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House Hunting in ... Austria

By JENNIFER BLEYER

A THREE-BEDROOM HILLTOP HOUSE WITH TWO GUESTHOUSES IN STYRIA, AUSTRIA

1.8 MILLION EUROS (\$2.5 MILLION)

This house in southern Styria, a wine-growing region known as Austria's Tuscany, sits on a nearly two-acre lot with two guesthouses, a swimming pool, a pool house, a sauna and a vineyard. The three houses, clad in golden stucco with clay tile roofs, are situated around a U-shaped courtyard paved in stones from the nearby Mur River.

The 2,200-square-foot main house, which is more than 200 years old, was renovated between 1998 and 2005. The main entrance leads to a small foyer, beyond which is a spacious living room with original hardwood floors, a wood-burning stove and glass doors that open to a back patio and bathe the space in natural light. The kitchen, separated from the living room by a four-foot-high cherry wood room divider, has custom white Formica cabinets with stainless steel handles and black granite countertops, a six-burner Whirlpool gas stove on a center island, a Miele oven and a refrigerator by Liebherr, a high-end German manufacturer. An exterior staircase leads down to a rustic wine cellar. Upstairs is a master bedroom with dormer windows, a balcony with sweeping views of the surrounding hills and a master bath. There are two smaller bedrooms on the second floor as well; they share a bathroom.

One of the guesthouses has a living room with exposed wood beams and large picture windows, and two second-story bedrooms, each with a balcony and bathroom. The other guesthouse, formerly used as an equipment and tool shed, has three ground-floor bedrooms, each with a private patio and bathroom.

A stone walkway behind the houses descends to a series of terraced larch wood patios set in a rose garden with 80 varieties of rose. Farther downhill is a 40-foot swimming pool. Its concrete modernist pool house has a kitchen outfitted with Miele appliances and a Nespresso coffee maker, as well as an airy dining area. The structure has a flat roof, visible from the main house and landscaped as a water garden with lotus flowers. Several yards from the pool, a 540-square-foot sauna building is equipped with a Swedish sauna, a spacious resting area and a shower with both rainfall and waterfall showerheads.

Southern Styria, which is in southeastern Austria, is often compared to the northern Italian region of Tuscany because of its temperate climate, rolling green landscape and plentiful wine

production. The nearest town, Gamlitz, about eight minutes away by car, has a grocery store, a pharmacy, a gas station and other amenities. The surrounding area offers abundant hiking, bicycling, golfing and wine-tasting opportunities. The closest airport is in Graz, a 25-minute drive, and Vienna is about a two-hour drive.

MARKET OVERVIEW

Vienna, the powerful engine of Austria's residential real estate market, has experienced an exponential rise in prices in recent years, and housing prices outside the capital, in areas including Styria, have remained extremely strong despite global economic tremors. In the city of Graz, prices per square meter range from 2,800 to 4,000 euros, according to Willi Muhr, an agent with Marlies Muhr Real Estate, the company listing this property. Prices in the part of Styria featured here, Mr. Muhr said, are 2,000 to 2,500 euros per square meter (roughly \$270 to \$360 per square foot, at 10.7 square feet to the square meter), although that varies widely depending on the amount of land and outbuildings included. "The price for this home, with 7,000 square meters of land, is just about right for this area," he said.

Demand outstrips supply because Austrians tend not to move around or have reason to sell their homes. "Traditionally, people buy a house in one area and stay there for years," said Kurt Waniek, the president of the Austrian Association of Real Estate Experts. The relatively low number of transactions due to residential stability also helps keep the property market steady, he said.

WHO BUYS IN AUSTRIA

"We have approximately 60 percent Austrians and probably 40 percent foreigners," said Eugen Otto, the principal agent of Otto Immobilien Gruppe, a real estate firm based in Vienna, "and it's not one destination where most of them come from, but a well-balanced mixture." A large number of foreign buyers come from the former Soviet republics, as well as Switzerland, Denmark, Sweden, Germany and Italy. In Styria, which attracts far fewer foreign buyers than Vienna, Mr. Muhr said that there were some from Switzerland, Germany, Britain and the United States. "It's quite international," he said, "because it's becoming more and more well known and the prices are reasonable."

BUYING BASICS

Citizens of European Union countries can buy in Austria without restriction. For others, regulations on buying property differ in each of the country's nine states. "The core of these laws says that for permission to be granted to a foreigner to purchase land or a house, it must be in the interest of the Republic of Austria," explained Alfred Nemetschke, a real estate lawyer in Vienna. Those with a work permit in Austria or those who can prove substantial support for the arts, he said, are typically allowed to buy property, and in Vienna, a common practice for foreigners is to establish a company in Austria and buy through the company. Real estate lawyers are typically employed to navigate these restrictions, Mr. Nemetschke said.

In general, buyers can expect to pay 10 percent in fees on top of the purchase price. Costs include a combined 4.5 percent property tax and land registration fee, Mr. Otto said, as well as a 3.6 percent agent's fee and 1.5 to 2 percent in legal fees. Mortgage financing is available, though buyers may be expected to put as much as 40 percent down on the purchase price.

WEB SITES

Styria Tourist Office: steiermark.com/en

Austrian National Tourist Office: austria.info

Austrian Association of Real Estate Experts (German language only): are.or.at

LANGUAGES AND CURRENCY

German; euro (1 euro = \$1.42)

TAXES AND FEES

There are no annual property taxes in Austria.

CONTACT

Willi Muhr, Marlies Muhr Real Estate, 011-43- 699-120-000; muhr-immobilien.at