

Dear Client,

We will be happy to guide you through the process of purchasing your property. Buying property in the Czech Republic has its rules, which we will be happy to explain step by step.

REAL ESTATE SELECTION

In order for us to help you choose property of your dreams, we need all the relevant information from you. Then we will prepare a selection of prospective properties and plan a tour on date that you will be convenient for you. Our broker will accompany you throughout the day, he or she will drive you by our company car. If you've already selected your property, we'll take you through the following steps.

METHODS OF PAYMENT OF THE PURCHASE PRICE

There are two possibilities of financing the purchase of real estate in the Czech republic.

First, you can pay the purchase price entirely from own resources. It is important to present your identity card (passport) and fill out the AML (anti money loundrey) form with the real estate agency. It is forbidden to pay the amount over 10,000 euros (270,000 czk) in cash, so the transfer must be cashless.

Second, you can pay the purchase price partly by your own resources and partly by mortgage, we will be happy to arrange a meeting with our business partner who specializes in financing real estate for foreigners. In order for bank to agree to the mortgage, the financial standing of the client will be checked but it is a standard procedure.

PREPARATION OF CONTRACT

We will recommend a certified law company if you do not already have one. Furthermore, it is necessary to translate the contract and all related documents to czech language by a certified translator.

CONTRACT SIGNATURE

You dont have to be present in person when buying a property in the Czech republic. You can sign the contract by your proxy. You can also sign the contract at the Embassy of the Czech Republic in your country or at a notary with international authorization.

LAND REGISTRY (CADASTRE)

The last part is to deposit the contract with the request to transfer the property to a new owner at the real estate cadastre. Submission of the application to the Land Registry (Cadastre) is included in the service of our office.

The transfer should be completed within 30 days of the application submission.

TAXES IN THE CZECH REPUBLIC

In the Czech republic, there is a tax on property acquisition. Rate of tax is 4% of the purchase price and it's paid **just once**.

Then there is a property tax. You will file a property tax form once, but you will pay this tax every year. The amount of the tax depends on the property floor area, not the property price and will be calculated by the tax administrator. But the amount is usually in hundreds of czech crowns, for example for 100sqm flat in Prague 1, the amount is approximately 1200 CZK (50 EUR).

Property price is subject to VAT (Value Added Tax). The standard is 21% VAT (already included in the purchase price).

There are exceptions for development projects for residential units up to 150 m², in this case VAR is 19%.

SHORT-TERM RENTAL

At John Taylor we know that the purchasing process can take at least 2-3 months. During this time we will gladly offer you our services. We will help you find a perfect temporary housing before the purchase proces is done.