



R&D REAL ESTATE

CLASSICAL VS. NEW BUILD (OFF PLAN)

MORE OFTEN THAN NOT, THE FIRST THING VISITORS TO BUDAPEST NOTICE IS THE BEAUTIFUL ARCHITECTURE AND THE ABUNDANCE OF CLASSICAL BUILDINGS. THIS GIVES RISE TO THE DEBATE AS TO WHETHER TO PURCHASE CLASSICAL OR NEW BUILDS. HOPEFULLY OUR GUIDE WILL BE OF SOME ASSISTANCE:

CLASSICAL: ANYTHING BUILT AROUND THE 1900'S, OF AN AESTHETIC NATURE.

BUILT WHEN HORSE- DRAWN CARTS WERE THE PRIMARY MEANS OF TRANSPORTATION, THE TWO BIGGEST DRAWBACKS ARE THE LACK OF PARKING AND ALL PROBLEMS TYPICALLY ASSOCIATED WITH AGE IN A BUILDING (IN NEED OF RENOVATION, ANCIENT UTILITIES, ETC).

WHILE DILAPIDATED BUILDINGS ARE STILL NUMEROUS IN BUDAPEST, THERE HAS BEEN A CONCERTED EFFORT IN PAST YEARS RESULTING IN THE RENOVATION OF MANY BUILDING, EITHER THROUGH GOV'T SUBSIDIES, OR BY SELLING THEIR ROOFTOP SPACE FOR DEVELOPMENT. THE IDEAL PURCHASE SITUATION WOULD BE TO FIND A BUILDING THAT IS TO BE RENOVATED IN THE NEAR FUTURE. THAT WAY THE APARTMENT CAN BE HAD RELATIVELY CHEAP WITH AN APPROXIMATE 15% VALUE BEING ADDED TO THE APARTMENT ONCE THE RENOVATION ON THE BUILDING HAS BEEN COMPLETED.

AESTHETICALLY PLEASING, HIGH INTERIOR CEILINGS (USUALLY BETWEEN 3,6 - 4 M).

CLASSICAL APARTMENTS TEND TO APPRECIATE BETTER IN THE LONG-RUN, HOWEVER USUALLY LACKING PARKING OR ADDITIONAL FACILITIES THAT WOULD OTHERWISE ADD ADDITIONAL VALUE AS A RENTAL PROPERTY.

NEW BUILD (OFF PLAN): ANYTHING IN THE PROCESS OF BEING BUILT, OR WHICH HAS BEEN RECENTLY BUILT ON WHICH THE MATERIAL GUARANTEES STILL APPLY.

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CLASSICAL VS. NEW BUILD (OFF PLAN) CONT

EVEN WITHIN THESE CATEGORIES, THERE ARE STILL PRICE CONSIDERATIONS. IT IS CHEAPEST TO PURCHASE WHEN OFF- PLAN (STILL IN THE DEVELOPMENT PHASE) AS PRICES TYPICALLY TEND TO INCREASE 10% AS EACH NEW PHASE OF CONSTRUCTION IS COMPLETED.

NEW BUILDS HAVE THE ADVANTAGE OF BEING MADE FROM NEW, MODERN MATERIALS, WHICH ARE USUALLY GUARANTEED FOR A SPECIFIC TIME.

PARKING!

INTERIOR CEILINGS USUALLY BETWEEN 2,8 - 3,2 M.

NEW BUILD APARTMENTS TEND TO APPRECIATE LESS IN THE LONG-RUN, HOWEVER USUALLY PROVIDE ADDITIONAL FEATURES (PARKING, SPA FACILITIES, ETC.) THAT ADD ADDITIONAL VALUE AS A RENTAL PROPERTY.

IF PURCHASED UNDER 30 M FT, STAMP DUTY EXEMPTIONS APPLY. PLEASE SEE 'STAMP DUTY' FOR EXPLANATIONS, WHICH ALSO INCLUDES EXAMPLES.

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