

## DUTCHEN GROUP FAQ

### General

#### 1. Viewing

When one of the projects feels right, you can make a personal appointment with us to visit the project site to get a good impression of its location and surroundings. Keep a close eye on our calendar for the open days we organise outside personal appointments.

#### 2. Option term

If you are interested in a specific building number, we will grant you an option for a period of two weeks. Within these two weeks, we will send you all contract documents, after which you can make the decision to proceed with the final purchase.

#### 3. How does the purchase process work?

After a positive outcome of the option period, we will ask you to sign the contract documents (digitally). After all parties have signed, the contract documents will be handed over to the notary, who will then invite you to pass the deeds as soon as the suspensive conditions have been met.

#### 4. Purchase prices free on name excl. VAT

You will receive a separate attached price list, the sales prices listed on it are "freehold (V.O.N.)" excluding VAT.

This means that the following costs are included in the purchase price:

- Land purchase price
- Construction costs
- Architect's fee
  - Management and supervision during construction
  - Wage and material cost increases occurring during construction
  - Notary costs of the deed of transfer
- Brokerage commission
  - Insurance during construction
  - Connection costs of gas, water, electricity and sewerage
- Municipal fees
  - Post kitchen and sanitary equipment
  - Design of the site and separate plots
  - Delivery and furnishing of the general facilities of the entire park

In addition, there may be additional costs that are not included in the "freehold" price. These include:

- Mortgage closing costs
- Notary fees for registering the mortgage
- Interest costs during construction

- Sales tax (21% VAT). Any increase or decrease will be passed on in accordance with statutory regulations. You purchase exclusive of VAT and are responsible for paying the VAT and reclaiming any VAT.
- Interior package

**5. Why was flat rights chosen?**

A division into flat rights was opted for in connection with the bonded rental agency and in connection with the uniformity in execution of the houses and the park now and in the future. Moreover, this ensures that both the buildings and contents are insured, so that in case of calamities, there are no discussions between insurers.

**6. Owners' association**

An Owners' Association is used to ensure that the park and holiday homes are kept in good condition, for sustainable and future-oriented operation. All owners benefit from the right quality of both the private and communal areas. When the owners' association runs well, it ensures a recreation park in line with the market, while the financial value of the properties remains secured.

**7. Management and rental agreement**

The properties to be realised will be rented out by Dutchen. Dutchen will take care of all matters concerning the guests and will relieve you of all worries regarding the rental and management of your home. You conclude a management and rental mediation agreement with Dutchen for a minimum of 10 years.

**8. Can a property be used as a permanent home?**

The property may not be used as a permanent residence. Please note that it is not possible to be registered in the Municipal Personal Records Database at the park address. Therefore, the property cannot be your main residence.

**9. Choice of rental variants**

For each park, we offer different rental variants. These are described in the brochure of the parks. Of course, you can always contact one of our project staff with your questions.

**10. Can I rent out myself?**

It is not possible to rent out your villa yourself. The rental runs through Dutchen.

**11. When does construction start and when is completion?**

For almost all parks, if 60-70% of the water villas have been sold and the irrevocable building permit has been issued, construction will start. We will inform you when exactly construction will start. The contract of acceptance contains the specific information regarding delivery and suspensive conditions.

**12. Are there any additional work options?**

By mutual agreement and during the buyers' counselling talks, you can discuss the additional work options you want. You can think about installing a hot tub, outdoor shower, patio heaters, a sunshade and outdoor kitchen, etc. We are always open to suggestions in this respect, whereby we will assess whether the options do not pose any problems in management for rental purposes.

### **13. Can I decorate the property myself?**

Dutchen has chosen to keep the furnishings of the villas somewhat uniform. In this way, we guarantee high quality, comfort and durability. Should anything break down, we can quickly replace the product. There is a mandatory purchase of the interior package from the interior designer. You can expand this package in consultation with the interior designer.

### **14. Tax implications**

Purchasing a holiday home has tax implications. Several factors determine this. The purchase of the holiday home can be done privately or via a private limited company as an entrepreneur. In addition, the (own) use of the holiday home is important for the tax consequences. The investment can take place as a pure investment or you can rent out the property as an investment and partly use it yourself.

We advise you to contact a tax adviser at all times. The applicable tax regime in the MEMO may change in the foreseeable future, also considering the current Box 3 debate in The Hague and the preceding Supreme Court ruling of December 2021.

### **15. Turnover tax (VAT)**

The purchase price of the newly delivered, non-occupied holiday home is subject to 21% VAT upon delivery. Since your holiday home is subject to compulsory rental, you could reclaim the VAT by qualifying as a VAT entrepreneur.

If you rent out the property, you are also entitled to deduct VAT on costs attributable to the rental. The VAT deductible applies, among other things, to the total purchase price and costs of use, such as water and electricity, and the costs of maintenance, such as cleaning and repairs.

### **16. VAT refund**

Since you make the property available for rental, you may reclaim the VAT in one lump sum. You can also choose to reclaim 1/10th of the tax, over a period of 10 years, annually. You can apply for a VAT number as a private owner of a holiday villa.

You then become an 'entrepreneur without Chamber of Commerce registration'. This way, you can offset VAT in your VAT returns. This is usually done quarterly, but you can also do it monthly or annually on request.

If the holiday home is taken out of rent or sold without sales tax during the review period, part of the sales tax recovered on purchase must be refunded to the tax authorities in one lump sum. For each unexpired year of the review period, 1/10th of the sales tax recovered on purchase must be repaid in one lump sum.

We recommend always seeking advice from a specialised accountancy, tax or consulting firm.

### **17. VAT declaration**

As the renting owner of Dutchen, you are responsible for your own VAT declaration (monthly, quarterly or annually). This requires a VAT number. The website of the Tax and Customs Administration describes in detail how, when and in what way you must submit your VAT return.

**18. Income tax**

Owning a holiday home is in principle taxed for the rental income in box 3 of income tax. This makes the purchased holiday home part of the yield base for the taxable income from savings and investments.

**19. Sales tax**

The purchase of a new, as yet unoccupied, water villa is in principle subject to 21% sales tax (aka: VAT). Under certain conditions, this tax can be reclaimed from the tax authorities. This depends on how the property is used.

**20. Do I need to set up a company to reclaim my VAT**

No, you do not need to set up a company if you buy a holiday home for rental. As a private owner of a holiday home, you can apply for a VAT number and you then become an 'entrepreneur without Chamber of Commerce registration'. This way, you can offset VAT in your VAT returns. Of course, you have to comply with the (limited) administrative obligations.

**21. What about the mortgage/financing of a holiday home?**

Banks will usually partially cooperate with financing for a holiday villa. Keep in mind that obtaining financing for a second home/recreational home is more difficult than financing a residential property. Banks or financial institutions impose additional conditions when providing financing for a holiday villa.