

With Grabag as the main piece of the investment process, we ensure that the required partners connect together efficiently and reliably giving you a full inclusive service for your investment!



## 7 steps to buying your Berlin property.

1/ Because we aim to establish long-term relationships with our clients, we want to ensure you will be financially comfortable during the entire investment period. The first thing we do is match a property which will suit your individual financial situation to make sure you will not become financially overextended in the future.

2/ When reserving a property you will be introduced to a lawyer specialising in property transactions. The lawyer is employed solely by you and is your representative during the whole purchase process. You deposit € 3,000 into an escrow/client account that the lawyer holds exclusively in your name and on your behalf in order to secure the property in your name.

3/ You will then sign a certified power of attorney enabling the lawyer to act in your name and on your behalf. At the same time, you pay an advance on the transaction costs into the escrow account.

4/ The lawyer will carry out a legal due diligence on the property and will explain the purchase process to you, answering any questions that you may have. He will provide you with his Legal Review Report on the property prior to signing the purchase contract.

5/ If you need finance, we can introduce you to a financial partner who specialises in non-resident mortgages and UK equity release. After providing them with all relevant documentation required to obtain a mortgage, you should have an offer in two weeks.

6/ Once you are happy to proceed (and finance is in place), the lawyer will represent you and act on your behalf at the signing of the purchase contract before a German notary. You will not be required to come to Germany in person for the contract signing.

7/ The lawyer will oversee the entire conveyance process and ensure that you receive good title. After successful registration of your title with the German Land Registry, the lawyer will provide a final balance statement for you and transfer the remaining funds from your escrow account back into your designated bank account.

### ONGOING SUPPORT ALL THE WAY THROUGH THE CLIENT'S DURATION AS OWNER

Now you are the owner of the property Grabag can provide a complete property management and rental service that is stress free and involves as little work for the client as possible, making sure your investment stays in great shape until it is sold.

## FAQs.

### Are there any restrictions on non-residents buying property in Germany?

There are no restrictions on foreign nationals buying property in Germany.

### How long does it take to buy a property?

Because all the hard work and due diligence has already been done and all parties are aware of the projects, we aim to have the transaction completed within two to three months. The average for other companies is six months.

### What fees do buyers have to pay?

The total amount of legal fees will be around 9% depending on the purchase price. This consists of Buyers face up to 4.5% stamp duty, 1.5–2% notary fees, a flat fee of € 2000 for the lawyers, around € 500 to € 900 finance fees. With Grabag there are no agent fees, saving a further 6% + 19% VAT.

### What running costs am I liable for?

The landlord pays maintenance, property management, mortgage interest payments and consultation fees (legal, accounting, tax). Everything else is paid for by the tenants as part of the service charge. A property manager charges from € 24–40 per unit per month (excl. VAT).

### What do the tenants pay through service charges?

The service charge includes building insurance, ground tax, cleaning of the common parts, gardening, housekeeping, electricity for the common parts, regular inspection of the heating system,

water, chimney sweeping, cable TV, snow and waste removal.

### What are the fees for selling a Berlin property?

There are no fees for selling a property in Berlin; all agents' fees are paid by the purchaser.

### What are the main laws relating to tenants?

German law is pro-tenant, but this does ensure stable, long-term tenancies, unlike the disruption of short-term contracts in the UK. Tenancy law is enforced in the ordinary courts, which are fair and effective. The notice period is between three to nine months (if the tenant has lived long in the premises). The tenant must generally give three months notice. The security deposit must not exceed three monthly rental payments.

### How can I increase rents?

Rents and rent increases can be freely negotiated and agreed upon, but the landlord cannot charge rent in excess of 20% within a three-year period above the rent charged for comparable premises. The contract may contain graduated rent increase clauses, but the rent must remain unchanged for at least a year. For a vacant flat, the landlord can set the rent at market level. If the landlord modernises a flat he can increase the rent by 11% of the modernisation costs. As an alternative to the annual rent review the landlord can agree a step-up rent with the tenant.



## Loftland: Your ultimate investment in contemporary loft living.

These properties are located in the affluent and well-heeled neighbourhood of Zehlendorf. Once occupied by American troops during the division of Berlin, you cannot escape the history that surrounds you here, from the street names of Harry-S-Truman Allee to the John F Kennedy school. Just 20 minutes from the city centre and 10 minutes from the lakes and forest of Grunewald, these apartments are in a prime location.

Ranging from 60 sq metre studios to 150 sq metre three-bedroom apartments, all of these properties are finished to amazingly high standards. Coming with fully fitted kitchens, hardwood floors, balconies and four-metre high ceilings, they are the ultimate in contemporary loft living. When considered with the optional extras of saunas, steam rooms and wet rooms, and also a first renter guarantee provided by the developer, they offer an appealing investment.

Undergoing a major renovation which is due for completion in late 2008, this development boasts a kindergarten, supermarket, shopping centre, church and children's play zone as well as fantastic landscaped gardens and a small lake. Originally

built in 1936 for the Deutsche Telecommunications Company, this building was used as a factory producing radios and telephones before the Second World War. During the Allied occupation of Berlin it was the headquarters of the American military and the CIA.





## You're interested?

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To get a feel for the city and view your property at first hand, we encourage you to come and visit us in Berlin. We can help you arrange a flight on one of the many low cost airlines that make the trip a quick and easy option. We will meet you at the airport, get you settled into your hotel\*, take you to view the property and introduce you to independent legal and finance experts to discuss your requirements.

Alternatively, you can manage the entire transaction without travelling to Germany. Just arrange an appointment with our Capital Investment Consultant at Grabag's London office and we can start taking the first steps to finding the right option which best suits you.

And if visiting us in London is not convenient for you, we will gladly visit you anywhere in the UK or Ireland.

We look forward to hearing from you!

David Charles | Capital Investment Consultant  
GRABAG Property Investment  
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david.charles@grabag.de | www.grabag.co.uk



Title: \_\_\_\_\_ First Name: \_\_\_\_\_

Surname: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Postcode: \_\_\_\_\_

Email: \_\_\_\_\_

Tel: \_\_\_\_\_ Mobile: \_\_\_\_\_

Fax: \_\_\_\_\_

\* Upon purchase contract being notarised and receipts provided, your hotel and flight costs will be reimbursed.