

BAUGRUPPE! handbook



Contents

What Is a Baugruppe	4
Why Should I Do This?	8
Establishing a Baugruppe	14
Common Rules	16
Building Planning	18
Budget and Financing	22
Construction Process	26
Living Together	30
Attachments	34

What Is a Baugruppe

Baugruppe means “building group” in German (**bauen** – to build; **Gruppe** – group)

A Baugruppe is a group of people who have joined their financial resources and efforts to build an apartment building according to their desire and at a reasonable price. To make sure they will always be able to reach an agreement and to prevent deadlock situations, they lay down clear rules for the whole process, and they engage a project manager to take care of the organisation. They find a plot of land and put their financial resources together to purchase the plot and pay for the construction. An architect translates their individual desires into a building design and when the construction is completed, the members of the group become owners of their respective apartments.

Ordinary apartments available on the market are usually built by property developers and their plan is determined primarily by the market demand. Apart from the construction costs, the price of such apartments also includes the profit of the real estate developer. In a Baugruppe project, you are the developer yourself and you can choose interesting individual solutions that are not available on the real estate market. You can also set your own standards of the household's equipment and the materials used. The price of a Baugruppe apartment is usually up to 25% lower than the price of a comparable new home built by a property developer.

Trust is not the only element vital to the success of a Baugruppe project. Sharing

up-to-date information in a transparent way, laying down clear rules and having facilitated discussions helps overcome prejudice and create a basis for the final agreement.

The actual start of the project is when a plot of land is purchased. In some cases, one of the group members owns the land already from the very beginning but does not have enough money to finance the whole project. A Baugruppe project can also focus on renovating an older house or converting an unused building for cohousing purposes.

Moreover, you can use the Baugruppe model to build on sites that are, for any reason, complicated and, therefore, unattractive for real estate developers. Municipalities and municipal districts may support Baugruppe projects to stimulate housing development in selected areas. The projects can be supported in several ways – by providing consultations and promoting this type of housing, but also by granting options, i.e. by allowing people to make a “reservation” for a later purchase of a specific plot. Such an arrangement gives the future buyers enough time to form a group and secure the project financing.

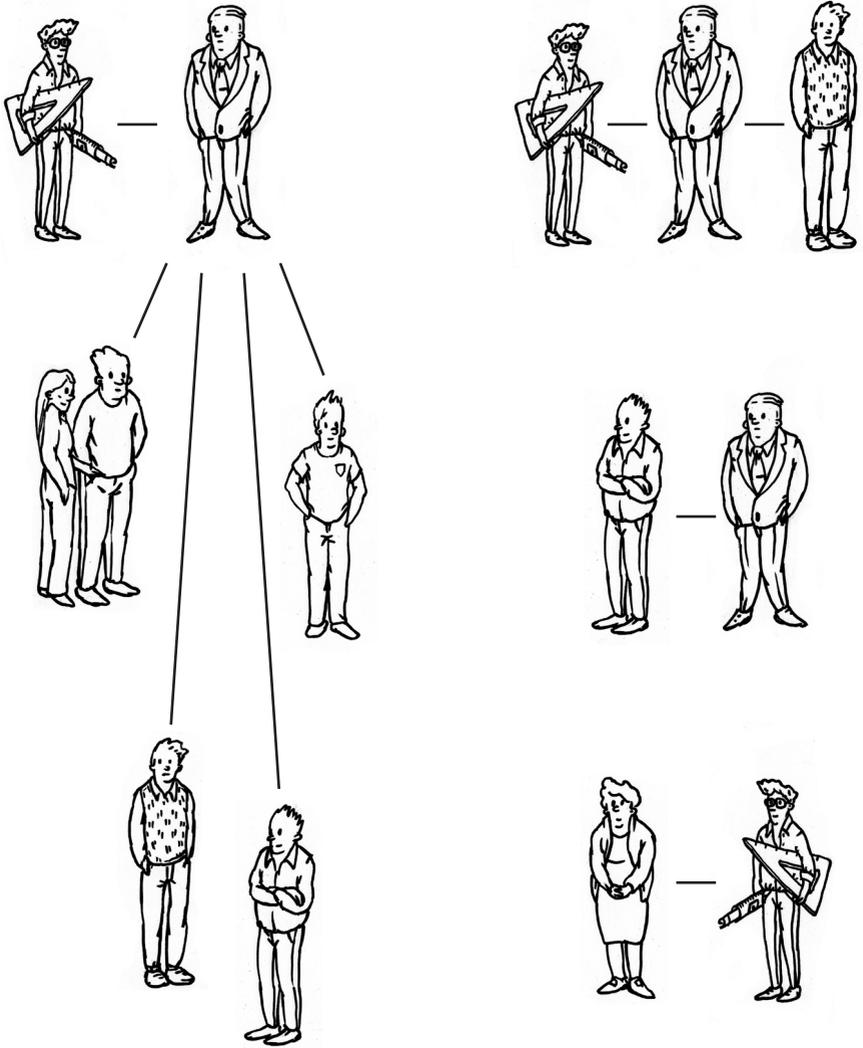


↑ Architect

↑↑↑ Baugruppe Members
↑↑ Project Manager
↑ Construction Company

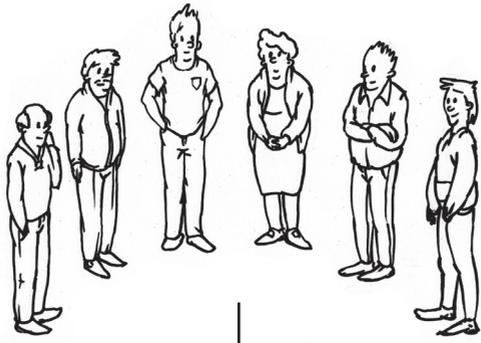
↑ Developer

Relation Diagram



6 ↑ Conventional housing project

↑ Single family housing in the suburb



Why Should I Do This?

Money

One of the main reasons is quite pragmatic – leaving out the real estate developer saves a considerable amount of money and allows you to buy an apartment at an attractive price. The plan of most apartments available on the market, as well as the materials used for their construction, are determined primarily by the average market demand, which does not necessarily have to suit you. Another factor is also the increase of apartment prices on the market (e.g. the prices in Prague, Pilsen or Brno rose by more than 6% in 2014). The price of a Baugruppe apartment is usually up to 25% lower than the price of a comparable new home built by a property developer.

Group investment may also be a solution for a land owner who does not have enough money for the construction of a new home or the renovation of an older building.

Customized project

In a Baugruppe project, you invest in an individual solution which you create together with an architect according to your own preferences. That means you do not buy a prototype project, but you define your own standards based on your lifestyle and your values. Ordinary development projects give you no such choice.

You can build a home in line with the current trends and combine living spaces with spaces used for work. You can share a common workshop, roof terrace or a meeting room with your future neighbours.

The project can be scheduled so as to match your investment capacities. Some parts of the new home, such as the

garden or a playground, can be built as a common neighbourhood project after the construction has been completed.

Location

As a larger group of investors, you are able to afford a home in areas that would otherwise remain out of your reach. Many Baugruppe projects are built on sites that are suitable for both you and your family – in the broader city centre, in lively but safe areas from where you can get to work by tram or by bike, where you have a kindergarten just round the corner and where a tranquil park or a playground is a five-minute walk away. This is something new homes currently built in the suburbs cannot offer.

Sustainable and smart solutions as an investment

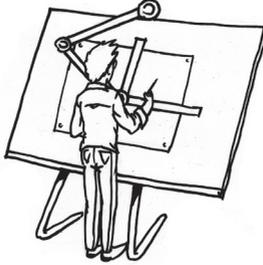
Choosing sustainable and smart solutions will increase the future value of your investment. The demand for good-quality architecture in an attractive area will never vanish. A flexible house will be able to develop together with its inhabitants, ensuring that the property will not lose its market value. Ecological materials and a high insulation standard can substantially decrease the operating costs. Instead of investing in a real estate developer, invest in your own home.

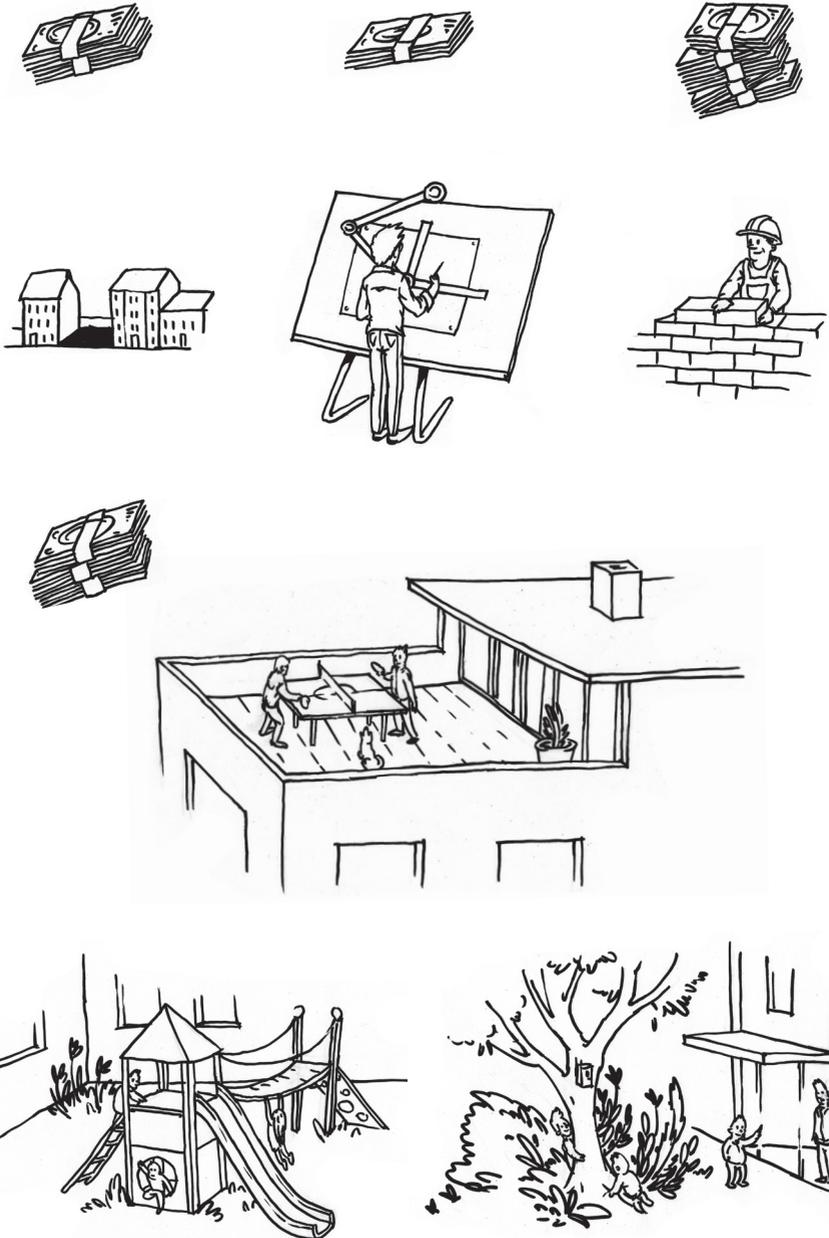
Neighbours

You start the project with other individuals who have the same goal – to find an agreement and live together. You will get to know each other very well during the whole construction process. In apartment houses where a large number of apartments are rented out,

the owners and the tenants living in the building side by side may sometimes have difficulties getting along. If you and your future neighbours manage to build a home together, it will certainly be easier for you to agree on other things later on as well.

Project Finance Diagram





↑ Leaving out the development company the Baugruppe model enables to invest into a terrace, a garden or a playground.



Establishing a Baugruppe

A Baugruppe can be established by any of its future members. In many cases it may also be an architect or a project manager who establishes the group. The municipality can facilitate the process by providing favourable conditions for the establishment of such groups.

A Baugruppe can be initiated by:

- a small group of individuals who own a plot of land already or who have decided to find and purchase a plot together;
- architects who take the initiative and start searching for and connecting people who would like to build a home in this way;
- a municipality that offers a plot for sale under favourable conditions.

The role of a (proactive) architect

Building together and cohousing raises social, city planning and economic issues. It is the task of the architect to present new types of homes and to find innovative and flexible solutions, construction systems and technologies. This is why Baugruppe projects are often initiated by proactive architects who come up with innovative solutions that can meet all the diverse requirements of the home's future inhabitants.

The role of the municipality

In the past 10 years, the Baugruppe model has become a successful strategy for housing development policies in a number of German cities. Hamburg, Stuttgart, Munich and other cities actively support the building of affordable family homes in the wider city centre by adjusting policies for the

sale of land, providing consultations and promoting successful projects from the past. In the Czech Republic, the Baugruppe concept is not widely-known and municipalities provide no active support for such projects.

Baugruppe projects on centrally located sites could offer an alternative e.g. for young families, possibly compensating for the trend of moving to the outskirts of cities. Utilizing unused building land would also contribute to achieving the current urban planning goal – to create a compact and efficient city.

Baugruppe members are very often committed people who care about where they live, which in turn enhances the quality of neighbourhood relations and creates a stable social basis.

Most of the land used for Baugruppe projects in other countries is sold at market price on the basis of a selection procedure. It is important to note that municipalities often grant an option for a period of 6 to 15 months to give the buyers enough time to form a group and secure the financing. Municipalities sometimes also sell land at reduced prices in special procedures. Defining clear rules is a necessary basis for the development of social housing and Baugruppe projects.

How is a Baugruppe formed?

The initial phase of the group formation usually has no formal basis and no contracts are signed. The search for a convenient plot of land can take a longer time and no major financial investment is required at this stage. It is advisable to discuss the selection of the site with an architect who can assess whether it is suitable for a residential

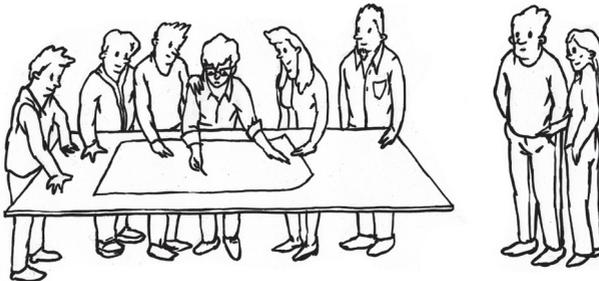
building. The whole process gains momentum when the right plot is found and purchased or when an option is granted.

Before the first financial transaction is made, a common contract of the Baugruppe members needs to be signed. It is also good to lay down the rules and conditions for the acceptance of new members, so that other interested individuals can consider joining the group.

The decision about the acceptance of new members is always made jointly. The membership in the Baugruppe cannot be transferred to a third party without the prior consent of all other group members. This means that every group member has control over who their project partners will be. New group members can be relatives or friends of the current members or can be found

through an advertisement. In some German cities, specialized agencies and platforms have been formed that publish offers of starting projects.

If you would like to join a new Baugruppe, it is essential to get to know its members. You can start by visiting a few project meetings on a non-binding basis and if you get a good feeling from the discussions and your potential neighbours, you can decide to join in. At the time you are joining the Baugruppe, it is usually clear where the group is going to build and what the terms of the land purchase are. Sometimes a preliminary architectural design, a calculation of the construction costs and a time schedule are already available. You confirm your decision to join the Baugruppe and the whole related process by signing the common contract (for more details see chapter Common Rules).



↗ First meeting of the group without obligations.

Common Rules

Transparent process

Every decision of the group has to be made in a transparent way and according to the previously agreed rules. The individual roles and the related competencies and duties are clearly defined for the whole process, which minimizes the room for potential arguments and facilitates the resolution of disputes. Mutual trust and a commitment to compromise and to respect the agreements made are undoubtedly some of the most important requirements.

Put everything down on paper

Signing the common contract and laying down the rules at the very beginning will provide for a smoother progress of the project. Since later changes have to be made unanimously by all members, it is advisable to start by getting a lawyer and writing a good contract.

Legal forms of cooperation

The legal form of the groups established for the purpose of building a home together is usually similar to the legal form designated as “company” in Czech law (formerly called “association of natural persons without legal personality”, see the Czech Civil Code). Such a “company” is a grouping whose members unite to achieve a common goal – e.g. to build a house. As it is not a juridical person, it is not entered into the Commercial Register, which makes the process easier from the administrative point of view. The members bear the project risk in proportion to their financial contribution and according to further provisions agreed to in the contract.

The legal form mentioned above gives the members more direct control over the matters concerning the group, in contrast to a housing cooperative, because they participate directly in the decision-making and in the acceptance of new partners into the project. The members’ shares in the joint ownership are determined by their financial contribution.

After the completion of the building, the “company” should be transformed into an “association of unit owners” as regulated by Czech law. This will enable you to remain the owner of your apartment and to alter it as you wish. Alterations of common spaces and major repairs are decided jointly by all members.

Further practical rules

It is good to demand a deposit of 1–2% of the expected investment amount (approx. 50,000 to 100,000 CZK) as a confirmation of the intention to join a Baugruppe. Such a deposit will create a sense of trust and also reduce the number of members joining and leaving the group during the process. To also make sure the project will not get into any trouble at later stages of the preparation and the construction, it is reasonable to lay out further rules, such as financial “penalties” for leaving a running project.

To ensure the stability of the Baugruppe after the completion of the building and to prevent speculations regarding the property, it is also advisable to lay down conditions for the sale and long-term renting of the completed apartments at the very beginning. This

way the members will always know who their neighbours are and everyone will understand from the very start what possibilities they will have in the future.

The choice of the floor and the individual apartment inside the building depends to a certain extent on the architectural plan. The group members usually choose their apartments in the order in which they have joined the group. This system means a reward for

the risks, efforts and initiative of the founding members. Apartments located on higher floors are naturally more attractive due to an ample amount of natural light, better views and lower noise levels. That is why the price per square metre varies by the floor as well; the price is usually average on the middle floor and rises and falls by an agreed amount per floor as the floor number increases and decreases respectively.



Building Planning

Project management

It is the project manager who is in charge of preparing the individual steps and organizing the discussions among the group members. He or she is responsible for the communication with the authorities, banks, building companies, etc., and may also keep the accounting, monitor the costs, and be authorized to sign contracts. A Baugruppe project manager should be a communicative person who has knowledge of building regulations and financial products available on the market and who is also familiar with construction-related processes.

Designing together?

Various approaches to the development of the building's design as well as the extent to which the group members are involved in the process influence not only what the building is going to look like, but also the total amount of time and money necessary for the project. It is primarily the architect's task to transfer the members' individual requests into the house's design and technical solution. The participation of the group members in the search for solutions and in the decision-making regarding specific issues depends largely on the architectural design. Respecting the technical requirements, the building regulations and the desires of the group members all at the same time is a challenging task. That is why the architect needs a sufficient portion of trust and freedom to create a comprehensive plan. It is primarily the apartments that require customized solutions. Agreeing on certain standards for the apartments' equipment is economical for everybody. Members

who disagree may choose, under agreed conditions, their own equipment or hire another architect for this specific purpose.

To be on the safe side and make sure the process will run smoothly, it is good to give the architect the leeway to develop the design of the whole building. This is often the case if the architect, who has initiated the Baugruppe project, secured the plot and subsequently found his co-investors. The layout of the apartments and the common spaces may be planned even before most of the members join the group. In such a case, the individual preferences of the group members affect only the interior of their apartments (materials used, kitchen and bathroom equipment etc.). However, this arrangement also allows for common standards of equipment, which is economical and makes the technical implementation easier and faster.

On the other hand, you may choose to involve the group members in the decision-making process in a broad range of issues regarding the principles of the architectural design. For our usual standards, this is quite an experimental strategy, which allows architecture to diverge from its conventional approach. The discussions can oscillate anywhere between an ingenious solution and a dull compromise. During the open discussions of the group, it is always necessary to find solutions acceptable for the majority of the group in order to make sure that the decision will not be disputed at a later stage.

There is a broad range of options as to how to proceed and it is certainly not possible to say which way is the best – every project is a story of its own.

Planning meetings

In the initial phases of the project, the group meetings take place more often, e.g. every two weeks. Later on, they become less frequent, e.g. once every two months. However, the meetings should be organised on a regular basis and always announced sufficiently in advance. Before every meeting, it is necessary to prepare a list of topics and the relevant documents as a basis for the discussion and decision-making. The project manager keeps record of the outcomes from the discussions and of the voting. After each session, he or she distributes the minutes and other relevant documents to the Baugruppe members and, if necessary, to other participating parties.

In the case of closer involvement of the group members in the creation of the architectural design, it is possible to set up smaller working groups focused on individual topics. The working groups can concentrate on the equipment of the common meeting room or the workshop, as well as on the selection of the bank or the building company. Individuals responsible for specific issues and the leaders of the working group should receive compensation. More complex issues can be discussed with experts or specialized technicians. Some parts of the plan do not need to be carried out immediately (e.g. the garden, a small garden house, the

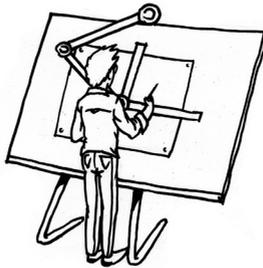
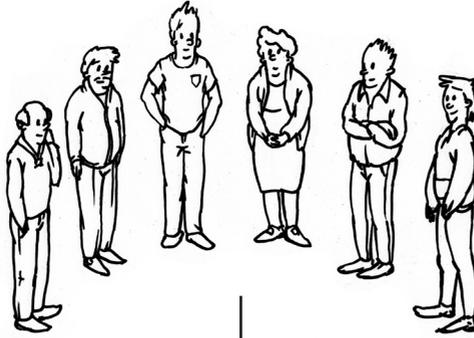
furniture in the meeting room), but you can leave them for later to be completed as a common project after the home is finished. This allows you to extend your investment over a longer period of time and, at the same time, to involve the whole community in a smaller project.

Deciding together

You can simply vote to make decisions. When it comes to the most important decisions, however, it is essential to reach a unanimous agreement of the group. Although everyone in the group has a common goal, complicated situations will appear in the course of the project. Issues that do not allow you to find an optimal solution should be divided into a series of smaller steps. Before making a complicated decision, it is good to do some small-scale research regarding the topic or to prepare more versions of the solution – no matter if it is about choosing a suitable heating technology, the utilization of the garden or the selection of trees and plants. This process is controlled by the project manager in cooperation with the architect.

Potential disputes should be seen as a part of the group dynamics and dealt with constructively. In the case of more significant disputes, it is advisable to involve a mediator who can help resolve problems that may seem unsolvable.

Preparation of the Project





↑↑↑ An unanimous concord has to be reached about the rules of the Baugruppe project...

↑↑ ...about less important issues a majority decides.

↑ Many questions will be decided individually.

Budget and Financing

First of all, prepare your own investment plan on the basis of approximate estimates of the project costs.

(↔ **page 34**) The plan will indicate whether you will be able to finance the project, how much money you will have to borrow, and thus also what price of land you can afford to accept.

The most practicable financing option is a combination of your own capital and a mortgage loan. In Germany, Austria and Switzerland, there are a few banks that offer special bank loans for Baugruppe projects. Similar products which can be used for group loans are available also in the Czech Republic. The total building costs will depend, among other things, on the quality of the crucial professions (architect, project manager, technical supervision), so be very careful when choosing the providers. Decide on the basis of the providers' references and their customer portfolio, as well as your personal impression.

In the course of the project, it is necessary for the project manager to keep the time schedule and the cost estimates up-to-date based on the latest information and the progress of the project. This will strengthen the sense of security and the mutual trust among the individual parties and also visualize the effects of all decisions on the budget. The architectural plan has to be in line with the agreed financial level of the project; monitoring the budget is the ideal instrument to check that this is the case.

Building site

At the beginning of the project, the building plot is purchased, which is the first larger financial transaction. Keep in

mind that the land transfer tax and the cadastral land registration fee will be added onto the price of the plot.

Construction

The construction costs include the costs of the materials and services provided by the construction companies. About 20% of the construction costs are made up of other costs which include the wages of the architect, project manager, engineers, lawyers and other technical and financial consultants. The initial estimate of the construction costs and the budget including other costs are based on usual prices from the previous year and the experience of the architect and project manager. The prices may differ based on the region and the current situation on the market. The estimate is going to get more precise as the project progresses.

Financing

In most cases, Baugruppe members will not exclusively use their own capital to finance the construction, but they will take out a loan. That is why the financing costs have to include the mortgage interest.

The group members should agree on one bank or another financial institution to make it easier to keep an eye on the loan, the insurance and the responsibility for the financing. When securing the project financing, hire a financial consultant. Even a small mistake in this phase can lead to problems or disputes at a later stage of the project.

Additional costs

Keep in mind that even after the completion of the construction process

you will have to cover the additional costs related to your house. As you start repaying the loan, you will also create a common fund which you will need for the maintenance as well as later repairs of the building. You will use this fund to pay your energy bill and the cleaning of common spaces as well.



Moderation Process



Financial Commitment



↑ The Baugruppe members
take out a loan.

Construction Process

The next phase of the project is not very different from other residential housing projects. The group meetings can take place less frequently, because all important decisions have been made and put down on paper. This in turn means more work for the project manager, architect and authorized representatives of the Baugruppe who manage the following processes all the way to the completion and handover of the building.

Building permit

When the preliminary architectural design is ready and details have been agreed on with the Baugruppe, the architect and engineers develop the design further to create the detailed documentation required for the planning permit procedure and the building permit. The permit processing time does not differ from similar property development projects and may depend on the specific features of the plot, the requirements of the building authorities and other relevant bodies, the cooperation of the neighbours and other factors. The processing of a building permit for an apartment building takes usually between 6 and 24 months.

Choosing the contractor

In the next phase of the project, you involve your future technical supervisor, who will help you choose the contractors that are going to build your home.

When obtaining the bids from individual contractors, you need to provide details on what you want to build, the scope of work according to the approved architectural plan, construction deadlines, financing and penalties

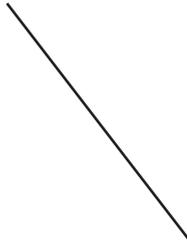
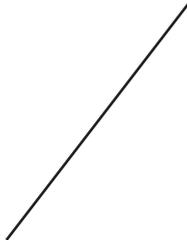
in the case the contractual obligations are not fulfilled. Based on the price bids, you choose your construction companies. You can either hire several smaller companies or a general contractor.

Construction

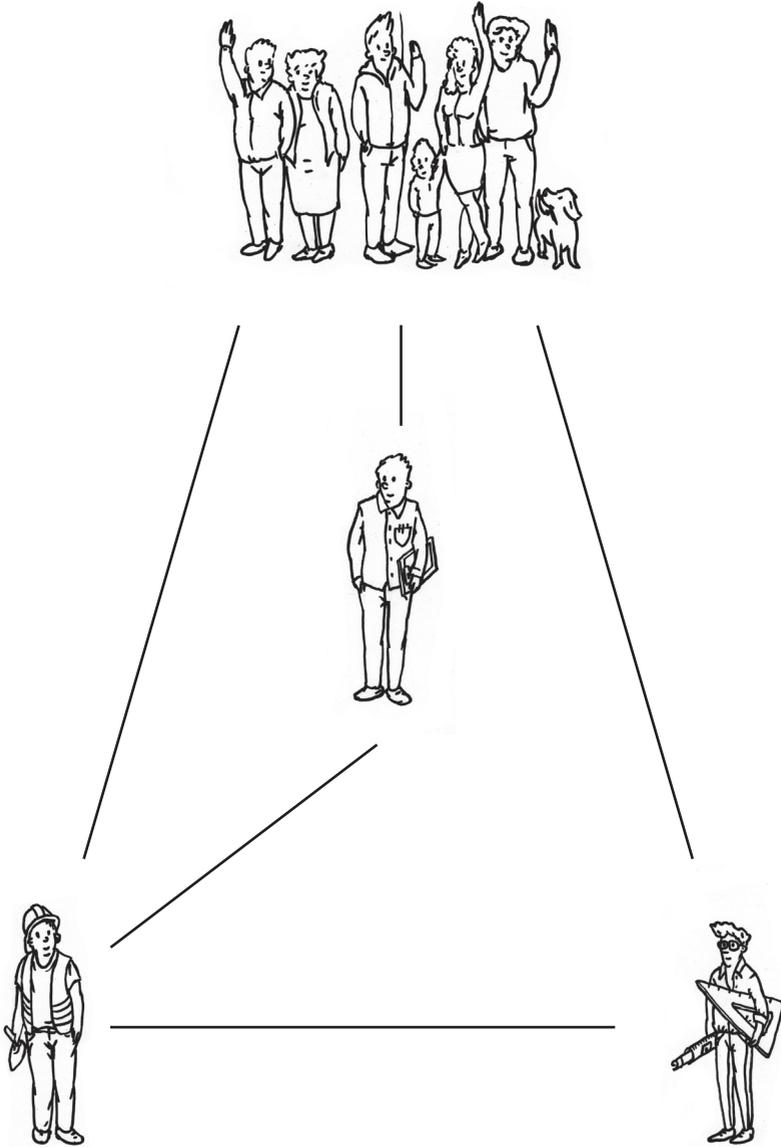
During the construction process, the technical supervisor, the architect and the building companies' representatives meet on a regular basis; representatives of the Baugruppe attend the meetings as well. At this stage of the project, the technical supervisor is responsible for the construction time schedule, quality control and the monitoring of costs. The minutes of every meeting are distributed to all participants of the project. Any changes of the budget or the project need to be decided on the basis of transparent and understandable documents.



The Choice of the Construction Company



Competences



↑ The Baugruppe hires the construction company.

↑ The project manager supervises the budget.

↑ The architect supervises the construction.

Living Together

The completion of the construction is not the end.

When you have taken a rest after the construction and the moving in, you can start your neighbourhood mini-projects in the garden and common spaces.

If a roof terrace, garden or sauna have been part of your project, now is the time to start using it together with your neighbours. Your home will also need regular care. Since the building belongs to all members of the Baugruppe, you should share the responsibilities on an equal basis.

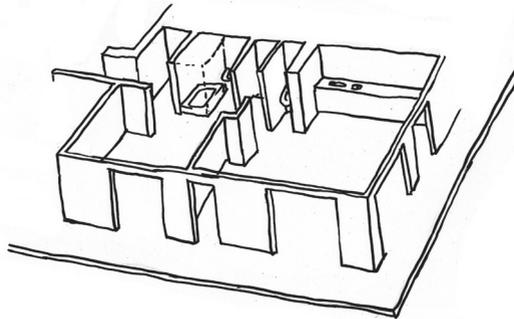
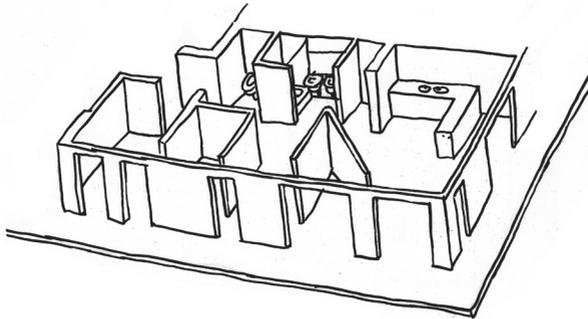
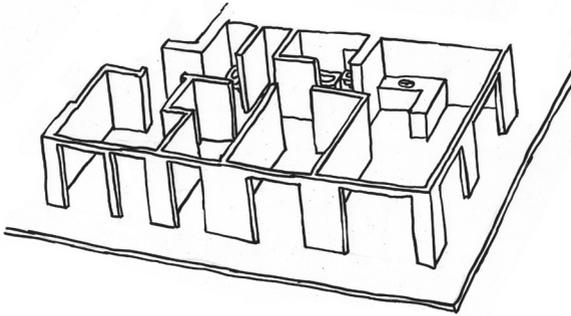
After the construction process you will know your neighbours very well.

Good neighbour relations will not come automatically just because you live together under one roof.

Some group members may have had other expectations, which is why it is necessary to remain open-minded and keep searching together for the boundaries between what is private and what is common, and between individual and group responsibility.

Your home is going to keep developing, driven by the energy of its inhabitants.

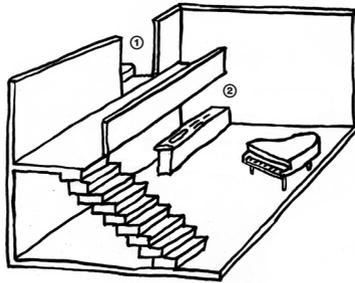
Individual Apartment Plan



↗ The house at Ritterstrasse 50 has a reinforced concrete structure that enables individual apartment plans.



Shared Community Space



↗ The shared community space at Ritterstrasse 50: disputed in the discussions during the design proces, it became very busy and is booked months in advance.

① Guest room
② Kitchen

Model Cost Calculation

Balance sheet structure

Building Site / Plot

Share in the land purchase price

Other costs related to the land purchase
(notary, 4 % land transfer tax, cadastral land register)

Construction and Project

Construction costs

Other costs approx. 20 %
(project manager, architect, construction engineers,
technical and financial consultants, lawyer)

Project Financing

Own capital approx. 25 %

Loan approx. 75 %

Other Running Costs for Building Use

Loan interest

Repair fund (0.5 – 1 % of the property price p.a.)

Energy

House management

Cleaning and maintenance

Square metre price of land	10 000	CZK/m ²
Area	700	m ²
Plot cost	7 000 000	CZK
Other costs related to the land purchase (notary, 4 % land transfer tax, cadastral land register)	294 000	CZK
Plot	7 294 000	CZK
No. of apartments	20	ap.
Apartment area	80	m ²
Costs per net residential area of apartments	30 000	CZK/m ²
Total constructions costs incl. Infrastructure	48 000 000	CZK
Design, construction and engineering costs 12 % (architect, static engineer, construction engineer, etc.)	5 760 000	CZK
Other costs 8 % (project manager, technical and financial consultants, lawyer, etc.)	3 840 000	CZK
Construction	57 600 000	CZK
Apartment price per m² ●	40 559	CZK/m²

● *The Apartment price per m² could be approx. 40.000 CZK/m², even in the center of the city. Compare it with property development prices!*

Apartment production price (plot + construction)	3 244 700	CZK
Own capital – approx. 30 % of the costs	973 410	CZK
Mortgage loan – approx. 70 % of the costs	2 271 290	CZK
Costs of the Loan 40 % (at an interest rate of 3 % with a repayment period of 20 years)	908 516	CZK
Total apartment price (land + construction + financing)	4 153 216	CZK

■ *Financing costs are individual and depend on the client's creditworthiness and the loan amount*

Annuity payment (repayment period of 20 years)	17 305	CZK/month
House management	1 000	CZK/month
Repair fund (01 % of the property price)	2 400	CZK/month
Energy	3 000	CZK/month
Cleaning and maintenance	500	CZK/month
Total running costs per month	24 205	CZK/month

Glossary

Option → a contract between the buyer and the seller which gives the buyer the right (but not the obligation) to buy an asset (e.g. a piece of land) at a specific price on or before a specified date. An option gives the Baugruppe the time necessary to secure the project financing, find more members and develop a preliminary design in cooperation with an architect.

Project Manager → the main organiser of the whole process, especially in relation to the formal administrative issues. The project manager divides the project into smaller steps, plans and checks the time schedule, monitors the cost side of the project, writes regular reports on the project status, etc.

Mediator → the person who facilitates the communication of the parties and helps overcome obstacles when looking for solutions acceptable to all parties. A mediator is necessary in particular in complicated cases where a solution cannot be found with a standard approach. A successful mediation leads to a mediation agreement, i.e. the consensus of both parties.

Investor's Technical Supervisor → the investor's representative vis-a-vis the building companies. The technical supervisor checks the quality of their work, reviews invoices, keeps the site diary, monitors the construction process with regard to the building permit, arranges modifications of the project if necessary etc.

Housing Cooperative → defined under Act. No. 89/2012 Sb., Czech Civil Code, Section 221–259, as a community of an unlimited number of members, established for business

purposes or to satisfy the economic, social or other needs of its members. A cooperative is a juridical body and is liable for its obligations with all its assets.

Association of Unit Owners → defined under Act. No. 89/2012 Sb., Czech Civil Code, Section 1194–1205, as a juridical body established to ensure the management of a building or a piece of land. An association of unit owners may not do business or participate directly or indirectly in business activity. The membership in an association of unit owners is inseparably connected with the ownership of a unit. A member is liable for the debts of the association in proportion to his or her share in the common parts.

Company → defined under Act No. 89/2012 Sb., Czech Civil Code, Section 2716–2746, as an association of persons who have united for the purpose of a common activity. A company can keep a register of the members' contributions. The individual members are jointly liable vis-a-vis third parties for any debts arising from the common activity.

Portfolio → an overview of projects representing a company and its approach to clients and specific topics (e.g. housing, apartment buildings, public spaces etc.).

Planning Permission Procedure → planning permission is issued by the building authority on the basis of a planning permission procedure. Planning permission is required to build a new structure on a vacant plot, to add a floor to an existing building, and to change the use of a non-residential building. **Building Permit Procedure** – apartment buildings also

usually need a building permit, which is issued by the building authority and lays down the conditions for the construction process. The primary purpose of the procedure is to protect the public interest, to define the relation of the building to other relevant structures and to make sure that the general requirements for the construction and use of the building are fulfilled and technical norms are respected.

Mortgage Loan → a loan secured by a mortgage on the borrower's property located in the Czech Republic. Mortgage loans can be provided as purpose-specific loans or without purpose specification.

Annuity Payment of a Mortgage Loan → a monthly repayment of the loan. It consists of the repayment of the principal and the interest. The amount of the annuity payment is stable during the interest rate fixation period.

Costs of the Loan → the total amount the client pays for the borrowed money over the term of the loan. It includes the total interest and all fees related to the loan.

Repayment Period → period of time in which the mortgage loan will be repaid. Usually you can choose a period between 5 and 40 years. A longer repayment period means lower monthly payments, but also a higher sum of interest that will have to be repaid in total. Financial experts recommend a period of 15 to 20 years.

Creditworthiness → the client's ability to fulfill the obligations arising from the loan agreement, i.e. the client's ability to repay the loan. A more creditworthy

Resources

client means a lower risk for the bank. Good creditworthiness means the borrower can obtain credits at a lower interest rate than a client whose creditworthiness is poor. A borrower's creditworthiness depends on their income, age, education, job, family situation, payment discipline etc.

Interest → the amount of money the borrower is obliged to pay to the creditor as a reward for lending the money. The interest is usually defined as a percentage of the borrowed sum for a certain period of time, mostly per year. The interest is included in the regular monthly payment together with the principal.

Interest Rate → defines the interest the borrower is obliged to pay to the bank. A bank determines the interest rate individually for every client based on the situation on the financial market, the client's creditworthiness, the ratio of the mortgage loan to the value of the property, and the interest rate fixation period.

Cadastral Land Register → a register of proprietary and other rights to immovable property (listing, description and location details of immovable property). The cadastral land register is public. Everyone has the right to consult the land register records and make extracts and copies thereof.

Apartment Price Map of Prague
jakybyt.cz/mapa

Baugruppe "Network Agencies" in Berlin
wohnportal-berlin.de
wohnprojekte-portal.de
netzwerk-generationen.de

Information on Baugruppe
stiftung-trias.de
stadtentwicklung.berlin.de/bauen/baugemeinschaft
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Glossary of Mortgage-related Terms (in Czech)
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● There is a vacant plot of land between two apartment buildings in your neighbourhood. It occurs to you that the site could be used for an apartment building where you would have a place designed according to your needs and desires. It is your town and you have a chance to influence what it looks like and adapt the area to your own lifestyle. You team up with a couple of like-minded people and, instead of each of you looking for an apartment of your own, you form a BAUGRUPPE...