

Lauchernalp
SWISS RESORT RESIDENCES



INTRODUCTION

Lauchernalp
Buyers Guide
2022



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INVEST IN FOREVER AND EXPERIENCE PEACEFUL ALPINE LIVING WITH STYLE AND COMFORT



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YOUR SECOND HOME IN SWITZERLAND

Lauchernalp Resort AG enables people from Switzerland or abroad to purchase an apartment or chalet in the Lötschental. Lauchernalp Resort AG is permitted to sell apartments and chalets as commercial real estate to Swiss and non-Swiss Residents, and second homes to Swiss Residents.

THE STABILITY OF SWISS REAL ESTATE

A good quality of life, innovation, and a stable legal framework make Switzerland an attractive location and one of the safest places in the world. In addition, the intrinsic value of real estate as an asset provides investors with excellent protection against inflation.

REAL ESTATE INVESTMENT IN SWISS FRANCS

Switzerland is viewed as a safe, stable country from a financial perspective and enjoys a well-functioning political infrastructure. The strength of the Swiss franc allows government bonds to be offered at very low interest rates, as well as mortgage finance at very favourable rates.

FINANCING YOUR PROPERTY

Arrangements have been made with various Swiss based financial institutions to offer our buyers the most attractive interest rates available. The typical loan-to-value ratio is 50-60% of the purchase price. This is set with the customer at the bank's discretion. We can provide you with assistance for a consultation with the banking establishment of your choice.

REAL ESTATE TAXES & FEES

The following are the main taxes to consider when purchasing an apartment or chalet from Lauchernalp Resort AG:

Annual property and tourism taxes are only collected on municipality level.

Annual property tax is calculated at 0.1% of the residence's taxable income.

Annual tourism tax is calculated based on the number of rooms. These taxes range from CHF 300 (Up to 3 bedroom apartment) to CHF 1,500 (6 bedrooms or more) annually.

Rental Income Tax generated is based on the location of the property, i.e. municipality level as well as Canton level. Taxable rental income is calculated by deducting rental cost from generated rental income. The taxable rental income is taxed at a rate dependent on the owner's worldwide income tax bracket and can differ drastically depending on the tax residency of each owner. For owners based/residing outside of the Canton of Valais, a simple annual tax declaration is to be submitted to Canton Valais listing total worldwide income (to determine the tax bracket), rental income, and property financing costs.

Capital Gains Tax or Real estate gain tax becomes payable when a property is sold at a higher price than the original purchase price. The gain/profit is taxed at a rate that is depending on the number of years for which the property was owned. For example, if the property is sold in the first year of ownership, gains/profits of up to CHF 50 000 are taxed at 19.2%, gains/profits between CHF 50 000 and CHF 100 000 at 28.8% and everything over CHF 100 000 at 38.4%. Depending on the length of the ownership, these rates are reduced over a period of 25 years. After the first 25 years, the minimum rate is 1% up to CHF 50 000, 2% between CHF 50 000 and CHF 100 000 and 3% for everything above CHF 100 000 gains/profits.

Wealth Tax is only taxed on national/federal level and therefore dependent on the tax residency of the owner/purchaser. Wealth tax is only paid in the country where the owner is a Tax resident.

Due to the complexity and regular changes of tax law and regulations, we recommend that a specialised tax practitioner should be consulted to ensure these taxes are calculated and submitted correctly based on every individual case.

YOUR RESIDENCY IN SWITZERLAND

Acquiring real estate in Switzerland does not automatically grant you the right to a residence permit. The final approval of residency applications and approvals remains with the federal government. Citizens of non EU countries aged 55 or over can obtain a residence permit (a 'retirement residence permit') if they meet certain criteria, such as having links with Switzerland, making Switzerland their primary residence, not having any professional activities in Switzerland or abroad, and having sufficient financial resources. People aged under 55 may obtain a residence permit without authorisation to engage in remunerated activities, if key economic circumstances warrant it. Major investment in the regional economy combined with lump sum taxation are considered to be sufficient circumstances. Another way of obtaining a residence permit is to start a business in Switzerland. Applications for work and residence permits for self-employed individuals from non-EU countries will be evaluated as follows: is the economic sector in question already saturated? Will this new economic activity create jobs for Swiss nationals?

Residency related applications should be discussed with the Swiss cantonal authorities in advance.

NOTARY AND REGISTRATION FEES FOR THE PURCHASE

To acquire an apartment or chalet at Lauchernalp Resort Residences, the buyer will be required to pay registration, notary and transfer fees amounting to no more than 3% of the total cost of the transaction.

RESIDENCE ADMINISTRATION

Administration and use of the apartments and chalets are managed by the owners' association, which sets the rules for the residences and the resort. At the annual meeting, each owner is entitled to vote on decisions relating to administration of the building and will have an opportunity to appoint an administrator to look after the residence's daily management. The annual meeting also sets the budget for the following year, votes on suggestions made by the administration and property owners, and reviews any potential problems and solutions.

ANNUAL ADMINISTRATION FEES

Owners are required to pay ordinary annual operator & maintenance fees of around CHF 115 per square metre. These fees cover expenditure and costs relating to maintenance, management, security, insurance, upkeep, replacement and repair of shared areas, for all ordinary and current expenditure. In the event of more significant maintenance work or extraordinary repairs to shared areas, extraordinary charges may be voted on by the co-owners' assembly and a renovation fund will be created to this end. These fees and charges do not include use of the resort's services (including pools, spa, restaurants etc.), taxes, or individual consumption costs (electricity, water, etc).

TITLE & TRANSFER

The official Swiss notary from Lauchernalp Resort AG will act on behalf of both the buyer and the seller. The notary will draw up the deed of sale and all documents required for the transfer of the legal ownership and he has the duty to protect the interests of both parties. By signing the buyer entrusts the appointed notary's office with the duty of ensuring that all legal formalities are respected, particularly the registration of the deed in the Land Register and releasing the acquired property from any previous mortgage. The purchase of a residence becomes valid once the owner is registered in the Land Registry.



LAUCHERNALP RESORT RENTAL MANAGEMENT PROGRAM

Lauchernalp Resort Residences is an apartment/chalet hotel and owners will participate in the mandatory Rental Management Program. Lauchernalp Resort AG will deduct costs of booking, marketing, and rental with a commission of 30% of the rental revenue. The residence owner will receive 70% of the rental revenue of its residence rental.

LAUCHERNALP RESORT RESIDENCES FURNITURE PACKAGE

Owners join the mandatory rental management program offered by Lauchernalp Resort AG and purchase the Lauchernalp Resort Residences Furniture Package. This package includes all required furnishing and finishing for the customer's residence to be ready for inclusion in the rental management program.

RESERVATION

To make a unit reservation the buyer will be asked to complete and sign a reservation form. At the moment the reservation agreement is signed and the CHF 10'000 reservation fee has been confirmed by Lauchernalp Resort AG, the buyer has the opportunity to reserve a property. By signing this agreement the prospective buyer indicates that he/she understands that the apartment units are commercial real estate. The apartment will be part of a mandatory rental management pool, and will be managed by a professional entity.

Once the building permit has been granted to the Seller, the prospective purchaser has 4 weeks to sign the purchase agreement. If no purchase agreement is signed within this timeframe, the reservation agreement is considered null and void, and the prospective purchaser will receive the deposit back, and give up his/her position in the reservation queue.

DISCLAIMER

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