

Apt. # 43, 32 Novaragasse, Vienna
By Dave Doroghy

As I sat on the cold wooden floor of the apartment in Vienna, my butt started to ache. I'd slept on that floor for three nights in a row and by now, I knew it well: it was unforgiving and hard. I didn't know anybody in Vienna and, even if I did, I couldn't very well invite them over to my apartment because it had absolutely no furniture. Yet I just liked being there, sitting on the floor by myself for hours. It wasn't because of the view of the charming, late 1800s courtyard, the apartment's location near the world-famous Reisenrad ferris wheel in the Prater Park or the scent of wienerschnitzels cooking down the hall. I liked being there because this place was mine – well, two per cent was mine. And that was almost a miracle.

Times change, governments change, people change. History is as unpredictable as the weather. Wealth is accumulated and then lost. Sometimes, it is impossible to hang onto anything you thought was yours by birthright, including social status, citizenship, bank accounts, buildings, stocks. Like grains of sand, they all just slip through your fingers and, in a blink of an eye, are lost. I know this because of what happened to my family, who lost so much at the whim of a repressive government. My relatives learned, and I have discovered, that wealth is really just a bunch of random numbers representing dollars beside your name. A government is immensely popular and then, within a few years, it is toppled and the numbers spin around and randomly land somewhere else. People are persecuted and have to flee their homeland, leaving everything behind. Generations of savings and of building and acquiring riches are wiped out. Nowhere are we more isolated from this harsh reality than in Canada.

I'm Canadian born, but my parents emigrated from Hungary and Switzerland in 1944. Despite the passage of time and geographical challenges, my family somehow managed to hang onto a very small vestige of old-world prosperity: 32 Novaragasse in downtown Vienna.

My sister and I are direct descendants of Hungarian aristocracy; we're the only grandchildren of the Baroness Hedwig von Herzel. That fact is meaningful to me and it would also mean something to others had the Nazis not occupied Hungary, had the Hapsburg Empire not fallen, had the Jewish elite not been persecuted and forced to flee Budapest and had Hitler not annexed Austria in 1938 and sickeningly crushed Vienna's magical qualities at the time.

Not many people know or care about my rarified heritage. As a sports marketing executive living in Vancouver in 2003, my peers couldn't care

less about my noble and distinguished background. I can just imagine the reaction I'd get during my next business sales presentation if I felt a client wasn't giving me the respect I deserved and I tried piping up with, "Hey, wait a minute – do you realize that I am a direct descendent of the Baroness Hedwig von Hertzfel?" Still, it does strike me as odd that something that was so important at the turn of one century can become so unimportant at the turn of the next.

Back in Hungary at the turn of the century, my great-grandfather was a notable Jewish surgeon at a sanatorium in Budapest and even developed new surgical procedures that were at the forefront of medicine at the time. My sister and I inherited a gold plaque that his students presented to him in 1879 to commemorate one of his breakthrough operations. Apparently, my great-grandfather was somewhere near the top the Hungarian cultural elite and it was his daughter Hedwig who was the baroness. But even that status could not protect them, and about 50 years ago their house in Budapest was expropriated by the Communists. In 1998, after the fall of the Iron Curtain, to satisfy my growing curiosity about my family history, I traveled to Budapest with a view to seeing and even laying claim to this palatial mansion. I discovered that the four-storey building, complete with a lavish garden, fountains and gargoyles, had been divided into 12 apartments managed by the present-day Hungarian government. It was gorgeous, it was in a great part of town, it was worth a lot of money and they had absolutely no intention of giving it back to me.

So that part of my heritage was lost to me, but I still had something else: a promise from my grandmother. In 1925 Hedwig married the celebrated Budapest lawyer Irvin Doroghi, who inexplicably has a different spelling of our last name. They had a son, George, my father, and were well established in Budapest. Fast-forward to 1937 and war is imminent. Word is that Hungary will be invaded by the Nazis. No country is safe. Some see it; others are in denial. Because my father's family was Jewish, I know that they must have been subjected to the indignities and atrocities of the time, yet nobody ever spoke of this to me.

I do know that my grandmother's brother would die in a concentration camp. I also know that, concerned over her son's future because of the impending invasion, she sent George to school in Switzerland, a neutral and safe country. In Zurich, my father met my mother, fell in love and married her in 1944, against my grandmother's wishes. The problem, in her eyes, was that my mother was a commoner; she made her living sketching fashion models on the catwalks in Paris. But the family soon had greater problems to concern it. As Europe further descended into a violent mess, my newly married mother and father decided to leave Zurich. They applied for visas to Brazil and Canada, thinking they would

immigrate to whichever country accepted them first. The efficiency of the immigration office in Ottawa is responsible for me and my sister being born in Canada.

After the war, during the 1956 Hungarian revolution, Hedwig and grandfather Irvin were also forced to flee Europe. They had no choice but to turn their backs on their wealth. They managed to escape, carrying enough jewellery to start a new life in the United States. Irvin must have had big pockets because they ended up living on Park Avenue in New York City, where Irvin practiced international law until he died in 1962.

Hedwig and Irvin lived a lavish Manhattan lifestyle, socializing with other Hungarian expat friends, playing in bridge parties and attending the opera. After Irvin died, Hedwig made frequent trips to Vancouver to visit her grandkids. Her only source of income was her husband's estate and dividends from his AT&T stock investments and so, over the years, the Hungarian family wealth diminished.

The family's challenges continued. In 1958, shortly after I was born, my father died. My mother had a tough time making ends meet supporting me and my sister Miriam, but she never remarried. My grandmother helped support our family; for 15 years we received a monthly cheque from New York to help with the groceries and living expenses. In the end she became bedridden and for a period of time required around-the-clock, costly medical attention. Timing is everything in life and in death, and our grandmother had just enough money to live the very comfortable life she was accustomed to right up until the end. As her life ended, most of the Doroghi family fortune had been spent. I remember her as a very charitable woman and I am grateful and indebted to her for helping to support our family.

Before Granny died, she promised me and my sister Miriam that she would be leaving us a very small percentage of two buildings in downtown Vienna. I don't know why she owned a percentage of the Vienna buildings, but it makes sense. Vienna and Budapest are less than 200 kilometres apart. Vienna had been the capital of the Austrian Empire, which ruled a vast region of Europe from 1867 to 1919. At one time, Vienna was the fourth-largest city in Europe, behind London, Paris and Berlin. The Austro-Hungarian Empire was famous for allowing different cultures not only to survive but to thrive. At the turn of the century, Vienna was a prominent centre of the arts, sciences and European civilization. In that context, it's easy to understand why a Budapest baroness might have some land holdings in this important and cosmopolitan world-class city.

As it turned out, Granny held four-per-cent ownership of two apartment buildings in the second district of downtown Vienna at 24 Blumaragasse and 32 Novaragasse. She explained that her share in the buildings provided her with a modest income: as she put it, it was enough money to go on a nice vacation with every year.

In 1978, after Granny passed away, the Manufacturers Hanover Trust, the executors of her estate, confirmed that my sister Miriam and I had indeed each inherited a two-per-cent share of the two buildings. Through the office of the executor, a legal transfer of title took place at the land registry office in Vienna. The land title books are open to the public and Miriam and I are documented as partial legal owners of the properties. That can never change without our consent. Legally, together we own four per cent of the two buildings.

The location of the two buildings reveals a bit of Viennese history. The 23 districts that comprise the city of Vienna fan out in a circular pattern, with the First District being the historical centre of the city. The research that I have done on the Second District indicates that it has historically been a Jewish neighbourhood. It became the Jewish quarter by order of Ferdinand II in 1625, when it was still an area of marshy islands between the arms of the Danube. At that time, the area was called Untere Werld. In 1670 the Jews were expelled by Leopold I and their synagogue demolished. Subsequently members of European aristocracy built summer palaces there. In the 18th and 19th centuries, immigrant Jews returned and resettled the area until they were expelled by the Nazis in the 1930s. Today, Jews have once again returned to the Second District of Vienna.

The building's origins, how my grandmother came to own part of them and why she retained such a small percentage of ownership remains a mystery to this day. Perhaps it was used by family members for their frequent trips from Budapest to Vienna. Possibly my grandmother inherited it from someone else. It could have been an investment. We will probably never know.

Ironically, the revenue that we were hoping to receive, generated from apartment rents in the buildings, also remained a mystery – a mystery that could be titled “The Case of the Missing Annual Revenue Cheques.”

After my grandmother died, we received nothing for the first three years. Then every year, usually in January, we received a statement of revenues and expenses written in German. One copy was sent to my sister and one to me, in a funny-shaped envelope bearing the logo of the Alfred Matejka Property Management Company. It was Alfred Matejka's job to collect the rents, pay all the expenses and then split whatever was

left over with the owners of the building. My sister and I assumed that he was doing a good job on the first two tasks but we didn't think he was particularly skilled at the last one. That nice comfy annual sum Granny told us to expect never quite materialized.

Every couple of years, we would get a cheque for the equivalent of \$80 or \$90 Canadian. We'd get nothing for a year or two and then a cheque for, say, \$175 would arrive. Our share of revenues was, at best, sporadic and paltry. It became a standing joke between me and my sister and we'd call each other after the annual envelope arrived in January, to compare notes on our "windfalls". But that wasn't the only piece of mail we received from our Viennese friend. Every year, to this day, Matejka always sends us a Christmas card.

One year I got a happy surprise when I opened the January letter, which included a cheque for a whopping \$2,000. Naturally, I did what any 24-year-old bachelor would do: I immediately cashed it and went out and bought myself a used MGB. Reality bit back six months later when I received a registered letter from the Erste Bank of Austria informing me that the amount of the cheque was an error; it was intended to be for \$200. They demanded that I give them \$1,800 back and they kept sending me letters requesting that I reimburse them. The last one threatened legal action. Bearing in mind that Hitler and Arnold Schwarzenegger came from Austria, I decided to send them their money back.

Over the years, the confusing and disappointing fiscal saga continued. A small cheque for less than one-tenth of what we expected would arrive one year and then we would receive no cheque for years. Although my sister and I both speak a bit of German, the annual statements we received from the Alfred Matejka Property Management Company were puzzling and difficult to decipher. What was perfectly clear in both languages was the zero number at the end of the statements. Suspiciously, most years' expenses to operate the two buildings precisely equalled the revenue that the 65-unit apartment buildings generated in rents. But what could we do from our homes in Canada?

Then, in 1985, my sister Miriam and her husband Len took a vacation to Europe. While there, they decided to pay a visit to the Alfred Matejka Property Management Company. The news was not good. The company secretary told them that the two buildings were in disrepair, had no indoor plumbing and were barely worth seeing. She said that the Second District, where the two buildings are located, was in a run-down neighbourhood made up primarily of working-class Jewish people. The secretary also explained that the Second District had stringent rent controls and the units were locked into long-term rental agreements with

tenants from before the Second World War. In fact, some renters would even pass their rental leases on to family members in their wills, making it impossible for the landlord to increase the rents. My sister was told that some units rent for 8 to 10 schillings a month, which she later realized is the equivalent of a few cups of coffee. The secretary tried to talk them out of a tour, explaining that the buildings were not worth seeing because of their dilapidated condition. But my sister persisted and for all of her efforts got a perfunctory tour of the outside of the building. She was not allowed inside to see a unit because the managers said they don't didn't want to disturb the tenants.

Later that day, Miriam and Len made their way back to 24 Blumaragasse and 32 Novaragasse – this time on their own. They somehow made their way into the buildings and managed to knock on a few doors. In broken German, Miriam explained that she was a minority owner in the building. In each instance, Matejka's name brought on frowns and statements of discontent about him as a landlord. This came as no surprise to Miriam, but what did raise her eyebrows was the condition of the apartments. Spacious, modern, large and clean are some of the words she used to describe them. Every one she saw had its own toilet, sinks and shower. Although the two buildings, which are side by side, are in a working-class neighbourhood, the apartments in them were nothing like what was described to her.

Obviously, something was rotten. Next, Miriam made her way over to the Vienna Land Title office to find out who else owned a share of our property. She was a bit dismayed to find out that, in total, the two buildings had 23 owners living all over the world, in Australia, France, Monaco, the United States, Canada, Hungary, Slovakia, Sweden and a host of other countries. Each owned anywhere from two per cent to 10 per cent. We figured that, like us, many of them had inherited the property. One possible explanation for the large number of owners is that each time a share was passed down through an inheritance, it was divided among two or more beneficiaries, as in our case.

After Miriam arrived home, she sent out 22 copies of the following letter, one to each of the other registered owners:

May 16th, 1987

Re: 25 Blumaragasse, 32 Novaragasse

I am one of the joint owners in the Blumaragasse/Novaragasse Apartments in Vienna (granddaughter of Heddy Doroghy). It seems over the last few years my income from these apartments has become smaller and smaller. Though my brother (David Doroghy) and I have only a small share of one twenty-

seventh, I would still expect to receive some annual payment. Through this letter I am trying to find out if any other owners are also receiving diminishing payments. I would also like to get an idea of what amount of income I should receive for a 1/27th share. I would appreciate it if you would tell me the size of your share and the proportional income that you receive. Since my payments are so low, at this point I have to assume that the property manager, Mr. Matejka, is inaccurate. Since such charges are very difficult to prove, I feel that comparing my income with that of other owners would give me a good idea of whether my charges are justified. I thank you very much for any information that you can send me.

Thank you. Yours very sincerely,
Miriam Soet Doroghy

Slowly, letters that mostly agreed with our point of view started coming back from the owners. The sentiment in several of the letters agreed with our own – that we were being ripped off – but most expressed a sense of resignation. I remember one letter that said, “Yes, it seems that we are not receiving our fair share of revenue, but with such a small share, and with Vienna being more than five thousand miles away, what are we to do?”

Of the eight people who replied, only one disagreed. It came from a man who lived in Vienna and he told us that he took exception to our claims as he was very happy with Matejka’s management of the buildings. He must have shown our letter to Mr. Matejka, because a few months later my sister got a nasty letter from the property manager himself. Basically, Mr. Matejka told my sister that her letter amounted to defamation of character and that he was considering suing her.

About a year later, we decided to hire a lawyer in Vienna to look into the matter. After a few weeks on the case, the lawyer sent us a letter of resignation. We hired two more lawyers and they both resigned as well. In each instance, the lawyers told us that Mr. Matejka was a man above repute with a sterling reputation. The last lawyer to resign gave us some practical advice, telling us that the only way to prove that there were some discrepancies in the accounting would be to hire a “sworn expert” to study the books. We figured that a sworn expert must be the Austrian equivalent of a chartered accountant or perhaps a notary public. The lawyer went on to tell us that not only would this procedure be very time-consuming, but it would also be very expensive. He ended the letter by saying, “I must also point out to you that Mr. Alfred Matejka is the president of the Vienna Sworn Experts Society.” The more we learned

about Matejka, the more we realized that he was a powerful, well-known player in the Vienna world of real estate, whom no lawyers would likely want to take on, even if we could afford them.

The next step in this Rubix cube of real estate took place in 1988, when I planned a trip to Europe. I was going to Germany to visit friends, so I took a side trip to Vienna to visit Mr. Matejka. I showed up at his office without an appointment, simply arriving at the receptionist's desk to tell the woman sitting there, "Mr. Doroghy is here from Canada and would like to have a word with Mr. Matejka." I waited in the reception area for more than half an hour, thinking that ever since my sister had written those "slanderous" letters, he probably wasn't the biggest fan of our family. When Matejka finally greeted me, however, he had a big smile on his face and a friendly, warm handshake. I'll never forget the tone of his voice nor his thick German accent as he said, "Vie Gehtes (how are you), Mr. Doroghy? So good to finally meet you, I knew your grandmother." Mr. Matejka was in his 70s, distinguished-looking, overweight and with a full head of white hair. He even seemed sincere.

My meeting with Mr. Matejka lasted for an hour, after which he took me to lunch. He seemed genuinely interested in meeting the grandson of the late Baroness Hedwig von Herzel. Over our lunch, he explained that he knew her through many years of business and remembered her as a kind woman. When the talk turned to business, he backed up the claims his secretary had made to my sister years earlier: rent controls, a poor neighbourhood, old buildings, a depressed rental market and bad tenants all accounted for the low revenue. Meanwhile, a new roof, a new elevator and repairs to the central heating systems for both buildings accounted for the high expenses. When I told him that our grandmother told us to expect a much higher return than we were receiving, he frowned and said he wished there was something he could do to increase our revenue, but the situation "is what it is." At the end of the meeting he smiled and asked me to give his kindest regards to my sister.

I wasn't satisfied I had the whole story, so that night I headed back to the Second District to see if I could learn more about the neighbourhood. I hung out in a restaurant there and tried to meet people in order to learn more about the area. I also tried hanging out in several bars, trying to meet people. I must have stuck out like a sore thumb and looked like a real "dummkopf". Whenever you "try" to meet people, it never works. The limited conversations I did have only added to my confusion. The only thing that was for certain was that the two buildings were definitely in a working-class district. When I told some of the people in the smoky bars that I was thinking of moving to Vienna and moving into this neighbourhood, they gave me very strange looks. Why would a yuppie

Canadian who doesn't even speak much German move to Vienna's Second District? So much for my fact-finding mission.

When I arrived back in Canada I had very little to report to my sister, except that Mr. Matejka sent her his best regards. Not much happened for the next few years. A Christmas card arrived every December, followed by a statement in January. Sometimes the annual statements would include a cheque of up to \$200. During one exceptional year, the rental market in Vienna must have been good because, for no apparent reason, my sister and I each received a cheque for \$700. Other years, we received no dividends at all. We began to accept this quirky source of inconsistent income as not so much a windfall, but a novelty. We did feel strongly that we were being ripped off. But when you can look forward to the possibility of receiving a cheque every January, no matter how small, it is at least the hope of a little extra spending money after all your Christmas expenses.

Then in 1992, out of the blue, Mr. Matejka sent us a letter saying that he had a buyer who wanted to purchase our combined four-per-cent share of the buildings. He would take a commission of 10 per cent to handle the transaction. His buyer, who remained anonymous, was offering us \$4,000 US for our shares. We didn't know if this was some kind of a joke. For that small sum, why would we sell? At the very least it would seem almost disrespectful to our grandmother to cash out for so little. The offer was so small, it almost seemed worth hanging onto the shares so we could keep receiving Matejka's Christmas cards. My sister and I discussed it with our mother and wrote back to Mr. Matejka and told him thank you very much, but we would be keeping our four-per-cent interest in 32 Novaragasse and 24 Blumaragasse.

Not much happened for the next 10 years. Well, we did receive 10 Christmas cards and six paltry cheques, none of them for more than \$200.

By 2002 a few important things changed. We were informed that, sadly, our friend Mr. Matejka had passed away. Secondly, the introduction of the Euro made commerce easier to understand and negotiate. Austria had also become more westernized and progressive under the new Klestil government. And the advent of e-mail made communicating with faraway places very simple. I had some time on my hands after leaving a job and decided it was time to revisit our overseas holdings. Our vast real estate empire was long overdue for some good old-fashioned North American management. It was time to send in the lawyers.

I e-mailed the Canadian Embassy in Vienna and asked them to send me a list of English-speaking lawyers specializing in real estate law. I sent

out copies of the following letter to eight lawyers and expected replies from two or three.

Dear Sir:

I am a Canadian citizen from Vancouver interested in engaging the services of a lawyer from Vienna. I received your name from the Canadian Embassy in Vienna.

My sister and I own rental property in Vienna, which is being managed by a Viennese property management company. Over the past 20 years we have received a minimal amount of revenue from the property and feel that we are not getting a fair return.

I am planning a trip to Vienna next month to investigate this matter further. As part of my investigation I wish to engage the assistance of an English-speaking Viennese lawyer. One criterion I have for the selection of an English-speaking lawyer is that they have e-mail. It would be practical to communicate via email before and after my trip.

If you have e-mail and are interested in retaining us as a new client please email me back at Doroghy@hotmail.com by February 7th. After receiving confirmation of your interest we will forward copies of account statements and other relevant background information to help you prepare for our meeting.

Thank you very much for your attention to this matter. After I receive your return e-mail we may schedule an appointment in Vienna.

Best wishes,
Dave Doroghy

Soon I received seven e-mails expressing interest. As part of the selection process, I wrote back to each of them asking what they could tell me about the Alfred Matejka Property Management Company. All of them were aware of the company and in their replies explained that it was one of the largest property management companies in Vienna. A few of the lawyers went on to explain that the company was well established and had a good reputation.

One of the lawyers, Dr. Kisler (in Vienna the “Dr.” designation applies to lawyers and other professions), really did his homework and sent me back a two-page e-mail reply. He checked with the Vienna land title office and informed me that the two buildings had four registered owners. My sister and I owned four per cent, Gabriel Popper in New Jersey owned four per cent, Frank Klein in Monte Carlo owned four per cent and Senta Fritz in Vienna owned 88 per cent. Naturally my sister and I wondered what had happened to the other 19 owners all around the world. We guessed they took Mr. Matejka up on his offer and sold their shares. But who was Senta Fritz?

Dr. Kisler also went so far as to visit the buildings and provide me with information on the Second District specifically and the Viennese real estate market in general. His rates seemed competitive so I decided, based on his thoroughness, to hire him. I then went to a copy centre and spent two hours photocopying every statement we had ever received from Matejka and FedExed them to Dr. Kisler. Next, I wrote a letter to the Alfred Matejka Real Estate Company, explaining that I planned to travel to Vienna to meet with them, to discuss what my sister and I believed to be a very unsatisfactory situation.

After one month, I received an e-mail reply from the Matejka Company and we set up a meeting. The e-mail reply was from the managing director of the Alfred Matejka Property Management company and signed... Senta Fritz. The plot was thickening.

E-mails went back and forth between Canada and Austria for two months. The whole process was slow because Senta Fritz required an interpreter in order to read my e-mails. In turn, the reply e-mails from Vienna required translation and were forwarded to me through a translator’s office. Through this correspondence, I tried to express our dissatisfaction with our meagre revenue returns, while providing some family history and background. I also alerted Senta Fritz to the fact that I had retained the services of Dr. Kisler. This time we meant business! I would be coming to Austria to shake things up.

Two weeks before our meeting date, I received an e-mail from Senta Fritz suddenly offering us \$70,000 US for our share in the two buildings. I almost fell off my chair as I opened the e-mail attachment from the translator’s office. It was like winning the lottery. After 25 years of trying to get our fair share of what our grandmother left us, it seemed like we were getting one step closer. I forwarded the e-mail to my sister and rushed to the phone to discuss it.

Was it a good offer? A bad offer? It was impossible to say. Should we take it? About the only thing that we knew for certain was that in a

strange way, the offer came close to fulfilling our grandmother's revenue claims. She had told us that the annual return on the property would be enough to pay for a nice holiday for me and my sister. Invested at today's rate of return of five per cent, the \$70,000 would probably yield enough to get the two of us to Hawaii for a week-long vacation every year. That's if you don't factor in taxes or the fact that I don't want to go to Hawaii for a week. The old formula with a cheque for \$90 every other year wouldn't even pay for a weekend at a local budget resort. At least we were getting closer to Granny's dream.

My sister and I decided it would be best for me to go as planned to Vienna, to check out the situation for myself and seek Dr. Kislser's advice.

So in the spring of 2002 I hopped on a plane to Vienna with my girlfriend Bonnie, to see if we could find a few more pieces that would fit together in this strange puzzle of real estate chicanery. Through Senta Fritz and the Alfred Matejka Property Management office, arrangements had been made for us to stay at the Hotel Stephanie on Taborstrasse in downtown Vienna, conveniently located a few blocks from 32 Novaragasse and 24 Blumaragasse. We arrived on a Saturday, with a meeting arranged with Dr. Kislser on Monday and another with Senta Fritz on Tuesday. We didn't plan to leave until the following week, which gave us plenty of time to follow up on our meetings.

Immediately after arriving, Bonnie and I made our way over to the properties. The first thing I noticed on the walk over was that the neighbourhood seemed pleasant enough. There were small stores, schools, bars, restaurants, children playing and people going about their business. There was a nice European feel, with all of the buildings consisting of retail on the ground level with three storeys of old apartments above. It wasn't yuppie and pretentious like most of the tourist districts that you tend to spend too much time in as a European tourist. It was simply a working-class neighbourhood with real people living their real lives and doing what normal people do in Vienna, whatever that may be. In this part of the city there were no tourists, no Starbucks and no Gaps. The entire area was of the same vintage.

The area felt very much like some of the neighbourhoods in Paris; the buildings all have a charm of their own and are unmistakably European. In fact, almost the entire city of Vienna is comprised of these old, four-storey apartments. I later learned that all of the buildings in the neighbourhood went up between 1895 and 1905. When you examine the buildings closely, it's obvious that, at the turn of the last century, a lot more attention was paid to construction and design detail. There are ornate bay windows with flower boxes, decorative gargoyles ordain entrances and everywhere there are small decorative design elements.

The streets are a bit dirty and narrow and there is dog poop everywhere, but there is a grittiness that is very appealing. So many of the modern buildings, stores and restaurants we see in North America today are trying to be something they are not. This neighbourhood was real and I liked it.

When we got to 32 Novaragasse and 24 Blumaragasse, I was pleasantly surprised by the buildings. They comprise a third of a standard city block and are attached to one another, each facing a different street. Each has its own distinctive style but the Novaragasse building is considerably larger.

On the street level, we found eight retailers renting space from the buildings, or from me, I suppose. There was Fichtenbauer Klaviermacher, a shop that sells pianos. The next shop was Gesundes Schlafen, which means "healthy sleep" and I think they manufactured custom beds. The next store was Ihr Tischler Machts Persowolich. I have no idea what it was. Then there was the Black Out Club. I don't want to know what that was either. The Zipfer Landgastube Restaurant occupied the corner spot. Next was Herren Damen Friseur Helga, a hair salon, and then Pros Pro Sport and Tennis shop. The final retailer was a plumbing store called Gas Wasser Heizung. It seemed like an interesting mixture of retail tenants all eking out an existence.

Bonnie rang a doorbell on the entrance to the 24 Blumaragasse building and somebody inside pressed the intercom button to open the front door. We snuck in and explored the inside. An old European staircase wound its way up the building. Wide halls, antique tiled floors and old-world charm mixed with the smells of wienerschnitzels frying behind closed doors. We stopped staring and started counting apartments, discovering that the building had 24 units. We peered into some windows to view the inside of some apartments and they looked just fine. After leaving the building we counted the names on the intercom faceplate, confirming there were 24 units.

We had no luck getting into 32 Novaragasse, right next door. Once again, we counted the names on the intercom faceplate and confirmed that the building had 45 apartments. Then we visited with some of the shopkeepers at street level.

The next day we met with our lawyer, Dr. Kisler. His address was within walking distance of the hotel and upon entering his office building we found ourselves confronted by a kind of contraption I'd never seen. The building was at least 150 years old and it had an old wooden elevator that you had to pay to ride. On the door cage was a coin slot requiring 25 schillings. The whole getup looked like something that belonged in the

Otis Elevator Museum. It looked unsafe but was irresistible and so, feeling as if we were risking our lives, we dropped 25 schillings into the slot and closed the doors. It worked! Creaking and squeaking, it slowly lifted us up three storeys to our lawyer's office.

We arrived on time and the receptionist told us that Dr. Kisler would be right down and that he lived on the floor above the office and went up there for naps in the afternoon. The anticipation built as we awaited our audience with the mysterious Dr. Kisler. Twenty minutes later, he arrived. He could best be described as an old, fat, slow-moving German who bore an uncanny resemblance to Alfred Hitchcock. His accent was very thick and his mannerisms were old-school German all the way.

His office was huge, with an old ornate wood heater the size of a Volkswagen in one corner. Hanging from the ceiling was a chandelier that could have come straight out of the Schonbrunn Palace. Old, tattered leather-bound books covered the walls from floor to ceiling.

To break the ice, I commented on the interesting elevator. He told me that in 1965 the New York Times ran a story on it. He went on to say that he owned the building and the revenue from the elevator provided him with pocket money. In fact, he told us, he owned several buildings in Vienna, as real estate was his hobby. Then we got down to business and he told us that he was particularly interested in my situation. In his thick accent, he confessed that he was very interested in having the opportunity to review the books of a revenue property in downtown Vienna.

He went on to say that Alfred Matejka was a contemporary of his and, since they both owned considerable real estate in Vienna, they did know each other. He told me that Matejka ran a fair business and that he was not a dishonest man. I was surprised to learn that the Alfred Matejka Company managed more than 250 apartment buildings in Vienna. I began to worry that maybe this guy and Matejka were old cronies and I could be walking into a set-up.

In a nutshell, his advice to me was to sell the property. He said he believed that the Second District was a run-down area with little appeal. He went on to say that directly across the street from the Novaragasse property was the Club Renz, a notorious hang-out for gangsters and prostitutes.

He warned me that a thorough review of the books would be a costly exercise, probably not worth the expense for our limited interest. Upon first glance, however, he said things seemed to be in order. He qualified this by telling us that there is a degree of corruption in all Viennese real

estate management, which had become acceptable practice. By way of example he pulled out one of our statements and pointed to a plumbing invoice. He said suppliers like plumbers give kick-backs to property management companies for retaining their services. He speculated that on every invoice that Matejka paid on our behalf, he took back up to 20 per cent for himself. Further, he said, Matejka may also own the sub-trade plumbing, heating and repair companies. He said these improprieties are just standard procedure in Vienna. Then he went on to tell us that the farther away one is from one's property, the harder it is for one to manage. As an analogy, he referred to his own real estate holdings, saying he would only own real estate within walking distance of where he lived. That way, he could keep an eye on it. In fact, he owned several buildings in the neighbourhood and asked how we could expect to exercise any degree of management living 6,000 miles away?

Again, he advised me to get rid of the place. After listening to all of this advice, I asked him about the rent controls in Vienna. Suddenly, he turned bright red and started banging on the table. He yelled out at the top of his lungs that rent controls in Vienna were the bane of his existence. He cited some act from 65 years ago that he had been fighting against for most of his life, banged on the table again and said that half of his tenants paid next to nothing and there wasn't anything he could do about it. Veins started bulging out of his neck as he became even more apoplectic. He banged his fist down on the table over and over again shouting, "Social Democracy doesn't work! It was all Hitler's fault!!" A strange light was shining through his huge bay window on that sunny day, and I could see reams of spit flying out of his mouth as he shouted at us. He explained that when Austrian soldiers were drafted into the army, the Nazi government promised that when they returned from the war they would be guaranteed affordable housing for the rest of their lives. The rent-control lineage can be traced directly to the Nazis. He angrily pointed to a three-foot-high stack of documents in the corner of his office, his latest petition to the government for relief from this archaic legislation.

After he finally calmed down, I asked him what the Matejka company might have in mind for the future of the buildings. He said that, long term, they would want to strata the units and sell them off individually. But he said that government intervention would slow that process down and it could take up to 20 to 30 years before it happened. He admitted that if a strata conversion were ever to happen, then my sister and I would be in a very good position as Senta Fritz would require unanimous approval from the owners before putting a strata application forward.

At that point he rang his secretary and asked her to bring in the file on Senta Fritz. While reviewing the file he told us that "she" took over

control of the Alfred Matejka Company five years ago, after he died. It was surprising for me to find out that Senta Fritz was a woman: Never having heard the name Senta before, I had just assumed it to be a man's name.

We tumbled a bunch of numbers for the next half-hour. Dr. Kisler told me that to give me a fair evaluation of the property, he needed to see the inside of the building. I told him I would make the arrangements. Altogether we spent over an hour with him and left with more questions than we'd had when we walked in the door. What a character.

The next day, we met Senta Fritz in the lobby of the hotel. Sensing that people were very formal in Vienna, I had dressed for the occasion in a dark blue suit and tie. She fully looked the part of a wealthy woman around 65 years old, sporting a fur coat and smoking a cigarette held in a gold, sapphire-studded cigarette holder. She was wearing above-normal levels of make-up, perfume and jewellery. She was accompanied by her son, a handsome, conservative-looking, well-dressed man of about my age, who served as our interpreter. We exchanged niceties in the hotel lobby and she told us, "It is not every day we have visitors from Canada." A car was waiting out front to take us to the properties, which were only a few blocks away. The car ride was just long enough to reveal one very important piece of information.

Through the interpreter, I told Senta Fritz that I had had the pleasure (I am forever the diplomat) of meeting Mr. Matejka when I had come to Vienna 15 years ago. I went on to tell her how sorry I was to hear that he had died. Then, to make conversation, I asked if he was still active in the business prior to his passing away. The man in the front seat piped up suddenly and said in English that yes he was; Mr. Matejka was my father and he ran the business up till his last days. "Hang on a second," I thought, "if Alfred Matejka was your father and Senta Fritz is your mother then Alfred and Senta were probably husband and wife." Bonnie and I silently raised our eyebrows at each other as our coach drew nearer to 32 Novaragasse and 24 Blumaragasse.

The wheels were really starting to spin in my head now. The letter we received 10 years ago from Matejka saying he had been approached by someone who wanted to purchase our shares in the property for \$4,000 immediately became very suspect. That buyer was his wife! That seemed a bit cheeky to me. It's downright bold when you consider he was going to take a commission on the sale too. Finally, a couple of the pieces of this puzzle started to fit together. By the time we pulled up to 32 Novaragasse, I had pretty much figured out how these people did business and so, as we got out of the car, I double-checked to see that I still had my wallet in my pocket.

Before we began our tour, through the interpreter I asked Senta Fritz a question that I thought I could probably answer myself. I asked her how many buildings the Alfred Matejka Company managed in Vienna. Approximately 250 buildings, she said, 19 of which they owned. Everything became clearer now. As a property management company for absentee owners scattered around the world, opportunities must abound to gain control of certain buildings. Was there a Machiavellian scheme to bilk shareholders out of their fair share of revenue for years and then, just when they were fed up with their impossibly low returns, give them a lowball offer? Is this how she had attained ownership of the other 18 buildings in Vienna? More pieces of the puzzle fell into place. I had learned more in the last 15 minutes than I had in the prior 24 years.

As we entered 24 Blumaragasse (Bonnie and I didn't tell them that we had already been in the building), I thought to myself this was a cunning, smart rich woman: that's how she became so wealthy. I was nothing more than a little tiny wart on her bum, a mere annoyance from overseas, bugging her. She managed a big operation and we had a measly four-per-cent share in two of her 250 buildings, and what was important to us was probably not that important to her. I realized that she would just as soon swiftly buy us out simply to get rid of us – hence the e-mailed offer.

As we entered the large, open lobby of 24 Blumaragasse, I wondered what was her motivation or angle going to be on this little tour we were about to take. On the one hand, she had an obligation to demonstrate to us that she was doing a good job, managing the properties on our behalf. On the other hand, if she wanted us to sell at a low price she probably wanted to portray the properties as run-down dumps generating very little money.

For the most part, we were impressed with what we saw. The common areas were clean and well kept and all of the units were rented. We went upstairs and inspected the roof, which was replaced a few years ago. We were told that the elevator was recently installed too. Through the interpreter, Senta Fritz explained that by installing an elevator in each of the buildings, she was able to raise rents for new tenants. As we walked through the buildings, she said she did not want to disturb any of the tenants but we did manage to sneak a couple of peeks through curtains and peer into what looked to be perfectly acceptable apartments.

Next, our small entourage went next door to 32 Novaragasse. Senta Fritz told us that a unit was being renovated so we could see inside it. Again, we were impressed with the cleanliness and general order of the entrance, lobby, stairwell and hallways. We learned that both buildings

went up in the late 1890s. During the Second World War, they were either bombed by the Allies or looted by the Russians and underwent extensive restorations after the war ended. There is a big difference between North American apartment buildings and European apartment buildings. The common areas of buildings in Europe are cavernous and feel as if they are half indoors and half outdoors. Thirty-two Novaragasse has a classic old winding staircase working its way up the centre of the building. The rental units themselves are huge: the one under renovation that she showed us had to be at least 2,000 square feet. As in this case, every time a unit is vacated, which is a rare occurrence, they renovate it. This is the only way they can justify rent increases.

The place we were shown would be any designer's dream come true. It had so much potential with high ceilings, vaulted archways between the rooms, bay windows and a fireplace. Bonnie was salivating at the thought of having the opportunity to decorate this charming, old-world palace. We were told that this particular unit used to rent for three Euros per month. Three Euros? That was the price of a cup of coffee! Miriam was right. But then we learned that, in Vienna, rents are expressed in price per square metre so it was actually three Euros per square metre per month. Once we had that calculation figured out, we had to do the conversion from Euros to Canadian dollars. Bottom line: this gigantic unit used to rent for \$450 per month and after the renovations it would go on the market for \$550 per month. That was a lot more than a cup of coffee, but far less than what you would expect to pay to rent a huge apartment in the downtown area of one of the most beautiful cities in the world.

After the tour we returned to the Alfred Matejka Property Management Company offices, on the other side of Vienna. During the drive, I told Senta Fritz that when we got to her office I would want to see a statement for all of the rents for each of the 65 units. She phoned ahead to her secretary to prepare the document. After winding through the distinctive streets of downtown Vienna past palaces, fountains and statues, we arrived at the Matejka offices and sat down for our business meeting.

I explained that it was impossible to own four per cent of a building in downtown Vienna for 25 years and not get any significant return. Through the interpreter she went through her rhetoric that we had heard all too many times. She presented me with the monthly rent statements, which were as confusing as the annual overall statements. I told her that we were extremely unhappy and that the situation was far from what we were told to expect from our dear grandmother. I didn't want to go so far as directly accusing her of cooking the books, but I went as close as you could go, without making a direct accusation.

Before I had left on the trip to Vienna, my sister and I had discussed what we believed our three options would be when it came down to crunch time:

- 1) Selling our share in the building.
- 2) Maintaining the present situation with the hope that it would improve and that our annual cheques would get larger in years to come.
- 3) Trying to get a suite in the building.

I decided to take a run at option three. I told Senta Fritz that the four-per-cent share that my sister and I owned was equal to approximately one twenty-fifth of both buildings. One twenty-fifth of 65 units equalled more than two rental units. I suggested that she simply give us a couple of rental units in the building, in exchange for our share, and we could call it even Steven. She sneered and said, through her interpreter, "Herr Doroghy, don't you understand that this is impossible? You don't own two units; you own four per cent of every window, every door and every floor." I told her I realized that but we demanded something of value in return for our percentage of ownership. Since she was unable to manage the properties in a way that showed us any kind of return, she should give us two suites. Frankly, the paltry cheque and attractive Christmas card they sent us every year just wasn't cutting it.

We argued the point for 15 minutes while she came up with a few kooky, half-baked schemes I quickly dismissed. Then, finally, she had a reasonable suggestion. She said she couldn't just give me a couple of units, because it would be unfair to the other owners. But, as she expected revenues to rise the next year, and based on projections of revenue for our four-per-cent share, perhaps there would be enough revenue to cover the rent on a very, very small apartment. She quickly added that there were only four units in both buildings that would be small enough for this scheme to work. She went on to explain that, as she had told us, people very rarely leave the building and it was unlikely a small suite would come up in the near future. But she promised that if one did, she would notify us. I explained that I wanted to discuss the situation with our lawyer, show him the rental revenue statements and have him see the inside of the buildings.

Bonnie and I went back to see Dr. Kisler that afternoon. He wondered why we would want a suite in the rundown Second District, a notorious section of town housing hookers and gangsters. His recommendation was still to sell. To help advise us on a fair price for the buildings, we

arranged to meet him the next day at the buildings, so that he could properly assess the interiors.

The next day, we poked around the buildings some more with Senta Fritz's son and Dr. Kisler. Dr. Kisler was so ungainly that when we were in the attic and he stuck his head through a skylight, he temporarily got stuck. We inspected the heating system, cellar, electrical panels and common areas, and even went into another suite under renovation. After the tour, Mr. Fritz left and we debriefed on the sidewalk outside of the buildings. Dr. Kisler said that the buildings were maintained to a higher standard than the average revenue property in Vienna. He told us that, clearly, the property management company owned the majority interest in the buildings, because they were managing them far better than if they had no interest. He also hadn't realized that each building had an elevator, which added significantly to their value. He told us we should ask for 100,000 Euros for our share. I needed some time to think about things and asked to see him one more time before we left Vienna. The next day Bonnie and I tried to check out real estate values for comparable properties in Vienna, but we didn't have much luck finding anything that compared with what we were now thinking of selling.

Finally, it was time to leave Vienna. In our last meeting with Dr. Kisler, I asked him how much we owed him for his services, so that I could settle the bill before we left. This was our fourth meeting with him, plus he had done some research before our arrival, so I was anticipating quite a hefty fee. Surprisingly, he seemed insulted that I would bring up the topic of money. In his thick German accent he said, "Ach, Herr Doroghy, do not think I am worried about the money, our relationship is more important than that. We will just wait till you sell, then I will take the money from the proceeds." I explained that I would rather settle up now, because I did not know when we would sell. The more I insisted on paying, the more upset he got. I only wish we had lawyers like this back in North America! He wanted to leave it until I sold our share, and then he would bill the Matejka Company, who would deduct his fee from the selling price. These guys were a bit too cozy for me. Finally, as we wrapped up, he reiterated his advice to sell our shares in the property. Then we had a cordial farewell and left. A year later I received a bill from Dr. Kisler for \$2,000.

We had been in Vienna for 10 days altogether and when we weren't in the meetings we were sight-seeing. Vienna is a "wunderschön" city and reminds me of Paris, only more manageable. It is efficient and charming and easy to get around using its first-class subway. Every year, the UN ranks Vienna along with Vancouver as one of the top three cities in the world to live in. It oozes with history and a sense of grand, old-world importance. The Schonbrunn Palace, the Belvedere, the Opera House:

all are breathtaking. There are authentic sidewalk cafés on every corner, and scattered throughout the city are five-hundred-year old mansions and statues. The people, the music, the antiquities and the food all make Vienna a wonderful place to visit.

After I arrived home, I met with Miriam and showed her the pictures that I had taken of everything. We reviewed our options and decided to do nothing for the time being, recalling that the last time we delayed selling and did nothing it worked out just fine. We decided to sit on the place for a few more years and see what happened.

Five months later, out of the blue, I got an e-mail from the Alfred Matejka Company.

Dear Mr. Doroghy,

I am glad to inform you that the flat 43 in Novaragasse 32 has become vacant. The total area of the flat, which consists of one fairly large living room and one bedroom, kitchen and WC, amounts to 44 m². Sanitary facilities are relatively simple. One room can be heated by a gas heater, there is a shower and the kitchen is equipped with a gas oven and a sink.

The place sounded pretty small: 44 square metres. I figured there must be about nine square feet to a square metre, meaning the apartment would be less than 500 square feet. Not large, but still a lot bigger than your average hotel room.

Miriam and I discussed the proposal and figured, why not? If we only used the place once a year, it would be worth the fee and we could let friends stay there. I had been the recipient of a lot of hospitality all over the world from friends and acquaintances and slept in dozens of their guest rooms from London to Sydney. I wanted to make my contribution to that “good travel karma” out there. And besides, I thought, wouldn't it be nice to be able to share some of our good fortune with others? It seems that there is often someone planning a trip through Europe. The idea of a pad in Vienna was very appealing.

The other benefit to hanging onto the apartment and using it occasionally is that we would learn more about the neighbourhood and, perhaps, the local real estate market. The more time we could spend over there, the more we would learn, so that when we did sell our share we would be better informed. We decided to take it. I e-mailed Senta Fritz advising her of our decision. A few months later, in December of

2002, I planned a business trip to Toronto and from there, took the big hop over the Atlantic to Vienna.

This time I waltzed into Vienna with my sleeping bag and foamy pad. I figured, why stay at an expensive hotel when I've got my own apartment? Since I was in Toronto for meetings, I had mainly business clothes with me. In the Vienna airport, I raised a few eyebrows clad in my dark blue suit and tie as I grabbed my rucksack, sleeping bag and foamy off the luggage belt. The executive backpacker had arrived in Austria!

Senta Fritz and the interpreter met me at the hotel lobby the next day; it felt like déjà vu. We were all very well dressed and it was once again very formal. We exchanged niceties and drove the short distance to 32 Novaragasse. We took the slow elevator ride up to the fourth floor. When Senta Fritz opened the front door of the apartment, I was pleasantly surprised. The place was much bigger than I had expected, about 800 square feet. It was bright with hardwood floors, brand-new appliances and big windows overlooking a courtyard. It would do just fine.

I told the interpreter to tell Senta Fritz, "I am pleased and I would like to stay here tonight." They both looked at me in shock. "Herr Doroghy, you can't stay here, there is not furniture, no bed." I told them not to worry because I had brought my sleeping bag and foamy. Laughing, the two of them carried on a conversation in German and, while I could only pick out the occasional German word, I definitely heard "komisch" (strange or funny), and "verrückt" (crazy). What can I say? We Canadians like camping. They should just be thankful I was willing to forgo the traditional campfire.

On the street we said goodbye. Senta Fritz handed me the keys as I re-clarified my understanding of our loose agreement. For the first year, we would pay her 90 Euros a month for the place. She said she couldn't quote an exact price, but hopefully it would be less. I said that in 2004, the revenue that we are forfeiting from the two buildings would cover the rent and we would get the apartment at no cost. She agreed and handed me the keys. We shook hands, I wished them Auf Wiedersehen and they left. At this point I have no contract and no rental agreement: all I have is an e-mail. Most important, I also have the keys to the apartment.

I spent the next three nights sleeping on the cold, hard wooden floor. As I poked around the building, I got a sense of the history of the property which, in turn, provided a small insight into the history of my family. Throughout the three days, I wondered what our grandmother, the Baroness Hedwig von Herzel, would think of her adult grandson sleeping on the floor of unit 43 at 32 Novaragasse. I think she'd be shocked. But I

also believe that she'd be delighted that the remaining members of the Doroghy family have finally, rightfully reclaimed a little piece of what is justifiably theirs.

Epilogue

So, dear guest of unit 43, 32 Novaragasse, there you have it, the real story behind the apartment you are staying in and how we came to acquire it. For us, it was a fun adventure and now you get to play a part in this latest chapter of this ongoing story as you discover the intrigue, excitement and adventure offered by one of the most beautiful cities in the world.

Deciding that you might not be as thrilled as I was to sleep on a foamy mat on the floor, I have furnished the place with the basics. My project now is to complete the furnishing by means of those who will stay here. While you are in Vienna, wouldn't you enjoy having a purpose in exploring the many markets and shops? – that purpose being to buy something for this apartment. A nick-nack, a book, a picture - whatever. Over the years, the place will reflect the eclectic tastes and experiences of the many travelers who have made it a temporary home away from home.

Please sign the guest book and share some of your Viennese adventures with those who will come after you. And if you run into Senta Fritz on the Ringstrasse, tell her the apartment is just fine, thanks.