

Conditions for Buyers to Qualify for the 6% VAT Rate on New Construction Purchases

(Subject to changes)*

I. Sole and Primary Residence for 5 Years: 6% VAT Instead of 21% VAT

- a. Properties inherited as usufruct or bare ownership are not taken into account.
- b. Owning another property is allowed, provided it is sold no later than 31/12 of the year following the year of the first use of the new property.

Example: If you purchase a new-build apartment today and move in on 1 March 2025, you have until 31 December 2026 to sell your current property.

- c. A garage or separate storage unit is not considered a residence, but it is applicable if it is part of the home or offers direct utility to the owner.
- d. the rule is applied collectively (all or nothing) for married couples and legally cohabiting partners.

Example: If the wife already owns a property (not inherited) and they jointly purchase a new build, they will not qualify for the reduced VAT rate

II. Surface Area

- a. The living area may not exceed 200 m². Attics, separate storage units, garages, etc., are not included.
- b. For apartments, this applies logically only to private lots.

III. Investors: 6% VAT Instead of 12% VAT

- a. If an investor rents out their new-build investment within the framework of social policy for at least 15 years.

Example: If you invest in a new-build property rented out to an SVK (Social Rental Agency), you can benefit from the extra VAT reduction and pay 6% VAT instead of 12% VAT.

- b. If an investor rents out their new-build investment long-term in the case of demolition/reconstruction projects.

General Conditions

- I. The new property must be constructed on the same cadastral parcels as those where the demolished building stood.
- II. At least 50% of the new building must be located on the previously built cadastral parcels. If so, the entire project qualifies for the reduced VAT rate.
- III. If applicable, 6% VAT will be applied to invoices due no later than 30/06/2025.

*Subject to approval by the federal parliament. Already approved by the Chamber Committee on 12/11/24.