

# Occupier Perspective Global User Guide 2014



**DTZ Research**

transforming the world  
of property services

# Global User Guide 2014

## Introduction

We are pleased to present our first Occupier Perspective 'Global User Guide' report. As occupiers increasingly operate on a global level, this guide provides a summary of key cost responsibilities and contractual obligations associated with occupying and purchasing office space on a consistent basis across 74 markets globally. We also publish three separate reports covering the Americas, Asia Pacific and EMEA.

This guide references local real estate practices, allowing occupiers and owners to compare conventions and liabilities across global markets.

The report covers:

- Lease structures
- Tenant and landlord responsibilities
- Occupier transaction costs
- Taxation liabilities of tenants
- Ownership restrictions
- Purchaser transaction costs
- Key changes since last year

This guide can be used alongside our online [Global Occupier Metrics Tool](#). The tool combines data from our most relevant occupier research and provides occupiers easy online access to useful market information across more than 130 global locations. The tool allows occupiers to navigate cross market leasing practices as well as calculate occupancy costs. Occupiers are able to identify potential cost savings by considering their own space utilisation against the local markets' best practice. By combining workplace strategy with the most up-to-date and forecasted market information, DTZ is helping occupiers to make informed choices.

We hope you will find this publication useful and informative. As usual, we welcome any feedback you might have.



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# Global User Guide 2014

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## Argentina



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements; other requirements are negotiable

**Standard fit-out costs:** USD 500-800 per sq m

**Rent guarantee period:** 1-2 months rent (depending on credit worthiness)

**Typical lease length:** Minimum 3 years up to 10 by law

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** Negotiable. Typically 1-3 months per lease length<sup>1</sup>

**Other incentives:** None. Rent-free period offered in lieu of landlord's contributions to tenant's improvements

#### Rent

**Rent payable every:** Month

**Basis of measurement:** BOMA or local practice

**Unit of measurement:** USD per sq m per month

**Inclusions:** Parking

**Exclusions:** Property taxes, Common area maintenance, utilities and insurance

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Subject to written consent by landlord. Usually not necessary due to statutory termination right

**Early termination rights:** Tenant has statutory right to terminate after 6 months with 60 days notice and 1 or 1.5 months penalty

**Reinstatement to original condition on termination:**

Restoration of tenant modifications is negotiable. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant with exceptions based on municipality's laws and building documentation

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on 95% - 100% occupancy

**VAT/GST (% of annual rent):** 21%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** Stamp Taxes up to 2.5% in Buenos Aires, normally split between seller and buyer

**VAT/GST:** Calculated based on total construction costs and only for the first sale in the first 5 years

**Legal fees:** By agreement. Each party responsible for own legal adviser

**VAT on transaction fees:** 21%

<sup>1</sup> Note that the typical rent-free period in 2013 was 2-3 months per lease length

# Global User Guide 2014

## Brazil



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** BRL 2,000-2,500 per sq m (for prime buildings)

**Rent guarantee period:** 12 Months Rent + Condo + Property Tax

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No, but negotiable by agreement. If the lease agreement term is 5 years, the tenant has a statutory right to renew the agreement

#### Incentives

**Typical rent-free period:** 2-5 months per lease length<sup>2</sup>

**Other incentives:** None. Rent-free period offered in lieu of landlord's contributions to tenant's improvements

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** BRL per sq m per month

**Inclusions:** Parking

**Exclusions:** Operating expenses, property tax, utilities and Insurance

**Frequency of rent reviews:** Brazilian law permits tenant and landlord to review base rent every 3 years

**Frequency and basis of indexation of rent:** Annual; based on a local inflation index. IGPM is the most applicable index

#### Lease disposal

**Subletting/ assignment rights:** Subject to written consent by landlord

**Early termination rights:** Per law: tenant may terminate a lease agreement, but financial penalties would apply

**Reinstatement to original condition on termination:** Yes, unless otherwise agreed in the lease agreement

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed onto tenant based on % of facility occupied

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply, with the exception of agricultural land

#### Purchaser transaction costs

**Transfer tax:** Yes, purchaser pays 2-5% of the property value, varies by municipality

**VAT/GST:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

**VAT/GST on transaction fees:** None

<sup>2</sup> Note that the typical rent-free period in 2013 was 1-3 months per lease length

# Global User Guide 2014

## Canada



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No, however lease documents are often standardized within a building portfolio where all of the ownership parties are the same

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** Typically CAD 35-50 per sq ft

**Rent guarantee period:** Month

**Typical lease length:** 5-10 years

**Statutory right to renew the lease:** No statutory right, but typically included in the lease, usually a landlord favourable provision - normally states that the rent not be less than the rent payable in the last month of the initial term of the lease

#### Incentives

**Typical rent-free period:** 1-3 months per lease length in Montreal and Toronto, not common in Vancouver

**Tenant's improvement contributions:** CAD 25-30 per sq ft

#### Rent

**Rent payable every:** Month

**Basis of measurement:** BOMA 1996 with an option to convert to a new/different standard upon lease renewal or

**Unit of measurement:** CAD per sq ft per year

**Inclusions:** Operating expenses, tax, insurance, utilities

**Exclusions:** None

**Frequency of rent reviews:** Normally no rent reviews in Montreal and Vancouver, by negotiation in Toronto.

**Frequency and basis of indexation of rent:** By agreement

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent, not to be unreasonably withheld

**Early termination rights:** Negotiable. Tenant pays unamortized costs plus penalty

**Reinstatement to original condition on termination:** Not required in Montreal unless specified in the lease. Required in Toronto and Vancouver unless the obligation is negotiated out of lease. However, the tenant is still often required to remove "nonstandard leaseholds" such as internal staircases

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Usually tenant (at times the landlord in Montreal)

**Maintenance of tenant area:** Usually tenant (at times the landlord in Montreal)

**Landlord insures and recovers cost from tenant:** Yes in Toronto and Vancouver, no in Montreal

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Realty tax paid by landlord and charged back to tenants on proportionate share basis

**VAT/GST (% of annual rent):** 13%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** Varies by province

**VAT/GST:** 13%

**Legal fees:** By agreement. Each party responsible for own legal adviser

**VAT/GST on transaction fees:** 13%

# Global User Guide 2014

## Chile



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell & core (see Definitions on page 81)

**Standard fit-out costs:** 20 to 25 UF per sq m, equivalent to US\$850 - 1,060 per sq m<sup>3</sup>

**Rent guarantee period:** 1-2 months rent

**Typical lease length:** 3-5 years for small spaces, 7-10 years for larger spaces

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** Negotiable by agreement. Typically 2-3 months per lease length

**Other incentives:** None. Rent-free period offered in lieu of landlord's contributions to tenant's improvements

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** UF per sq m per month

**Inclusions:** Real estate taxes

**Exclusions:** Operating and common areas costs, utilities, insurance

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Rent calculated in UF, currency that includes inflation index.

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant pays financial penalties

**Reinstatement to original condition on termination:** No, all improvements remain the property of the landlord unless otherwise negotiated in lease

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation

**VAT/GST (% of annual rent):** 19%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** Varies

**Legal fees:** By agreement. Each party responsible for own legal adviser

**VAT/GST on transaction fees:** 19%

<sup>3</sup> UF is a local currency that changes daily in accordance with the inflation rate



# Global User Guide 2014

## Colombia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell & core (see Definitions on page 81)

**Standard fit-out costs:** COP 100,000 – 150,000 per sq ft (for prime buildings)

**Rent guarantee period:** 2-3 months rent or guarantee or rental insurance policy

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 1-2 months per lease length

**Other incentives:** None. Rent-free period offered in lieu of landlord's contributions to tenant's improvements

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable in sq m based on local practice

**Unit of measurement:** COP per sq m per month

**Inclusions:** Parking spaces

**Exclusions:** Operating expenses, utilities and insurance

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Annual; based on the IPC (Consumer Price Index) plus 2-4 points

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:** No, all improvements remain the property of the landlord unless otherwise negotiated in the lease

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation

**VAT/GST (% of annual rent):** 16%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## Mexico



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell & core (See Definitions on page 81)

**Standard fit-out costs:** USD 450-600 per sq m

**Rent guarantee period:** 2 months rent

**Typical lease length:** 3-5 years for small spaces, 5-10 years for larger spaces

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** Negotiable by agreement depending on leased area and term. Typically 2-4 months per lease length

**Tenant's improvement contributions:** None. Rent-free period offered in lieu of landlord's contributions to tenant's improvements

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross rentable area

**Unit of measurement:** USD or MXN per sq m per month

**Inclusions:** Parking

**Exclusions:** Common area maintenance fee (CAM)

**Frequency of rent reviews:** By agreement, typically on a yearly basis

**Frequency and basis of indexation of rent:** Annual; based on the CPI index

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent, not unreasonably withheld

**Early termination rights:** Via break clause only. Tenant pays financial penalties

**Reinstatement to original condition on termination:** No, all improvements remain the property of the landlord

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement. Each party responsible for own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation

**VAT/GST (% of annual rent):** 16%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

The property purchased by a foreigner must be at least 80 miles (129 km) from the border and 40 miles (64 km) from the coast line. If the property does not fulfil these requirements, it must be purchased through a trust

#### Purchaser transaction costs

**Transfer tax:** ISAI, calculated in accordance with an annual indexation chart

**VAT /GST:** 16% in general, 11% on border states. Based on total value of construction

**Legal fees:** By agreement. Each party responsible for own legal adviser

**VAT/GST on transaction fees:** Typically 16%, 11% on border states, based on the value of the construction

# Global User Guide 2014

## US | Atlanta



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 60-100 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-2 months rent (depending on credit worthiness)

**Typical lease length:** 3-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 6 to 9 months on a 5 year lease (usually 1 to 1.5 months per year of lease term)

**Tenant's improvement contributions:** : USD 30-40 per sq ft on a 5 year lease; USD 50-70 per sq ft on a 10 year lease (paid by the landlord)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM (Common Area Maintenance)

**Exclusions:** After hours HVAC

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified dates as per agreement (fixed or a rate of rent)

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted. Some leases/landlords require removal of IT wires and cabling

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Landlord (tenant might have to pay)

**Maintenance of tenant area:** Landlord (part of opex)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** Market (city, county, state) dependent

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Boston



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 80-160 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 3-12 months, negotiable. Depends on terms, tenant improvements (TI) and other concessions as well as the credit of the tenant

**Typical lease length:** 5-10 years for direct lease mostly

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** Negotiable, depends on term length. Usually 3-5 months for 10 year lease

**Tenant's improvement contributions:** Negotiable. The average TI is USD 41.86 per sq ft for a direct leasing. Landlords are also offering turnkey build outs instead of TI

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities

**Exclusions:** Electric charges

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:** Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant, unless it is a gross lease

**Maintenance of tenant area:** Tenant, unless it is a gross lease

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** USD 4.56 per thousand dollars of the sales price in Massachusetts

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None



# Global User Guide 2014

## US | Chicago



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 80-150 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 2-6 months, negotiable. Depends on terms, tenant improvements (TI) and other concessions as well as the credit of the tenant

**Typical lease length:** Under 20K sq ft: 3-7 years  
Over 20K sq ft: 7-15 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 1 month gross per year of term

**Tenant's improvement contributions:** USD 25-35 per sq ft on a 5 year lease; USD 50-70 per sq ft on a 10 year lease (paid by the landlord)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable SF based on BOMA

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities (gross lease)

**Exclusions:** None

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties.

**Reinstatement to original condition on termination:**

Removal of tenant's furnishings and cabling, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Landlord makes repairs (tenant might have to pay)

**Maintenance of tenant area:** Landlord (included in operating expenses)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied

**VAT /GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Dallas



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 80-160 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-6 months rent depending on size, term and tenant credit quality

**Typical lease length:** Under 10K sq ft: 3 -5 years.

Over 10K sq ft: 5-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 6-9 months (usually a percentage of lease term)

**Tenant's improvement contributions:** USD 15-20 per sq ft on a 5 year lease; USD 25-35 per sq ft on a 10 year lease (paid by the landlord, not the tenant)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Electric

**Exclusions:** None

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Landlord makes repairs - tenants are specifically forbidden from making structural repairs; (tenant or landlord pays)

**Maintenance of tenant area:** Landlord (included in operating expenses)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Houston



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 60-80 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-3 months rent (deal dependent)

**Typical lease length:** Under 20K sq ft: 5 years.

Over 20K: 10-15 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 3-6 months per lease length

**Other incentives:** USD 25 per sq ft on a 5 year lease; USD 40 50 per sq ft on a 10 year lease

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate tax, insurance, CAM

**Exclusions:** None

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement (expressed in the lease)

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Negotiated in the lease. Tenant pays financial penalties.

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax - landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Los Angeles



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 80-160 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-3 months rent (depending on credit worthiness)

**Typical lease length:** Under 5K sq ft: 2-5 years.

Over 5K sq ft: 5-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 5 months on a 5 year lease (usually 1 month per year)

**Other incentives:** USD 20-40 per sq ft depending on lease length

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year in CBD, per month elsewhere

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities

**Exclusions:** Capital improvements

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement (fixed or a rate of rent)

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:** Restoration of tenant modifications is negotiable. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Landlord makes repairs (tenant might have to pay)

**Maintenance of tenant area:** Landlord (included in operating expenses)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax - landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** USD 1.10 - 5.60 per USD 1,000 sale price

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None



# Global User Guide 2014

## US | Miami



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs per sq ft or sq m:** USD 80-160 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-3 months rent (depending on credit worthiness)

**Typical lease length:** 5-7 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 6 months on a 5 year lease (usually 1 month per year)

**Other incentives:** USD 20-30 per sq ft on a 5 year lease; USD 40 per sq ft on a 10 year lease (paid by the landlord, not the tenant)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM

**Exclusions:** CBD: net lights and plugs charges. Suburbs: net lights, plugs, HVAC

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement (fixed or a rate of rent)

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:** Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Landlord makes repairs (tenant might have to pay)

**Maintenance of tenant area:** Landlord (part of opex)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | New York City (Midtown)



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs per sq ft or sq m:** USD 80-165 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 3-12 months, negotiable. Depends on terms, TI (Tenant improvement) and other concessions as well as the credit of the tenant

**Typical lease length:** 5-10 years for direct lease mostly

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** Negotiable, depends on the term length. Usually 3-5 months for a 10 year lease

**Other incentives:** Negotiable, depends on the terms with the landlord. The average TI is USD 62.95 for a direct leasing. Landlords are also offering turnkey build outs instead of TI

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities

**Exclusions:** Electric charges

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord, excluding reductions of operating expenses, improvements required by government regulations

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** In NY State, tax is computed at a rate of two dollars for each USD 500, or fractional part thereof, of consideration

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | New York City (Downtown)



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 80-165 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 3-12 months, negotiable. Depends on terms, TI and other concessions as well as the credit of the tenant

**Typical lease length:** 5-10 years for direct lease mostly

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** Negotiable, depends on the term length. Usually 3-5 months for a direct 10 year lease

**Other incentives:** Negotiable, depends on the terms with the landlord. In New York, the average TI is USD 65.7 for a direct leasing. Landlords are also offering turnkey buildouts instead of tenant's improvement

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities

**Exclusions:** Electric charges

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Restoration of tenant modifications is negotiable. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord, excluding reductions of operating expenses, improvements required by government regulations

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal advisor

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** In NY State, tax is computed at a rate of USD 2 for each USD 500, or fractional part thereof, of consideration

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Philadelphia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs:** USD 80-160 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-3 months rent (depending on credit worthiness)

**Typical lease length:** 5-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 6 months on a 5 year lease (usually 1 month per year)

**Other incentives:** USD 25-35 per sq ft on a 5 year lease; USD 50 per sq ft on a 10 year lease (paid by the landlord, not the tenant)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM

**Exclusions:** CBD: net lights and plugs charges. Suburbs: net lights, plugs, HVAC

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement (fixed or a rate of rent)

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted (unless "as is" clause is in place)

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Landlord makes repairs (tenant might have to pay)

**Maintenance of tenant area:** Landlord (part of operating expenses)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 3% of the sales price or the fair market value, if no sales price exists. In addition to this, the Commonwealth of Pennsylvania charges 1%, making a combined rate of 4%

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None



# Global User Guide 2014

## US | San Francisco



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs per sq ft or sq m:** USD 80-160 per sq ft (for prime buildings), including most move-related costs such as design and engineering

**Rent guarantee period:** 1-12 months rent, depending upon credit and lease term

**Typical lease length:** Under 5K sq ft: 2-5 years.

Over 5K sq ft: 3-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** USD 15-60 per sq ft

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities

**Exclusions:** Capital expenses, other negotiated items

**Frequency of rent reviews:** No rent review. Rent increases established in lease document

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per lease agreement. Typically USD 1.00 per sq ft annual increases

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on 95% - 100% of facility occupied

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** Dependant on value or consideration

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Seattle



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs per sq ft or sq m:** USD 45-75 per sq ft (for prime buildings in shell condition), including some move related costs such as design and engineering

**Rent guarantee period:** 1-12 months rent, depending upon credit and lease term

**Typical lease length:** Under 5K sq ft: 3-5 years.

Over 5K sq ft: 5-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 1 per lease year

**Other incentives:** USD 35-60 per sq ft (paid by the landlord, not the tenant)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Operating expenses, real estate taxes, insurance, CAM, utilities

**Exclusions:** None

**Frequency of rent reviews:** Negotiable

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease.

Usually subject to landlord's consent

**Early termination rights:** Via break clause only. Tenant usually pays financial penalties

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing and cabling, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied - above the set base year

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 1.78%

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## US | Washington DC



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Building codes determine basic requirements

**Standard fit-out costs :** USD 65-135 per sq ft (for prime buildings), including most move-related costs, design, and engineering

**Rent guarantee period:** Most often 1-10 months rent (depends on credit worthiness)

**Typical lease length:** 3-10 years

**Statutory right to renew the lease:** No statutory right, but negotiable by agreement

#### Incentives

**Typical rent-free period:** 6 months on a 5 year lease (usually 1 month per year)

**Other incentives:** USD 25-45 per sq ft on a 5 year lease; USD 60-100 per sq ft on a 10 year lease (paid by the landlord)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Rentable

**Unit of measurement:** USD per sq ft per year

**Inclusions:** Full Service includes operating expenses, real estate taxes, insurance, CAM, utilities, cleaning.

**Exclusions:** Net electric, NNN.

**Frequency of rent reviews:** No rent review. Rent increases established in lease document

**Frequency and basis of indexation of rent:** Annual or at specified future dates as per agreement (fixed or a rate of rent). Typically 2.5% annual increase in base rent

#### Lease disposal

**Subletting/ assignment rights:** Negotiated in the lease. Usually subject to landlord's consent. Typically tenant has right to sublease contingent on landlord's consent

**Early termination rights:** Negotiable, not common. Tenant pays termination fees.

**Reinstatement to original condition on termination:**

Removal of tenant's furnishing, returning the premises in good condition with fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord. Tenant within the premises.

**Internal repairs:** Tenant and Landlord

**Maintenance of tenant area:** Landlord (part of opex)

**Landlord insures and recovers cost from tenant:** Yes, landlord insures building and recovers cost from tenant. Tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** Each party pays its own legal adviser

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax – landlord obligation and typically passed on to tenant based on % of facility occupied. For NNN the taxes are passed through to tenant

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 1.45% Transfer and Recordation Tax each, typically split by buyer and seller

**VAT/GST:** None

**Legal fees:** Each party pays its own legal adviser

**VAT/GST on transaction fees:** None

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# Global User Guide 2014

## Australia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** AUD 700+ per sq m

**Rent guarantee period:** 6-12 months gross rent (includes outgoings)

**Typical lease length:** 5-10 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** Up to 18 months on a five year lease. Varies significantly between local markets and may be longer for longer leases

**Other incentives:** Varies between local markets and depends on the rent free period. Possible capital contribution from landlord and/or landlord undertakes fit-out.

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable area

**Unit of measurement:** AUD per sq m per year

**Inclusions:** Gross rents include outgoings. Net rents are exclusive of outgoings

**Exclusions:** Structural maintenance of building or capital upgrades to building which is covered by landlord, car parking and utilities

**Frequency of rent reviews:** By negotiation

**Frequency and basis of indexation of rent:** Yearly, based on fixed percentage uplifts (4-5%)

#### Lease disposal

**Subletting/assignment rights:** Generally yes

**Early termination rights:** By negotiation, usually via break clause only

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted with negotiable terms on lease expiry.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes, with recoverable outgoings

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Land tax (varies by lease value) and council rates (varies by councils)

**VAT/GST (% of annual rent):** 10% GST (subject to refund from the Taxation Office)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, a number of restrictions can apply for buildings over AUD 50m and Heritage buildings over AUD 5 m.

#### Purchaser transaction costs

**Transfer tax:** Varies from state to state, with highest rate in Australian Capital Territory (6.75%) and lowest in Tasmania (4%)

**VAT/GST:** 0% on properties sold as a going concern. Otherwise 10% GST

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 10% GST

# Global User Guide 2014

## Cambodia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell (see Definitions on page 81)

**Standard fit-out costs:** USD 250-500 per sq m

**Rent guarantee period:** 3 months rent

**Typical lease length:** 1-3 months per lease length

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** Negotiable (motorbike/car parking)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** USD per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, season car park

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/assignment rights:** Subject to landlord's consent (usually not allowed)

**Early termination rights:** By negotiation

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:**

Landlord insures the building, while the tenant is expected to purchase insurance for leased space

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** 10% withholding tax

**VAT/GST (% of annual rent):** 10%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, ownership of land is restricted to Cambodian citizens. Foreign nationals are allowed to own 49% or lease up to 50 years. Foreign nationals are allowed to own condominiums above the ground floor to a maximum of 70% of any apartment building, provided that the building has a strata title.

#### Purchaser transaction costs

**Transfer tax:** A transfer tax of 4% is levied on all "hard title" property transfers (registered locally and nationally). Those private properties registered only with the local authorities (known as "soft title" - technically constitute a weak 'possession') do not attract a transfer tax.

**VAT/GST:** 10%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 10%

# Global User Guide 2014

## China



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes in all tier I cities and single owner buildings in tier II cities. For small landlords' buildings (strata-titled, mostly in small cities) there is no standard lease document

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** RMB 1,500 - 2,500 per sq m (excluding furniture and IT)<sup>4</sup>

**Rent guarantee period:** 2-3 months rent plus service charge

**Typical lease length:** 3 years for Tier I cities, 2 years for Tier II cities and up to 5 years for large space occupancy

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 0-3 months per lease length

**Other incentives:** Turnkey services, paid fit-out, upfront cash contribution, hold-over period, first right of refusal

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Varies between gross and net floor lettable area

**Unit of measurement:** RMB per sq m per month or RMB per sq m per day. Varies by location.

**Inclusions:** None

**Exclusions:** Service charge, utilities, season car park

**Frequency of rent reviews:** 2-3 years

**Frequency and basis of indexation of rent:** None, rental level change based on market fluctuation

#### Lease disposal

**Subletting/assignment rights:** Subject to landlord's consent

**Early termination rights:** By negotiation via break clause only

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** No

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** 0.03-2% (normally shared equally between landlord and tenant)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 5% in all tier I cities and single owner buildings. Where VAT is charged, it is usually excluded from the rent, thus paid separately by the landlord

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No, provided that the foreign national follows the correct procedures and sets up a Wholly-Owned Foreign Enterprise

#### Purchaser transaction costs

**Transfer tax:** 0.05% Stamp duty, 3-5% Deed tax (depending on the location)

**VAT/GST:** 30-60% progressive rate for Land Value Appreciation Tax (payable by vendor)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** No

<sup>4</sup> Note that the costs in 2013 ranged from RMB 1,000 to RMB 2,000 per sq m

# Global User Guide 2014

## Hong Kong



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** HKD 800 per sq ft

**Rent guarantee period:** 3-5 months rent plus utility charge

**Typical lease length:** 3-6 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months on a 3 year lease, may be longer for longer leases

**Other incentives:** None

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross or net lettable area

**Unit of measurement:** HKD per sq ft per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, season car park

**Frequency of rent reviews:** Usually every 3 years

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only. However, the right to early termination is rarely obtained

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** No

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** 1% plus HKD 5 for 3-6 year lease (normally shared equally between landlord and tenant)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** 5% (Rates)

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply.

#### Purchaser transaction costs

**Transfer tax:** 1.5-8.5%<sup>5</sup>

**VAT/GST:** None

**Legal fees:** By agreement

**VAT/GST on transaction fees:** None

<sup>5</sup> Note a change since 2013 (0-4.25%)

# Global User Guide 2014

## India



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core or Warm shell (see Definitions on page 81)

**Standard fit-out costs:** INR 1,800-2,500 per sq ft depending on quality of finishes

**Rent guarantee period:** 6-15 months rent plus tax

**Typical lease length:** 3+3 years or 5+5 years (Special Economic Zone)

**Statutory right to renew the lease:** No, but negotiable where lessee has fixed renewal rights

#### Incentives

**Typical rent-free period:** 1-3 months per lease length for warm shell (for the compensation of fit-outs), 0-15 days for furnished space. Varies depending on submarket

**Other incentives:** First right of refusal, hold-over period, and reduction of rental deposit

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Super built-up / gross area

**Unit of measurement:** INR per sq ft per month

**Inclusions:** None

**Exclusions:** Statutory government levies or charges, common area maintenance charges, utilities, car park

**Frequency of rent reviews:** Typically every 3 years,

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Yes to group companies and affiliates on prior intimation to landlord. For any third party, subletting is subject to landlord's consent

**Early termination rights:** Allowed only after a pre-agreed lock-in period of usually 2-3 years (depending on lease agreement) with 3-6 months notice or rent in lieu thereof

**Reinstatement to original condition on termination:** Full reinstatement only if specified in the lease agreement - not widely insisted. Fair wear and tear exempted.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Landlord insures the building and services, while tenant is expected to purchase insurance for fit-outs carried out by them inside the lease space

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty of 0.5 - 2% of average annual rent and/or rent security deposit. Registration charges of 0.5-2% of average annual rent and/or rent security deposit or a fixed registration charge (varies across states)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property Tax (varies by location) and is paid by either landlord or tenant depending on micro market and terms of agreement

**VAT/GST (% of annual rent):** 10.3% (Service tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes. Multinational companies can own property for self use. Developers and investors are also entitled to ownership subject to certain FDI guidelines and state specific regulations

#### Purchaser transaction costs

**Transfer tax:** 1.5-12.5%, varies from state to state

**VAT/GST:** No

**Legal fees:** By agreement/respective party

**VAT/GST on transaction fees:** 10.3% (Service tax)

# Global User Guide 2014

## Indonesia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core (see Definitions on page 81)

**Standard fit-out costs:** IDR 5,000,000 to 6,500,000 per sq m, depending on the quality of finishes<sup>6</sup>

**Rent guarantee period:** 3 months rent plus service charge

**Typical lease length:** 2-3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-2 months per lease length, depending on the size of the premises

**Other incentives:** None

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Semi-gross area

**Unit of measurement:** IDR per sq m per month or USD per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, season car park

**Frequency of rent reviews:** Every 2 years

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (IDR 6,000 for leases with total lease value of IDR 1 million and above)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 10% (applicable to both base rent and service charge)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, foreign nationals are only allowed to occupy premises on a leasing basis.

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** 10%

**Legal fees:** By agreement

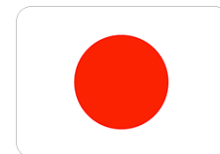
**VAT/GST on transaction fees:** 10%

<sup>6</sup> Note that the costs in 2013 ranged from IDR 2,000,000 to 3,500,000 per sq m



# Global User Guide 2014

## Japan



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** JPY 50,000 per sq m from standard space delivery condition to a turnkey fit-out (including cabling, excluding furniture and server room)

**Rent guarantee period:** 12 months, often negotiable

**Typical lease length:** 2 years (standard lease) / 3-5 years (fixed term lease)

**Statutory right to renew the lease:** Yes, for standard lease, no for fixed term lease

#### Incentives

**Typical rent-free period:** 3 months for 2 year lease; 6 months or longer for 5 year lease

**Other incentives:** Stepped rent, expansion rights, reduced deposit

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable area

**Unit of measurement:** JPY per tsubo per month (1 tsubo = 3.3 sq m or 35.6 sq ft)

**Inclusions:** Service charge in several cases. Normal office hour air-conditioning

**Exclusions:** Utilities, season car park

**Frequency of rent reviews:** Usually on auto-renewal dates or anytime during the term for a standard lease. No rent review during the term for a fixed term lease

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subletting subject to landlord's consent / assignment not possible

**Early termination rights:** Subject to 6 months notice under standard lease, none under fixed term lease

**Reinstatement to original condition on termination:** Yes

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Landlord insures the building, while the tenant is expected to purchase fire insurance for leased space

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 8% (Consumption tax). Not applicable to lease of land<sup>7</sup>

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 4% of assessed value of fixed assets (Real Estate Acquisition Tax) and 2% of assessed value of fixed assets (Registration and license tax)

**VAT/GST:** 8% (Consumption tax). Not applicable on sale of land

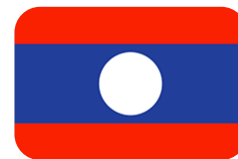
**Legal fees:** By agreement

**VAT/GST on transaction fees:** 8% (Consumption tax)

<sup>7</sup> Note that the consumption tax was 5% prior to the increase on 1 April 2014

# Global User Guide 2014

## Laos



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No  
**Standard space delivery conditions:** Warm Shell (see Definitions on page 81)  
**Standard fit-out costs:** USD 250 - 500 per sq m  
**Rent guarantee period:** 6 months  
**Typical lease length:** 1-5 years  
**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 0-3 months  
**Other incentives:** None

#### Rent

**Rent payable every:** Month  
**Basis of measurement:** Gross lettable area  
**Unit of measurement:** USD per sq m per month  
**Inclusions:** None  
**Exclusions:** Utilities and car parking  
**Frequency of rent reviews:** Every 3 years  
**Frequency and basis of indexation of rent:** None

#### Lease disposal

**Subletting/ assignment rights:** By agreement  
**Early termination rights:** By negotiation  
**Reinstatement to original condition on termination:** Yes

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord  
**Internal repairs:** Tenant  
**Maintenance of tenant area:** Tenant  
**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None  
**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None  
**VAT/GST (% of annual rent):** 10%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Foreigners cannot own land freehold but they can lease land from 30 years to 75 years depending on the owner and the parties involved.

#### Purchaser transaction costs

**Transfer tax:** Transfer Tax 1% + Stamp Duty LAK10,000 + Notarization fee of LAK20,000 per page of document and LAK35,000 per page for service  
**VAT/GST:** 10%  
**Legal fees:** By agreement  
**VAT/GST on transaction fees:** 10%

# Global User Guide 2014

## Malaysia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** RM 150 per sq ft

**Rent guarantee period:** 3 months rent

**Typical lease length:** 3 years

**Statutory right to renew the lease:** No, but renewal option for a similar duration is standard

#### Incentives

**Typical rent-free period:** 1 month per lease length, may be longer for larger premises specifically for fit out works

**Other incentives:** None

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross internal area

**Unit of measurement:** RM per sq ft per month

**Inclusions:** Service charge

**Exclusions:** Season car park

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Annual rent less RM 2,400, divided by 250 and multiplied by factor of 1 to 4 depending on number of years of tenancy

**Legal fees:** 25% of 1 month's rent for the first RM 120,000 annual rent, 10% of 1 month's rent for the next tier up to RM 1.08 million, negotiable for excess

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 6% (Service tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions with the exception of agriculture properties and residential properties not exceeding the price of RM 1,000,000

#### Purchaser transaction costs

**Transfer tax:** 1% on first RM 100,000, 2% on next RM 400,000 and 3% thereafter

**VAT/GST:** No

**Legal fees:** 1% on first RM 150,000, 0.7% on next RM 850,000, 0.6% on next RM 2 million, 0.5% on next RM 2 million and 0.4% on next RM 2.5 million

**VAT/GST on transaction fees:** 6%

# Global User Guide 2014

## Myanmar



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm Shell (see Definitions on page 81)

**Standard fit-out costs:** USD 250 - 500 per sq m

**Rent guarantee period:** 6 months

**Typical lease length:** 3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1 month

**Other incentives:** None

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** USD per sq ft per month

**Inclusions:** None

**Exclusions:** Utilities, Telephone line and car parking

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** None

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By negotiation

**Reinstatement to original condition on termination:** Yes

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** 1% stamp for leases less than 3 years or 5% stamp for leases exceeding 3 years

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** 1.5-3% stamp

**VAT/GST (% of annual rent):** Not applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Foreigners or foreign-owned companies may not purchase land or condominiums.

#### Purchaser transaction costs

**Transfer tax:** 5% stamp outside Yangon, 7% stamp inside Yangon

**VAT/GST:** Not applicable

**Legal fees:** By agreement

**VAT/GST on transaction fees:** Not applicable

# Global User Guide 2014

## New Zealand



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes although there are many specific leases drafted by individual lawyers as well

**Standard space delivery conditions:** Warm shell (see Definitions on page 81)

**Standard fit-out costs:** NZD 900-1,200 per sq m

**Rent guarantee period:** 3-6 months gross rent (includes outgoings). Usually not required in new buildings

**Typical lease length:** 6-9 years. Up to 12 years for large space occupiers/design build

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1 month per year of lease (certain term)

**Other incentives:** Fit-out contribution typically included in the rent-free

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable area plus % share of common areas

**Unit of measurement:** NZD per sq m per year

**Inclusions:** Service charge in Wellington where gross rents are predominant. In Auckland and Christchurch, typically net rents plus operating expenses are quoted

**Exclusions:** Maintenance of common areas which is covered by landlord

**Frequency of rent reviews:** 2-3 years

**Frequency and basis of indexation of rent:** Generally every 2-3 years. Market rent reviews are most common, although reviews based on CPI are becoming more common

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Depends on the terms and conditions of the lease agreement (usually tenant)

**Landlord insures and recovers cost from tenant:** Yes with net lease. No with gross lease

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 15% GST (subject to refund from Taxation Office)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Approval is required for 25% or more ownership or controlling interest in business or non-land assets worth more than NZD 100 million; sensitive land; land with unimproved value of more than NZD 10 million; land on most offshore islands

#### Purchaser transaction costs

**Transfer tax:** No

**VAT/GST:** 0% on properties sold as going concern. Otherwise 15% (if GST is levied provided both the vendor and purchaser are registered for GST)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 15% GST

# Global User Guide 2014

## Philippines



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell (see Definitions on page 81)

**Standard fit-out costs:** PHP 15,000-30,000 per sq m

**Rent guarantee period:** 3 months rent

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** None

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable area

**Unit of measurement:** PHP per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, season car park

**Frequency of rent reviews:** Yearly

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.

Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** PHP 3 for the first PHP 2,000, and PHP 1 for every PHP 1,000 in excess of the first PHP 2,000 for each year of the lease term

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 12%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes. Various restrictions apply and typically restrict ownership to 40% or less with the majority held by a Filipino National(s).

#### Purchaser transaction costs

**Transfer tax:** 1.5% (Documentary Stamp Tax), 0.5% (Transfer Tax); PHP 8,796 for the first PHP 1.7million and PHP 90 for every PHP 20,000 in excess of PHP 1.7million (Registration Fee), based on consideration or fair market value, whichever is higher

**VAT/GST:** 12%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 12%



# Global User Guide 2014

## Singapore



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell (Category A for premium offices), see Definitions on page 81

**Standard fit-out costs:** SGD 70-130 per sq ft, depending on the quality of finishes<sup>8</sup>

**Rent guarantee period:** 3 months rent

**Typical lease length:** 3 years. Up to 6 years for large space occupiers

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length, may be longer for larger premises or longer leases

**Other incentives:** Typically none

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Net lettable area

**Unit of measurement:** SGD per sq ft per month

**Inclusions:** Service charge

**Exclusions:** Season car park, utilities

**Frequency of rent reviews:** None, except via rent review clause

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only. However, the right is rarely obtained.

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes,

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (0.4% for leases under 1 year, 0.8% for leases between 1 to 3 years, 1.6% for leases exceeding 3 years)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 7% GST

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 1% on first SGD 180,000, 2% on next SGD 180,000 and 3% thereafter

**VAT/GST :** 7% GST

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 7% GST

<sup>8</sup> Note that the costs in 2013 ranged from SGD 65 to SGD 120 per sq ft

# Global User Guide 2014

## South Korea



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** KRW 300,000 - 500,000 per sq m

**Rent guarantee period:** 10 months rent

**Typical lease length:** 2-3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-2 months per year

**Other incentives:** Fit-out costs and moving costs are negotiable

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross floor area

**Unit of measurement:** KRW per pyong per month (1 pyong = 3.3 sq m or 35.6 sq ft)

**Inclusions:** None

**Exclusions:** Service charge, season car park

**Frequency of rent reviews:** Yearly

**Frequency and basis of indexation of rent:** Yearly, based on either CPI or fixed percentage

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent (usually not allowed)

**Early termination rights:** By negotiation

**Reinstatement to original condition on termination:** Yes.  
Fair wear and tear exempted.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 10%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 4% (Acquisition Tax), 0.2% (Special Tax for Rural Development), 0.4% (Local Education Tax)

**VAT/GST:** 10%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 10%

# Global User Guide 2014

## Taiwan



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No  
**Standard space delivery conditions:** Category A (see Definitions on page 81)  
**Standard fit-out costs:** TWD 1,265 per sq ft  
**Rent guarantee period:** 2 months rent  
**Typical lease length:** 2-3 years  
**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 1 month per year (negotiable)  
**Other incentives:** Fit-out costs are negotiable

#### Rent

**Rent payable every:** Month  
**Basis of measurement:** Gross floor area  
**Unit of measurement:** TWD per ping per month (1 ping = 3.3 sq m or 35.6 sq ft)  
**Inclusions:** None  
**Exclusions:** Utilities, service charge, season car park  
**Frequency of rent reviews:** Yearly  
**Frequency and basis of indexation of rent:** Yearly, based on fixed percentage uplifts of 2-3%

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent  
**Early termination rights:** Via break clause only  
**Reinstatement to original condition on termination:** Yes.  
Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord  
**Internal repairs:** Tenant  
**Maintenance of tenant area:** Tenant  
**Landlord insures and recovers cost from tenant:** No

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None  
**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None  
**VAT/GST (% of annual rent):** 5%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Restrictions apply. Government approval is required for properties for self-use, investment and public welfare

#### Purchaser transaction costs

**Transfer tax:** 6% (Deed Tax) and 0.1% (Stamp Duty Tax)  
**VAT/GST:** 5% on sale of building (payable by corporate vendor)  
**Legal fees:** By agreement  
**VAT/GST on transaction fees:** No

# Global User Guide 2014

## Thailand



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell (See Definitions on page 81)

**Standard fit-out costs:** THB 15,000-25,000 per sq m

**Rent guarantee period:** 3 months rent

**Typical lease length:** 3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1 month (typically for fit-out), may be longer for larger premises

**Other incentives:** One car park space per 100-200 sq m of area leased

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** THB per sq m per month

**Inclusions:** Service charge

**Exclusions:** Season car park

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent (usually not allowed)

**Early termination rights:** Not market practice

**Reinstatement to original condition on termination:** Yes. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes. In some cases, the landlord insures the building while the tenant insures the leased space

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** 0.1% stamp duty on total lease. For leases which exceed 3 years, 1% registration fee on total lease or assessed rental value (whichever is higher). Payments negotiable between landlord and tenant

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 7% (applicable on service charge)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes. Only foreign entities with Board of Investment (BOI) privileges are allowed to purchase land in designated BOI zones

#### Purchaser transaction costs

**Transfer tax:** 2% of assessed value

**VAT/GST:** No

**Legal fees:** Each party is responsible for their own respective legal fees

**VAT/GST on transaction fees:** No

# Global User Guide 2014

## Vietnam



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell (see Definitions on page 81)

**Standard fit-out costs:** USD 250-500 per sq m

**Rent guarantee period:** 3-6 months rent plus service charge

**Typical lease length:** 2-3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** Negotiable (motorbike/car parking, structured rental payments)

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable or net lettable area. Gross lettable usually quoted for grade A space and Net floor Area for lower grade space

**Unit of measurement:** USD per sq m per month (note that rents are converted and paid in VND)

**Inclusions:** None

**Exclusions:** Service charge, season car park

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** None. Rental level change based on market fluctuation

#### Lease disposal

**Subletting/ assignment rights:** Limited

**Early termination rights:** By negotiation, or via break clause

**Reinstatement to original condition on termination:** Yes.

Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 10%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, land in Vietnam belongs to its citizens. Ownership is referred to as a "right to use land". The duration of this right is usually 50 years, but may be up to 70 years subject to approval.

#### Purchaser transaction costs

**Transfer tax:** 0.5% (Registration Fee)

**VAT/GST:** 10% VAT payable by vendor

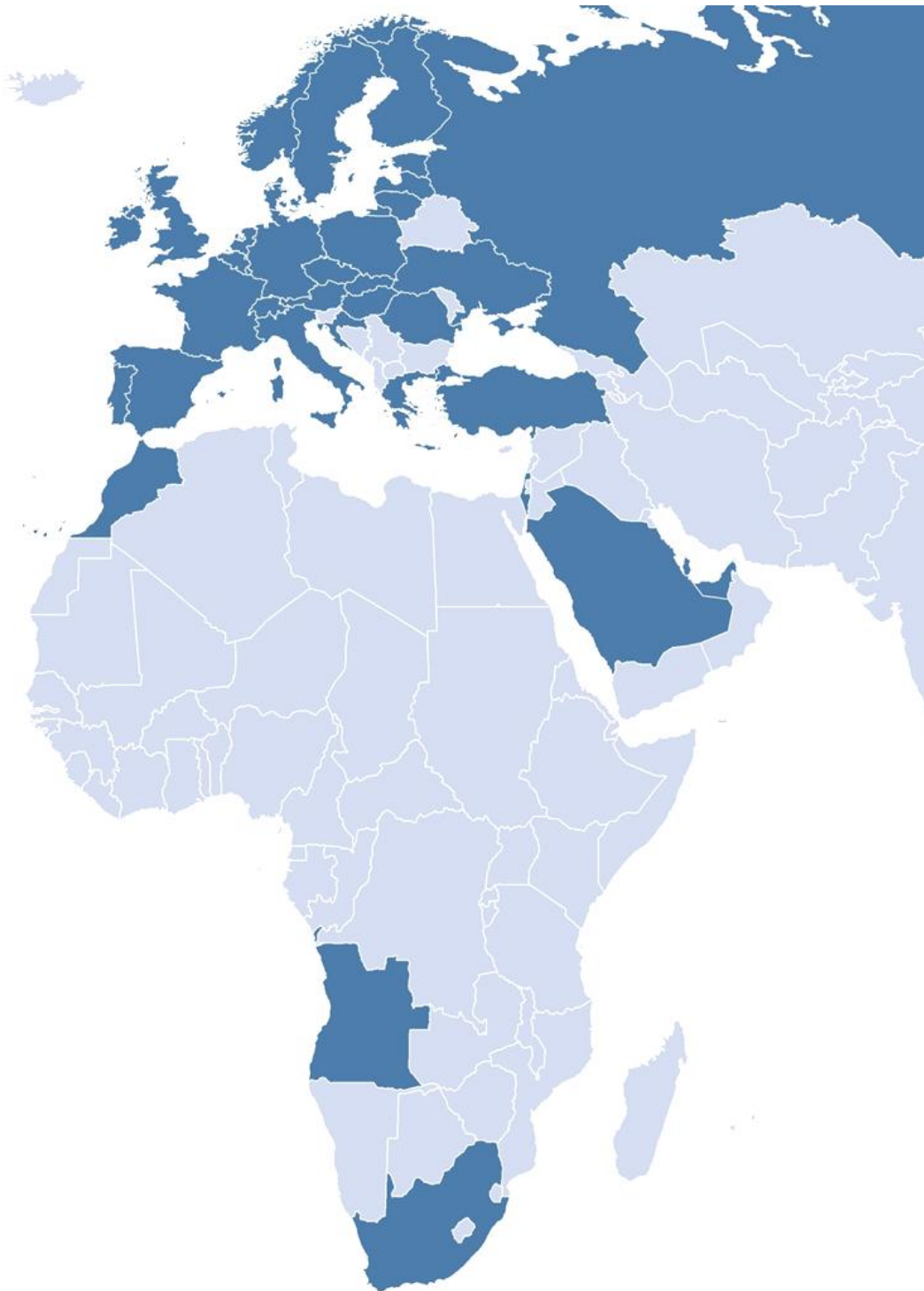
**Legal fees:** By agreement

**VAT/GST on transaction fees:** 10%

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# Global User Guide 2014

## Angola



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Varies - Warm shell or Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** USD 200 - 400 per sq m

**Rent guarantee period:** None

**Typical lease length:** 3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** Deduction of fit-out costs from rent over a period

#### Rent

**Rent payable every:** Year or six month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** USD/AOA per sq m per month

**Inclusions:** Depends on the contract. Sometimes includes services fees and utilities. Usually includes 15% urban property tax deducted at source.

**Exclusions:** Utilities

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Not common.

Properties in high demand can have escalation of up to 3%

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By agreement

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** 0.1% stamp duty

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** 15% IPU (Urban property tax)

**VAT/GST (% of annual rent):** Not applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

All land belongs to the state, but most urban land can become effectively privately owned through long-term renewable leases from the Angolan government.

It should be noted that the highly regulated market in Angola makes the process for acquiring property lengthy. The National Agency for Private Investment (ANIP – Agência Nacional do Investimento Privado) is responsible for authorisation procedures and is an important partner to all investors.

#### Purchaser transaction costs

**Transfer tax:** 2%

**VAT/GST:** Not applicable

**Legal fees:** By agreement

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## Austria



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Usually fully fitted

**Standard fit-out costs:** EUR 150 - 250 per sq m

**Rent guarantee period:** 3-6 months (depending on the credit report of the company and the landlord's investments)

**Typical lease length:** 5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 3-6 months per lease length (depending on the lease term 5-10 years)

**Other incentives:** Fit-out allowance, upgraded fittings

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area or GIF- standard for calculating the letting area of commercial properties

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, parking, VAT

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on the Eurozone inflation)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Break option by negotiation

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax, the rate varies

**VAT/GST (% of annual rent):** 20%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

In general, acquisition of property is subject to prior approval by local authorities with possibility to appeal. Citizens of European Union member state are excluded from the approval and enjoy equal status as local citizens.

#### Purchaser transaction costs

**Transfer tax:** 3.5%

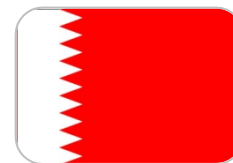
**VAT/GST:** 20%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 20%

# Global User Guide 2014

## Bahrain



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Varies - Shell and core or Warm shell (see Definitions on page 81)

**Standard fit-out costs:** BD 150 - 300 per sq m

**Rent guarantee period:** 1-3 months

**Typical lease length:** 2-5 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** None

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross lettable area but moving towards Net lettable area

**Unit of measurement:** BD per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, parking, municipality tax

**Frequency of rent reviews:** Once during term of occupation (not lease term) or as per lease

**Frequency and basis of indexation of rent:** None or as per lease

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause or rolling break after an initial fixed period

**Reinstatement to original condition on termination:** By agreement but typically not required

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** 10% (Municipality tax)

**VAT/GST (% of annual rent):** Not applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, Foreign investors may own commercial and residential property in specified areas.

#### Purchaser transaction costs

**Transfer tax:** 1%

**VAT/GST:** Not applicable

**Legal fees:** By agreement

**VAT/GST on transaction fees:** Not applicable

# Global User Guide 2014

## Belgium



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** EUR 300 - 400 per sq m

**Rent guarantee period:** 6 months

**Typical lease length:** 3/6/9 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1 to 1.5 months per year

**Other incentives:** Negotiable (usually free parking space, cash contributions to tenant's fit-out costs, etc.)

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities, taxes

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (Health index)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (0.2% of NPV of entire lease) – generally paid by the tenant

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (variable), In addition to this, municipality tax and regional tax applies in Brussels.

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 12.5% (10% applies in Flanders)

**VAT/GST:** 21% (for buildings less than two years old)

**Legal fees:** 0.5%

**VAT/GST on transaction fees:** 21%

# Global User Guide 2014

## Croatia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Warm shell (see Definitions on page 81)

**Standard fit-out costs:** Varies strongly

**Rent guarantee period:** 1-3 months

**Typical lease length:** 2-5 years

**Statutory right to renew the lease:** 3-6 month before expiration of a written contract

#### Incentives

**Typical rent-free period:** 0-3 months per lease length

**Other incentives:** Negotiable, usually free parking

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Stamp tax, service charge, utilities, parking (unless specified), VAT (where applicable)

**Frequency of rent reviews:** Rare

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause

**Reinstatement to original condition on termination:** Usually requested by landlord, subject to agreement

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Stamp tax

**VAT/GST (% of annual rent):** 25%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, government approval is needed for purchasers outside the EU

#### Purchaser transaction costs

**Transfer tax:** 5%

**VAT/GST:** Properties built after January 1, 1988 are subject to 25% VAT which is calculated on the costs of the built portion of the property and is usually absorbed by the seller in the price

**Legal fees:** Solicitors usually charge 1.5% (plus VAT) - the recommended fee laid down by the Ministry of Justice.

**VAT/GST on transaction fees:** 25%

# Global User Guide 2014

## Czech Republic



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** EUR 180 - 400 per sq m

**Rent guarantee period:** 3-6 months (incl. VAT+ service charges)

**Typical lease length:** 5 years

**Statutory right to renew the lease:** Common but not statutory

#### Incentives

**Typical rent-free period:** 3 months per lease length.

Large requirements with longer lease term: 1 month per year

**Other incentives:** Contributions to fit-out costs of EUR 50 100 per sq m for large requirements

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross internal area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, parking, taxes, VAT

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on CPI or HICP index)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause or by mutual consent

**Reinstatement to original condition on termination:** Usually requested by landlord, subject to agreement

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 21%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No

#### Purchaser transaction costs

**Transfer tax:** 4% of the sale or the market value (whichever is higher)

**VAT/GST:** None

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 21%



# Global User Guide 2014

## Denmark



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** DKK 3,500 per sq m

**Rent guarantee period:** 6 months

**Typical lease length:** 3-5 years, after that until either party terminates with 6-12 months notice

**Statutory right to renew the lease:** No, however leases automatically roll on after initial period

#### Incentives

**Typical rent-free period:** 6-12 months per lease length

**Other incentives:** Stepped rents and enhanced fit-out may be negotiated depending on lease length

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross internal area

**Unit of measurement:** DKK per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities, parking, taxes

**Frequency of rent reviews:** Usually every four years unless otherwise agreed

**Frequency and basis of indexation of rent:** Annual (based on CPI, some leases may be subject to minimum increases)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** All leases have rolling breaks after an initial fixed period

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (varies between locations)

**VAT/GST (% of annual rent):** 25%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, permission from the Danish Ministry of Justice is needed for purchasers outside the EU

#### Purchaser transaction costs

**Transfer tax:** DKK 1,400 (registry) + 0.6% of the sale or the public tax valuation (whichever is higher)

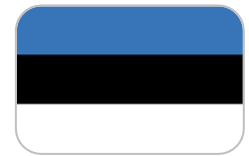
**VAT/GST :** 25% (for new buildings)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 25%

# Global User Guide 2014

## Estonia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** EUR 150 - 250 per sq m

**Rent guarantee period:** 2 months

**Typical lease length:** 3-5 years or up to 10 years for larger and new premises

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** Not common practice

**Other incentives:** Not common practice

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, parking

**Frequency of rent reviews:** None or yearly fixed uplifts

**Frequency and basis of indexation of rent:** Annual.

The indexation is usually based on CPI, sometimes with a with fixed maximum level.

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** By agreement. Fair wear and tear exempted.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Land tax (varies by plot size, land use and location) typically included in service charge

**VAT/GST (% of annual rent):** 20%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Foreign individuals and companies are allowed to acquire real estate with the permission of local authorities.

#### Purchaser transaction costs

**Transfer tax:** less than 1% in most cases

**VAT/GST:** 20% (for new buildings)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 20%

# Global User Guide 2014

## Finland



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** EUR 200 - 400 per sq m

**Rent guarantee period:** 3 months

**Typical lease length:** 3-5 years or 5-10 years for a new building

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length<sup>9</sup>

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** Usually service charge

**Exclusions:** Parking, reception services

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** By agreement. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Building insurance paid by landlord, tenant insures own equipments and furnishing

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 24%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply. However, foreigners are restricted from acquiring property in the archipelago Province of Åland (Åhvenanmaa).

#### Purchaser transaction costs

**Transfer tax:** 4% if a property is acquired; 2% if shares of a property company are acquired

**VAT/GST:** None

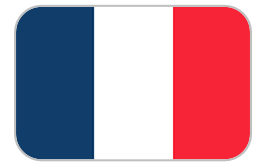
**Legal fees:** By agreement

**VAT/GST on transaction fees:** 24%

<sup>9</sup> Note that the typical rent-free period in 2013 was 1-2 months per lease length

# Global User Guide 2014

## France



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes  
**Standard space delivery conditions:** Warm shell (see Definitions on page 81)  
**Standard fit-out costs:** EUR 250 - 600 per sq m  
**Rent guarantee period:** 3 months  
**Typical lease length:** 3/6/9 years or fixed term of 6, 9 years  
**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 1-2 months per year  
**Other incentives:** Contributions to fit-out costs and/or relocation costs on large deals

#### Rent

**Rent payable every:** Quarter  
**Basis of measurement:** Gross lettable area  
**Unit of measurement:** EUR per sq m per year  
**Inclusions:** None  
**Exclusions:** Service charge, utilities, parking  
**Frequency of rent reviews:** None  
**Frequency and basis of indexation of rent:** Annual by agreement. The indexation is based on INSEE Cost of Construction index or the office rental index ILAT)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent  
**Early termination rights:** Via break clause only  
**Reinstatement to original condition on termination:** By agreement but typically removal of tenant's fixtures and fittings is required.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord  
**Internal repairs:** Tenant  
**Maintenance of tenant area:** Tenant or landlord depending on the size of the space under occupation  
**Landlord insures and recovers cost from tenant:** Yes (apart from single tenanted buildings)

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None  
**Legal fees:** 0.6% (for 3/6/9 year lease)

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (varies between types of premises). Additional tax in the Greater Paris Region ("taxe bureaux")  
**VAT/GST (% of annual rent):** 20%<sup>10</sup>

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply.

#### Purchaser transaction costs

**Transfer tax:** 6-6.2% including legal fees  
**VAT/GST:** 20% (for new buildings)  
**Legal fees:** 1-4%  
**VAT/GST on transaction fees:** 20%

<sup>10</sup> Note that there has been an increase in VAT from 19.6% in 2013

# Global User Guide 2014

## Germany



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** Included in rental agreement

**Rent guarantee period:** 3 months

**Typical lease length:** 5+5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-2 months per year

**Other incentives:** Contributions to relocation costs and fit out-costs (where the fit-out is of a higher standard than usually offered)

#### Rent

**Rent payable every:** Month

**Basis of measurement:** GIF standard, Gross Floor Area in a few markets

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, parking, VAT, Utilities

**Frequency of rent reviews:** No regular rent reviews

**Frequency and basis of indexation of rent:** Annual. The indexation is based on CPI

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only (penalty is to be paid)

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (variable), typically included in the service charge

**VAT/GST (% of annual rent):** 19% where applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply.

#### Purchaser transaction costs

**Transfer tax:** Varies between 3.5% and 6.5% depending on the Federal State (Real Estate Transfer tax; RETT)

**VAT/GST:** None in most cases. In the event that the asset deal is not considered as a business going concern but as a delivery of a real estate asset the transaction is subject to VAT but tax exempt. In this event the seller might opt for the transaction not to be VAT exempt provided that the object of the transaction is a real estate property with VAT-able leases. The seller could then collect input VAT. In this case the reverse charge mechanism is applicable. The applicable VAT rate is currently 19%.<sup>11</sup>

**Legal fees:** 1-1.5%

**VAT/GST on transaction fees:** 19% (where parties opt to tax)

<sup>11</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Greece



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Varies - Warm shell or Category A (see Definitions on page 81)

**Standard fit-out costs:** EUR 80 - 250 per sq m (depending on existing status)

**Rent guarantee period:** 2-4 months

**Typical lease length:** Varies although 9 year leases are increasingly common

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 0-3 months per entire 3 to 9 year lease

**Other incentives:** Not common

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** Usually none

**Exclusions:** Service charge, utilities, parking (unless specified)

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on Greek or Eurozone inflation)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By mutual consent

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 23% where applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

An approval by a committee comprising ministry of defence officials is required in specific "border" areas where the purchaser is a non-EU national

#### Purchaser transaction costs

**Transfer tax:** 3%

**VAT/GST:** A VAT rate of 23% applies for sale of property with a building licence issued after 1/1/2006. For other properties, only transfer tax applies

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 23% where applicable



# Global User Guide 2014

## Hungary



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** EUR 120 - 250 per sq m (depending on existing status)

**Rent guarantee period:** 3-6 months (depending on the credit worthiness)

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 3-10 months per lease depending on the lease length

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross lettable area (net lettable area plus a portion of the tenant's floor common areas and a ratio of the building common area)

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, parking, VAT

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on CPI or HICP index)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax proportionally included in the service charge

**VAT/GST (% of annual rent):** 27%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Restrictions apply on agricultural land only.

#### Purchaser transaction costs

**Transfer tax:** The rate of the stamp duty is generally 4% below the transactional value of HUF 1 billion (approximately EUR 3.3 million), while the amount in excess is subject to 2% stamp duty. However, the maximum amount of stamp duty may not exceed HUF 200 million. Lower stamp duty may be applied in special cases.<sup>12</sup>

**VAT/GST:** As a general rule, real estate acquisitions are not subject to VAT. The sale may be subject to VAT if the sale is made within two years of the issuance of the final occupancy permit or the sale is made before the first actual occupation of the property. The current VAT is 27% of the purchase price.

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 27%

<sup>12</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Ireland



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Shell and core (see Definitions on page 81)

**Standard fit-out costs:** EUR 500 - 750 per sq m

**Rent guarantee period:** 0-6 months

**Typical lease length:** 10 years with a 5 year break option

**Statutory right to renew the lease:** Yes (if the lease term exceeds 5 years, unless the tenant renounces rights)

#### Incentives

**Typical rent-free period:** 2-3 months per year

**Other incentives:** Floor box and carpet allowance

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Net internal area in central locations.  
Gross internal area in suburban locations

**Unit of measurement:** EUR per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, rates, utilities, taxes, car parking

**Frequency of rent reviews:** 5 years

**Frequency and basis of indexation of rent:** None

#### Lease disposal

**Subletting/ assignment rights:** Legal entitlement to assign subletting subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.  
Removal of tenant's fixtures and fittings is required.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** FRI (Full Repairing and Insuring) lease =

Tenant, IRI (Internal Repairing and Insuring) lease = Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (1% of annual rent)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Municipal rates

**VAT/GST (% of annual rent):** 23%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 2% stamp duty

**VAT/GST:** The first sale of a commercial property developed within the previous 5 years is likely to be subject to VAT at the current rate of 13.5%. The sale of an older commercial property is in the main exempt from VAT but a capital goods scheme applies which confers a VAT life of 20 years on a property from the date of development or acquisition.<sup>13</sup>

**Legal fees:** 1-2%

**VAT/GST on transaction fees:** 23%

<sup>13</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Israel



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core with HVAC and electricity to entrance of the unit (raw floor and ceiling)

**Standard fit-out costs:** ILS 3,600 per sq m

**Rent guarantee period:** 6-12 months

**Typical lease length:** 5 years with tenant option for additional 5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** None

**Other incentives:** Landlord contributes ILS 1,200 to fit-out costs

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area (net lettable area plus a portion of shared walls and public space)

**Unit of measurement:** ILS per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, rates, utilities, taxes, car parking

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Fully indexed

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By mutual consent

**Reinstatement to original condition on termination:** Yes.

Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Not for lease

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Municipal taxes

**VAT/GST (% of annual rent):** 18%<sup>14</sup>

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Government land leases are limited to Jews and Israelis. Special permission is needed for foreigners, usually granted to foreign companies

#### Purchaser transaction costs

**Transfer tax:** 5% purchase tax

**VAT/GST:** 18%

**Legal fees:** 1%

**VAT/GST on transaction fees:** 18%

<sup>14</sup> Note that there has been an increase in VAT from 17% in 2013

# Global User Guide 2014

## Italy



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** EUR 1,000 per sq m (including furniture)

**Rent guarantee period:** 3 months (minimum)

**Typical lease length:** 6+6 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 6-12 months per lease length

**Other incentives:** Contributions to fit-out costs, and/or stepped rent, and/or rent free

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per year

**Inclusions:** Car parking

**Exclusions:** Service charge, utilities

**Frequency of rent reviews:** No increase of rent is possible after the first 6 years period. Free negotiation is foreseen by the law at the end of the 12 years

**Frequency and basis of indexation of rent:** Annual (75% of ISTAT (Italian Consumer Price Index). If a first term of the contract is longer than 6 years, 100% of ISTAT can be applied

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes, unless otherwise agreed in advance. Landlord generally has the option to ask for reinstatement or accept completed improvements with no compensation due to the tenant

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** The landlord is responsible for the structural building insurance, whilst the tenant insures their premises

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** 1% registry duty paid annually (normally divided equally between the parties)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** A nominal sum to be defined in each case

**VAT/GST (% of annual rent):** 22%<sup>15</sup>

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 4% tax plus EUR 168 fixed registry duty<sup>16</sup>

**VAT/GST:** 22%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 22% where applicable

<sup>15</sup> Note that there has been an increase in VAT from 21% in 2013

<sup>16</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Latvia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** EUR 150 - 250 per sq m

**Rent guarantee period:** 1-2 months

**Typical lease length:** 1/3/5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** None

**Other incentives:** Contributions to fit-out costs; free parking for each 100 sq m

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Management costs, utilities, VAT, parking

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlords's consent

**Early termination rights:** Via break clause or mutual consent

**Reinstatement to original condition on termination:** By agreement but typically yes

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Typically the landlord insures and does not recover cost from tenant

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax usually included in management costs

**VAT/GST (% of annual rent):** 21%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 2% but cannot exceed 43 000 EUR

**VAT/GST:** 21% where applicable<sup>17</sup>

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 21%

<sup>17</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Lithuania



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** LTL 500-800 per sq m (excluding VAT)

**Rent guarantee period:** 1-2 months

**Typical lease length:** 5+5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** None

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Net lettable or gross lettable area (by agreement and size)

**Unit of measurement:** LTL per sq m per month

**Inclusions:** None (occasionally parking)

**Exclusions:** Service charge, utilities, occasionally parking

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Annual uplifts where applicable. The indexation is based on CPI

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** By agreement but typically yes

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant (in some instances both landlord and tenant)

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax applies, rarely included in service charge

**VAT/GST (% of annual rent):** 21%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** Typical property transfer fee to notary public is 0.45% of the purchase price; however, the cap of maximum fee is LTL 20,000.

**VAT/GST:** 21%, if the building is newly constructed

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 21%

# Global User Guide 2014

## Luxembourg



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes  
**Standard space delivery conditions:** Category A (see Definitions on page 81)  
**Standard fit-out costs:** EUR 350 - 540 per sq m (excl. VAT)  
**Rent guarantee period:** 3-6 months or 12 months  
**Typical lease length:** 3/6/9 years  
**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1 month per fixed year  
**Other incentives:** Cash contribution of EUR 100-200 per sq m

#### Rent

**Rent payable every:** Month  
**Basis of measurement:** Gross lettable area  
**Unit of measurement:** EUR per sq m per month  
**Inclusions:** None  
**Exclusions:** Service charge, utilities  
**Frequency of rent reviews:** By agreement  
**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent  
**Early termination rights:** Via break clause only  
**Reinstatement to original condition on termination:** Yes.  
Removal of tenant's fixtures and fittings is required.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord  
**Internal repairs:** Tenant  
**Maintenance of tenant area:** Tenant  
**Landlord insures and recovers cost from tenant:** Typically yes - triple net lease

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (0.6% of NPV of entire lease if tenant is not liable for VAT; otherwise EUR 12.5)  
**Legal fees:** By agreement (each party can have a lawyer but it varies by case)

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (variable)  
**VAT/GST (% of annual rent):** 15%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 10% (Luxembourg-City), 7% (other)  
**VAT/GST:** 15% (new buildings, reduced to 0% pro-rata basis over 10 years). VAT deductible where tenant > 51% liable for VAT  
**Legal fees:** None  
**VAT/GST on transaction fees:** 15%



# Global User Guide 2014

## Morocco



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes  
**Standard space delivery conditions:** Varies - Shell and core or Fully fitted (see Definitions on page 81)  
**Standard fit-out costs:** MAD 1,500 - 2,000 per sq m  
**Rent guarantee period:** 3-6 months  
**Typical lease length:** 3-5 years  
**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** None  
**Other incentives:** None

#### Rent

**Rent payable every:** Month  
**Basis of measurement:** Gross lettable area  
**Unit of measurement:** MAD per sq m per month  
**Inclusions:** Parking  
**Exclusions:** Service charge and local taxes  
**Frequency of rent reviews:** 3 years  
**Frequency and basis of indexation of rent:** Capped at 10% every 3 years

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent  
**Early termination rights:** By agreement, with 6 month notice period and a penalty  
**Reinstatement to original condition on termination:** Yes.  
Removal of tenant's fittings

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord  
**Internal repairs:** Tenant  
**Maintenance of tenant area:** Tenant  
**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None  
**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** 10.5%  
**VAT/GST (% of annual rent):** 20%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Restrictions apply on agricultural land

#### Purchaser transaction costs

**Transfer tax:** 6-7% transfer tax, except in tax free areas  
**VAT/GST:** Only on new buildings outside tax free industrial and office zones  
**Legal fees:** By agreement  
**VAT/GST on transaction fees:** 20%

# Global User Guide 2014

## Netherlands



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Warm Shell (see Definitions on page 81)

**Standard fit-out costs:** EUR 350 - 450 per sq m incl. project management (excl. furniture and ICT)

**Rent guarantee period:** 3 months<sup>18</sup>

**Typical lease length:** 5 years<sup>1</sup>

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 18-25% of lease length

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Lettable floor area

**Unit of measurement:** EUR per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities, VAT, fit-out

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent (although not typically permitted by standard contract ROZ)

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Typically the landlord - does not recover cost from the tenant

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax called OZB (varies between locations)

**VAT/GST (% of annual rent):** 21% (where parties opt to tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply.

#### Purchaser transaction costs

**Transfer tax:** 6%

**VAT/GST:** 21% (VAT deductible only where tenant is more than 90% liable for VAT)

**Legal fees:** 0.25-0.5%

**VAT/GST on transaction fees:** 21% (VAT deductible only where occupier is more than 90% liable for VAT)

<sup>18</sup> Note that the typical lease length in 2013 was 5-10 years

# Global User Guide 2014

## Norway



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Fully fitted for both small and large space users (see Definitions on page 81)

**Standard fit-out costs:** NOK 4,000 - 5,000 per sq m

**Rent guarantee period:** 6-12 months

**Typical lease length:** 3-10 years. 10 + years for new built

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** NOK per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Landlord insures external building, tenant takes partial insurance

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (varies between locations) - typically paid by landlord

**VAT/GST (% of annual rent):** 25% (where parties opt to tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 2.5%. The basis for calculation is the fair market price of the property at the time of registration

**VAT/GST:** The sale of real property is exempt from VAT

**Legal fees:** Less than 0.5%

**VAT/GST on transaction fees:** 25%

# Global User Guide 2014

## Poland



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** EUR 250 - 400 per sq m

**Rent guarantee period:** 3 months

**Typical lease length:** 5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 3-6 months per lease length

**Other incentives:** Contributions to fit-out costs / cash contribution

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross rentable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, VAT, parking

**Frequency of rent reviews:** Rare

**Frequency and basis of indexation of rent:** Annual (based on the HICP index)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause or lease buy-out

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (varies by area) typically included in service charge

**VAT/GST (% of annual rent):** 23%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restriction for EU members, Iceland, Norway and Liechtenstein nationals. Others must obtain a permit from the Ministry of Internal Affairs

#### Purchaser transaction costs

**Transfer tax:** 1% (shares deal) or 2% (asset deal) of net purchase price

**VAT/GST:** 23% where applicable. There are situations where the sale is VAT exempt. The sale of real estate which is VAT exempt is subject to a civil transactions tax of 2% payable by the buyer within 14 days from the sale<sup>19</sup>

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 23%

<sup>19</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Portugal



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** EUR 300 per sq m

**Rent guarantee period:** 6 months

**Typical lease length:** 5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 2 months per lease length

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charges, utilities, parking, VAT

**Frequency of rent reviews:** 3 years

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Landlord

Insures the external building, the tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (10% of one month rent) – generally paid by the landlord

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (landlord obligation)

**VAT/GST (% of annual rent):** 23% (where applicable)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 6.5%

**VAT/GST:** 23% (where applicable)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 23%

# Global User Guide 2014

## Qatar



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core (see Definitions on page 81)

**Standard fit-out costs:** QR 2,500 - 3,000 per sq m

**Rent guarantee period:** 1-3 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** None

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** QAR per sq m per month

**Inclusions:** None

**Exclusions:** Service charges, utilities, parking, VAT

**Frequency of rent reviews:** None, only yearly fixed uplifts

**Frequency and basis of indexation of rent:** Annual, fixed uplifts ranging between 2.5-3.5%

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.

Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** No – both landlord and tenant share insurance costs

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** Not applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Foreigners can have the right of land use over real estate in Cabinet-designated "investment areas" for a term of 99 years, renewable upon government approval.

#### Purchaser transaction costs

**Transfer tax:** 2.5% land tax

**VAT/GST:** Not applicable

**Legal fees:** By agreement

**VAT/GST on transaction fees:** Not applicable

# Global User Guide 2014

## Romania



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** Subject to negotiation, no standard (usually the landlord's contribution covers 20% of the standard partition walls)

**Rent guarantee period:** 3 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1-6 months per lease length

**Other incentives:** Contributions to fit-out costs, free parking, other capital contribution (e.g. relocation budget)

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross lettable area (according to BOMA)

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, VAT, parking

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (based on CPI, Eurozone index)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.

Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant and landlord (costs passed to the tenant via service charge)

**Maintenance of tenant area:** Tenant and landlord (costs passed to the tenant via service charge)

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax, typically included in service charge

**VAT/GST (% of annual rent):** 24% (where applicable)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, non-Romanian citizens are required to form a local company to purchase property

#### Purchaser transaction costs

**Transfer tax:** 1-2%

**VAT/GST:** 24%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 24%



# Global User Guide 2014

## Russia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Varies - Shell and core or Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** USD 600 - USD 1000 per sq m

**Rent guarantee period:** 2-3 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 3 months per lease length for Shell and core; 2 weeks per lease length for fully fitted

**Other incentives:** Fit-out by landlord

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** USD, consecutive unit, RUB per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities, VAT, parking

**Frequency of rent reviews:** By agreement. According to law, this cannot be more than once a year.

**Frequency and basis of indexation of rent:** Annual, usually based on fixed percentage uplifts. Some indexations are based on US CPI, HICP or Russian CPI

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By mutual consent

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax and land tax, typically included in service charge

**VAT/GST (% of annual rent):** 18% (no VAT for representative offices)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Certain restrictions on foreign ownership of land apply. Foreign individuals and legal entities may not own land near Russia's borders, in sea ports and in certain other territories specified by federal law. Furthermore, agricultural land is restricted to only leasehold.

#### Purchaser transaction costs

**Transfer tax:** None

**VAT/GST:** 18%. However, no VAT is applicable when SPV is purchased<sup>20</sup>

**Legal fees:** By agreement. Buyer and seller have their own legal counsel

**VAT/GST on transaction fees:** 18%

<sup>20</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Saudi Arabia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core (see Definitions on page 81)

**Standard fit-out costs:** SAR 2,000 per sq m (including furniture)

**Rent guarantee period:** 1 month or 10% of lease

**Typical lease length:** 2-3 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 2-3 months per lease length

**Other incentives:** None

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** SAR per sq m per year

**Inclusions:** None (occasionally parking)

**Exclusions:** Service charge, utilities

**Frequency of rent reviews:** None or fixed yearly uplifts

**Frequency and basis of indexation of rent:** None or as per lease

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Penalty of 1 year rent applies

**Reinstatement to original condition on termination:** Yes.

Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord (unless structurally altered)

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** No, the landlord and tenant share insurance costs

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** Not applicable

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Foreigners need a licence to own real estate in Saudi Arabia. This ownership right does not apply to Mecca and Medina.

#### Purchaser transaction costs

**Transfer tax:** 2.5% commission and min legal fees

**VAT/GST:** Not applicable

**Legal fees:** By agreement

**VAT/GST on transaction fees:** Not applicable

# Global User Guide 2014

## Slovakia



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** EUR 250 - 350 per sq m

**Rent guarantee period:** 3 months (including service charges)

**Typical lease length:** 3 -5 years

**Statutory right to renew the lease:** Common, but not statutory

#### Incentives

**Typical rent-free period:** 1 month per year

**Other incentives:** Tenant Improvement Allowance, cash contribution on relocation

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charges, utilities, parking, VAT

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual, based on fixed percentage uplifts or CPI

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.

Removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 20%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** None

**VAT/GST:** 20% on new buildings

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 20%

# Global User Guide 2014

## South Africa



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Varies - Shell and core or Fully fitted (see Definitions on page 81)

**Standard fit-out costs:** ZAR 1,500-2,000 per sq m

**Rent guarantee period:** 1-5 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** No

#### Incentives

**Typical rent-free period:** 1 month per year

**Other incentives:** Contributions to fit-out costs

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross lettable area

**Unit of measurement:** ZAR per sq m per month

**Inclusions:** Dependant on lease. Usually includes municipal rates, taxes and air-conditioning

**Exclusions:** Utilities, VAT, parking, increases in assessment rates

**Frequency of rent reviews:** By agreement

**Frequency and basis of indexation of rent:** Annual, fixed escalation rates ranging between 8-10%

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By agreement

**Reinstatement to original condition on termination:** Yes.

Removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None – all stamp duty has been waived

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 14%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** Zero rated between two VAT vendors.

Otherwise sliding scale based on the value of purchase

**VAT/GST:** 14%

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 14%

# Global User Guide 2014

## Spain



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** EUR 300-550 per sq m

**Rent guarantee period:** 2 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 3-6 months per lease length

**Other incentives:** Contributions to fit-out costs; stepped rent

#### Rent

**Rent payable every:** Month

**Basis of measurement:** Gross internal area

**Unit of measurement:** EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, utilities, property tax

**Frequency of rent reviews:** 3-5 years

**Frequency and basis of indexation of rent:** Annual (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.

Removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (0.5-1.5%)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (landlord obligation but normally passed on to tenant)

**VAT/GST (% of annual rent):** 21%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 6-7% (regional variation, not payable for new buildings)

**VAT/GST:** 21% (for new buildings)

**Legal fees:** 0.5-1%

**VAT/GST on transaction fees:** 21%

# Global User Guide 2014

## Sweden



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Fully fitted (excluding IT, telephone cabling and alarm)

**Standard fit-out costs:** SEK 2,500-5,000 per sq m (paid by landlord)

**Rent guarantee period:** 6-12 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** Not common for prime. For secondary: approximately 3 months per lease length

**Other incentives:** Not common, but stepped rents and contributions to fit-out costs do exist

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Net lettable area

**Unit of measurement:** SEK per sq m per year

**Inclusions:** Usually none, but sometimes heating/cooling

**Exclusions:** Service charge, utilities, taxes and in most cases also heating and cooling

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual or quarterly (based on CPI)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes, but only the fixtures and fittings that have been added during the lease period - not the original fit-out

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Landlord: external building, tenant insures their demise

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Property tax (based on the value of the building in proportion to the space occupied)

**VAT/GST (% of annual rent):** 25% (where landlord opts to tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 4.25% (no tax where property is sold as a company)

**VAT/GST:** 25% (for new buildings)

**Legal fees:** 0.1-1%

**VAT/GST on transaction fees:** 25% (no tax where property is sold as a company)

# Global User Guide 2014

## Switzerland



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell (see Definitions on page 81)

**Standard fit-out costs:** CHF 750-1,250 per sq m

**Rent guarantee period:** 3-6 months

**Typical lease length:** 5+5 years

**Statutory right to renew the lease:** Common but not statutory to renew for a further 5 year period

#### Incentives

**Typical rent-free period:** 3-6 months per lease length

**Other incentives:** Contributions to fit-out costs; stepped rent; exemption from reinstatement, pre-financing of fit-out

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Net internal area

**Unit of measurement:** CHF per sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities, insurance

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Indexed annually (based on Swiss Consumer Price Index)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** By mutual consent

**Reinstatement to original condition on termination:** By agreement

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Typically the landlord insures the building and does not recover cost from tenant; tenant insures all remaining risks pertaining to the rented area

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** 8% (where landlord opts to tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Restrictions apply only for residential property

#### Purchaser transaction costs

**Transfer tax:** Up to 3.3% (varies by canton)

**VAT/GST:** The acquisition of real estate is in principle exempt from VAT in Switzerland. The parties may however subject the acquisition of real estate to VAT voluntarily, which is often done to avoid negative VAT consequences on the side of the seller. In this case, 8% VAT is payable.<sup>21</sup>

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 8% where applicable

<sup>21</sup> See DTZ's *Investor Guide to Europe 2014* for more information



# Global User Guide 2014

## Turkey



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core (see Definitions on page 81)

**Standard fit-out costs:** USD 600 per sq m

**Rent guarantee period:** 1-3 years

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 1-3 months per lease length

**Other incentives:** Free parking space

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross lettable area

**Unit of measurement:** USD/EUR per sq m per month

**Inclusions:** None

**Exclusions:** Service charge, rent related taxes

**Frequency of rent reviews:** None

**Frequency and basis of indexation of rent:** Annual (Turkish CPI or 3%/Libor/Euribor depending on denomination of rent)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.

Removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Typically the landlord insures and does not recover cost from tenant

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (0.98%)

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Environmental tax (varies between locations and nature of the property)

**VAT/GST (% of annual rent):** 18% (if landlord=company) or 25% withholding tax (if landlord=individual). Banks and insurance companies are VAT exempt

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, restrictions apply in certain military and security zones. Furthermore, a foreigner can own a maximum of 30 hectares, not exceeding 10% of the district in which the property is located

#### Purchaser transaction costs

**Transfer tax:** Stamp duty (1.89%) & 2% as 'title deed charge' paid by both vendor and purchaser (total 4%)

**VAT/GST:** 18% (where vendor is a legal entity)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 18%

# Global User Guide 2014

## UAE | Abu Dhabi



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Shell and core but the market is moving towards Category A (see Definitions on page 81)

**Standard fit-out costs:** AED 375 - 400 per sq ft

**Rent guarantee period:** 1-3 months

**Typical lease length:** 1-3 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** 1-6 months per lease length

**Other incentives:** None

#### Rent

**Rent payable every:** Year but moving towards quarter

**Basis of measurement:** Gross internal area (excluding the building core)

**Unit of measurement:** AED per sq m per year

**Inclusions:** None

**Exclusions:** Utilities

**Frequency of rent reviews:** Rare (leases brought up to market value upon expiry)

**Frequency and basis of indexation of rent:** Fixed uplifts where applicable.

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent - generally no

**Early termination rights:** Via break clause or by mutual consent

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Landlord

**Landlord insures and recovers cost from tenant:** No, both landlord and tenant share insurance costs

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** No

**VAT/GST (% of annual rent):** None

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, foreign ownership (long-leasehold) is permitted only in investment zones

#### Purchaser transaction costs

**Transfer tax:** 2%

**VAT/GST:** None

**Legal fees:** By agreement

**VAT/GST on transaction fees:** None

# Global User Guide 2014

## UAE | Dubai



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Warm shell but the market is moving towards Category A (see Definitions on page 81)

**Standard fit-out costs:** AED 375 per sq ft

**Rent guarantee period:** 1-3 months

**Typical lease length:** 1-3 years

**Statutory right to renew the lease:** No, only by mutual consent

#### Incentives

**Typical rent-free period:** 1-6 months per lease length

**Other incentives:** None

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Gross internal area (excluding the building core) but moving towards net internal area

**Unit of measurement:** AED per sq ft per year

**Inclusions:** Service charge

**Exclusions:** Utilities, community charge

**Frequency of rent reviews:** 1-3 years

**Frequency and basis of indexation of rent:** Fixed uplifts where applicable

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent - generally no

**Early termination rights:** Via break clause or mutual consent

**Reinstatement to original condition on termination:** Yes, removal of tenant's fixtures and fittings is required.

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Landlord

**Landlord insures and recovers cost from tenant:** No, the insurance costs are shared between the tenant and landlord

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** None - only minimal registration fee

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** None

**VAT/GST (% of annual rent):** Not applicable – planned introduction shelved

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

Yes, foreign ownership only permitted in designated investment zones

#### Purchaser transaction costs

**Transfer tax:** 2%

**VAT/GST:** Not applicable

**Legal fees:** By agreement

**VAT/GST on transaction fees:** Not applicable

# Global User Guide 2014

## United Kingdom



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** No

**Standard space delivery conditions:** Category A (see Definitions on page 81)

**Standard fit-out costs:** London: GBP 70-100 per sq ft;  
Regional cities: GBP 35-80 per sq ft

**Rent guarantee period:** Highly dependent on covenant and lease term - not always applicable

**Typical lease length:** 5-15 years

**Statutory right to renew the lease:** Yes

#### Incentives

**Typical rent-free period:** Depends on local market dynamics and covenant.

**Other incentives:** Rent free paid as capital equivalent or financial contribution towards fit-out

#### Rent

**Rent payable every:** Quarter

**Basis of measurement:** Net internal area

**Unit of measurement:** GBP per sq ft/sq m per year

**Inclusions:** None

**Exclusions:** Service charge, utilities, taxes

**Frequency of rent reviews:** Typically 5 years (upwards only)

**Frequency and basis of indexation of rent:** Annual RPI linked uplifts (not applicable to all leases)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Yes.  
Removal of tenant's fixtures and fittings is required. Fair wear and tear exempted

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Tenant (some exclusions and other protection for tenant through negotiation)

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** Yes

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty (1% of NPV of entire lease when > GBP 150,000)

**Legal fees:** Paid separately by each party (varies by location and transaction size)

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** Business Rates (variable-not standardised and subject to discounts for quantum)

**VAT/GST (% of annual rent):** 20% (where landlord opts to tax)

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

No restrictions apply

#### Purchaser transaction costs

**Transfer tax:** 4% Stamp duty land tax (SDLT) where price exceeds GBP 500,000

**VAT/GST:** The default position is that the sale or purchase of property in the United Kingdom is not subject to VAT however a commercial property owner may opt to tax its property so as to treat any supplies it makes in relation to the property as being subject to VAT.<sup>22</sup>

**Legal fees:** Paid separately by each party (varies by location and transaction size)

**VAT/GST on transaction fees:** 20%

<sup>22</sup> See DTZ's *Investor Guide to Europe 2014* for more information

# Global User Guide 2014

## Ukraine



### 1. LEASE STRUCTURE

#### The basics

**Standard lease document:** Yes

**Standard space delivery conditions:** Varies - Shell and core or Warm shell (see Definitions on page 81)

**Standard fit-out costs:** USD 200-600 per sq m

**Rent guarantee period:** 1-3 months

**Typical lease length:** 3-5 years

**Statutory right to renew the lease:** Yes (although not frequently exercised)

#### Incentives

**Typical rent-free period:** Not common; where used up to 3 months per lease length

**Other incentives:** Not common - some fit-out contributions exist

#### Rent

**Rent payable every:** Month or quarter

**Basis of measurement:** Gross Separately area (according to BOMA)

**Unit of measurement:** USD per sq m per month, payable in UAH (EUR rare)

**Inclusions:** None

**Exclusions:** Service charge, utilities non-coverable by service charge, taxes, parking

**Frequency of rent reviews:** Rare

**Frequency and basis of indexation of rent:** Annual (3-5%)

#### Lease disposal

**Subletting/ assignment rights:** Subject to landlord's consent

**Early termination rights:** Via break clause only

**Reinstatement to original condition on termination:** Not common

### 2. LANDLORD & TENANT RESPONSIBILITIES

**Structural repairs:** Landlord

**Internal repairs:** Tenant

**Maintenance of tenant area:** Tenant

**Landlord insures and recovers cost from tenant:** By agreement

### 3. OCCUPIER TRANSACTION COSTS

**Transfer tax:** Stamp duty of 0.01-1% of full contract value is obligatory for contracts of 3 years or longer

**Legal fees:** By agreement

### 4. ONGOING TAXATION LIABILITIES OF TENANT RELATED TO OCCUPANCY

**Local tax (% of annual rent):** No property tax. Repatriation tax of 15% (payable only if rent is paid into an account outside Ukraine)

**VAT/GST (% of annual rent):** 20%

### 5. PURCHASER INFORMATION

#### Restriction on ownership of property by foreigners

The Land Code of Ukraine prohibits foreigners, foreign companies and foreign countries from owning agricultural land in Ukraine. Foreigners may acquire property rights and own non-agricultural land (land plot) in cases specifically provided by law.

#### Purchaser transaction costs

**Transfer tax:** 1% to Pension Fund

**VAT/GST:** 20% (not applicable for land purchase or resale of residential properties)

**Legal fees:** By agreement

**VAT/GST on transaction fees:** 20% (payable only if payment is made into a Ukrainian account)

# Global User Guide 2014

## Definitions

This document is not intended as a comprehensive guide and in a number of cases the information provided should be treated as illustrative of the typical way in which the individual markets work rather than being applicable to all situations.

**Standard space delivery conditions:** In some markets, buildings are delivered in 'bare shell' conditions meaning that only service and common areas are fully finished by the landlord. In others, landlords provide finished ceilings and/or flooring as standard delivery conditions. These have cost implications to the occupier of the space.

**Shell and core:** *Bare concrete shell (slab to slab), with service capped off at the core. The tenant carries out the interior fit-out of everything within the demised area, delivering floors, ceilings, interior A/C and all M&E work*

**Warm shell:** *Office building with a minimally finished interior, a heating & cooling system, drop ceilings, plumbing and restrooms, and interior lighting. No partitioning or raised floors*

**Category A:** *Raised floors and ceilings only. All lighting and A/C delivered for an open plan space. No partitioning provided. The tenant does the rest*

**Fully Fitted:** *Turnkey fit-out provided by the landlord. The office building is ready for the tenant to move in*

**Standard fit-out costs:** In most cases, fit-out costs are paid by tenants. However, there are increasing instances of landlords paying for some of the fit-out costs incurred by tenants.

**Rent-guarantee period:** Typical amount of rent used to secure the lease (depending on covenant strength).

**Typical rent-free period:** Typical rent-free months a tenant can obtain from a landlord upon signing a new lease term. The rent-free period takes place at the beginning of a tenancy and throughout its duration no rent is payable by the tenant. It is given either as an inducement to the tenant to enter into a new lease or as recognition of the fact that until the tenant's fit-out work is complete, it cannot use the premises for its business.

**Other incentives:** Other incentives may include free parking space, cash contributions to tenants' fit-out costs etc.

**Statutory right to renew the lease:** Where the tenant's right to renew the lease after expiration is protected by legislation and unless notice is served (by either party), current occupancy terms carry over.

**Basis of measurement:** GLA (Gross Lettable Area) is the total area occupied and payable by the tenant. There is no standard global definition of lettable area. Whilst some countries use measurement standards based on BOMA, other countries apply the RICS Code of Measuring Practice.

**Rent inclusions:** Payments regularly included in the rental charge.

**Rent exclusions:** Regular payments to the landlord not included in the rental charge.

**Frequency and basis of indexation of rent:** Leases often contain so-called indexation clauses. Indexation clauses bind the lease to changes in price of specific goods or services.

**Landlord and tenant responsibilities:** Responsibilities of the landlord and tenant for extraordinary costs (other than those agreed to be paid such as rent, service charge, insurance etc).

**Structural repairs:** Repairs necessary to the structure of the building itself.

**Internal repairs:** Repairs to tenant's premises (common areas not included) and often as a result of wear and tear and occupation.

**Maintenance of tenant area:** Maintenance of the space that the tenant has leased (not maintenance of common areas paid through the service charge).

**Legal fees (Occupier transaction costs):** In some countries it is not a requirement to have leases drafted by lawyers; however, many international clients normally seek legal advice.

# Global User Guide 2014

## Other DTZ Research Reports

Other research reports can be downloaded from [www.dtz.com/research](http://www.dtz.com/research). These include:

### Occupier Perspective

**Updates on occupational markets from an occupier perspective, with commentary, analysis, charts and data.**

Global Occupancy Costs Offices  
Global Occupancy Costs Logistics  
Obligations of Occupation Americas  
Obligations of Occupation Asia Pacific  
Obligations of Occupation EMEA  
Global Office Review  
India Office Demand and Trends Survey 2013-14  
Sweden Computer Games Developers November 2013

### Property Times

**Regular updates on occupational markets from a landlord perspective, with commentary, charts, data and forecasts.**

Coverage includes Asia Pacific, Bangkok, Beijing, Berlin, Brisbane, Bristol, Brussels, Budapest, Central London, Chengdu, Chongqing, Dalian, Edinburgh, Europe, Frankfurt, Glasgow, Guangzhou, Hangzhou, Ho Chi Minh City, Hong Kong, India, Jakarta, Japan, Kuala Lumpur, Luxembourg, Madrid, Manchester, Melbourne, Milan, Nanjing, Newcastle, Paris, Poland, Prague, Qingdao, Rome, Seoul, Shanghai, Shenyang, Shenzhen, Singapore, Stockholm, Sydney, Taipei, Tianjin, Ukraine, Warsaw, Wuhan, Xian.

### Investment Market Update

**Regular updates on investment market activity, with commentary, significant deals, charts, data and forecasts.**

Coverage includes Asia Pacific, Australia, Belgium, Czech Republic, Europe, France, Germany, Italy, Japan, Mainland China, South East Asia, Spain, Sweden, UK.

### Money into Property

For more than 35 years, this has been **DTZ's flagship research report, analysing invested stock and capital flows into real estate markets across the world.** It measures the development and structure of the global investment market. **Available for** Global, Asia Pacific, Europe, North America and UK.

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**Quarterly commentary, analysis and insight into our in-house data forecasts, including the DTZ Fair Value Index™.**

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German Open Ended Funds – March 2014  
China Investment Market Sentiment Survey – January 2014  
China The Technology Sector – January 2014  
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Net Debt Funding Gap – November 2013  
UK Secondary Market Pricing – October 2013  
Quantitative Easing - UK Regions – September 2013  
Singapore Government Land Sales – September 2013  
Property Investment Guide Asia Pacific 2013-2014

## DTZ Research Data Services

For more detailed data and information, the following are available for subscription. Please contact [graham.buty@dtz.com](mailto:graham.buty@dtz.com) for more information.

- **Property Market Indicators**  
Time series of commercial and industrial market data in Asia Pacific and Europe.
- **Real Estate Forecasts, including the DTZ Fair Value Index™**  
Five-year rolling forecasts of commercial and industrial markets in Asia Pacific, Europe and the USA.
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