

Occupier Perspective User Guide to EMEA 2014



DTZ Research

transforming the world
of property services

User Guide to EMEA 2014

Introduction

We are pleased to present the 2014 EMEA edition of our Occupier Perspective 'User Guide' publication. The report has been published for over ten years. We have given this year's edition a new name, focus and look – presenting local real estate practices for each market on a single page. In addition to publishing separate reports for The Americas and Asia Pacific, we now make the guide available in a consolidated global format.

This 12th edition references local market conventions, allowing owners and occupiers to compare liabilities across countries and markets. It provides a summary of key cost responsibilities and contractual obligations associated with occupying and purchasing office space in 38 markets across the region.

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.



Nigel Almond
Head of Strategy Research



Milena Kuljanin
Occupier Research



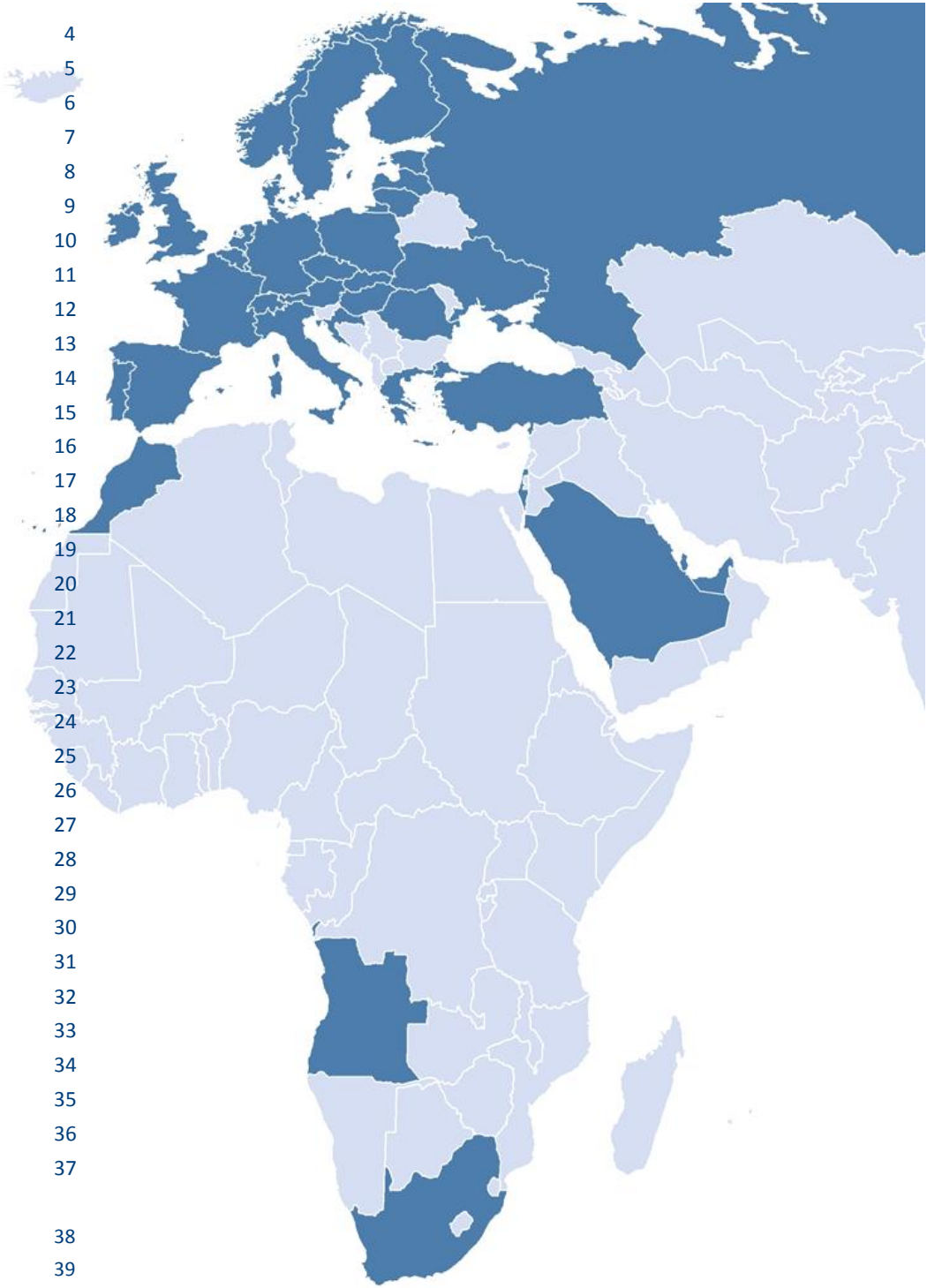
James Maddock
Head of Global Occupier Services, EMEA



User Guide to EMEA 2014

Table of content

Angola	4
Austria	5
Bahrain	6
Belgium	7
Croatia	8
Czech Republic	9
Denmark	10
Estonia	11
Finland	12
France	13
Germany	14
Greece	15
Hungary	16
Ireland	17
Israel	18
Italy	19
Latvia	20
Lithuania	21
Luxembourg	22
Morocco	23
Netherlands	24
Norway	25
Poland	26
Portugal	27
Qatar	28
Romania	29
Russia	30
Saudi Arabia	31
Slovakia	32
South Africa	33
Spain	34
Sweden	35
Switzerland	36
Turkey	37
United Arab Emirates	
Abu Dhabi	38
Dubai	39
United Kingdom	40
Ukraine	41
Definitions	42



User Guide to EMEA 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 42)

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

User Guide to EMEA 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%

User Guide to EMEA 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 42)

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

User Guide to EMEA 2014

Belgium



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 42)

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%

User Guide to EMEA 2014

Croatia



1. LEASE STRUCTURE

The basics

Standard lease document: Yes

Standard space delivery conditions: Warm shell (see Definitions on page 42)

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%

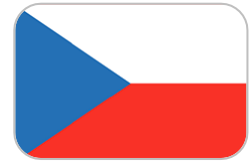
VAT/GST: Properties built after January 1, 1988 are subject to 25% VAT which is calculated on the costs of the built portion of the property and is usually absorbed by the seller in the price

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%

User Guide to EMEA 2014

Czech Republic



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 42)

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%

User Guide to EMEA 2014

Denmark



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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%

User Guide to EMEA 2014

Estonia



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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%

User Guide to EMEA 2014

Finland



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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 length¹

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

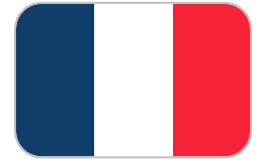
Legal fees: By agreement

VAT/GST on transaction fees: 24%

¹ Note that the typical rent-free period in 2013 was 1-2 months per lease length

User Guide to EMEA 2014

France



1. LEASE STRUCTURE

The basics

Standard lease document: Yes
Standard space delivery conditions: Warm shell (see Definitions on page 42)
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%²

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)²
Legal fees: 1-4%
VAT/GST on transaction fees: 20%²

² Note that there has been an increase in VAT from 19.6% in 2013

User Guide to EMEA 2014

Germany



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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%.³

Legal fees: 1-1.5%

VAT/GST on transaction fees: 19% (where parties opt to tax)

³ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 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 42)

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

User Guide to EMEA 2014

Hungary



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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.⁴

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%

⁴ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 2014

Ireland



1. LEASE STRUCTURE

The basics

Standard lease document: Yes

Standard space delivery conditions: Shell and core (see Definitions on page 42)

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.⁵

Legal fees: 1-2%

VAT/GST on transaction fees: 23%

⁵ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 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%⁶

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%⁶

Legal fees: 1%

VAT/GST on transaction fees: 18%⁶

⁶ Note that there has been an increase in VAT from 17% in 2013

User Guide to EMEA 2014

Italy



1. LEASE STRUCTURE

The basics

Standard lease document: Yes

Standard space delivery conditions: Category A (see Definitions on page 42)

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%⁷

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 duty⁸

VAT/GST: 22%

Legal fees: By agreement

VAT/GST on transaction fees: 22% where applicable

⁷ Note that there has been an increase in VAT from 21% in 2013

⁸ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 2014

Latvia



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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 applicable⁹

Legal fees: By agreement

VAT/GST on transaction fees: 21%

⁹ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 2014

Lithuania



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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%

User Guide to EMEA 2014

Luxembourg



1. LEASE STRUCTURE

The basics

Standard lease document: Yes
Standard space delivery conditions: Category A (see Definitions on page 42)
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%

User Guide to EMEA 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 42)
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%

User Guide to EMEA 2014

Netherlands



1. LEASE STRUCTURE

The basics

Standard lease document: Yes

Standard space delivery conditions: Warm Shell (see Definitions on page 42)

Standard fit-out costs: EUR 350 - 450 per sq m incl. project management (excl. furniture and ICT)

Rent guarantee period: 3 months¹⁰

Typical lease length: 5 years¹

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)

¹⁰ Note that the typical lease length in 2013 was 5-10 years

User Guide to EMEA 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 42)

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%

User Guide to EMEA 2014

Poland



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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 sale¹¹

Legal fees: By agreement

VAT/GST on transaction fees: 23%

¹¹ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 2014

Portugal



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 42)

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%

User Guide to EMEA 2014

Qatar



1. LEASE STRUCTURE

The basics

Standard lease document: No
Standard space delivery conditions: Shell and core (see Definitions on page 42)
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

User Guide to EMEA 2014

Romania



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 42)

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%

User Guide to EMEA 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 42)

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 purchased¹²

Legal fees: By agreement. Buyer and seller have their own legal counsel

VAT/GST on transaction fees: 18%

¹² See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 2014

Saudi Arabia



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Shell and core
(see Definitions on page 42)

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

User Guide to EMEA 2014

Slovakia



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Fully fitted (see Definitions on page 42)

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%

User Guide to EMEA 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 42)

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%

User Guide to EMEA 2014

Spain



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 42)

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%

User Guide to EMEA 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)

User Guide to EMEA 2014



Switzerland

1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Warm shell (see Definitions on page 42)

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.¹³

Legal fees: By agreement

VAT/GST on transaction fees: 8% where applicable

¹³ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 2014

Turkey



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Shell and core (see Definitions on page 42)

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%

User Guide to EMEA 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 42)

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

User Guide to EMEA 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 42)

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

User Guide to EMEA 2014

United Kingdom



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 42)

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.¹⁴

Legal fees: Paid separately by each party (varies by location and transaction size)

VAT/GST on transaction fees: 20%

¹⁴ See DTZ's *Investor Guide to Europe 2014* for more information

User Guide to EMEA 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 42)

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)

User Guide to EMEA 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.

User Guide to EMEA 2014

Other DTZ Research Reports

Other research reports can be downloaded from 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.

Foresight

Quarterly commentary, analysis and insight into our in-house data forecasts, including the DTZ Fair Value Index™.

Available for Global, Asia Pacific, Europe, UK and China. In addition we publish an annual outlook report.

Insight

Thematic, ad hoc, topical and thought leading reports on areas and issues of specific interest and relevance to real estate markets.

Deflation and Commercial Property – March 2014
Tokyo Retail Market 2014
Great Wall of Money – March 2014
German Open Ended Funds – March 2014
China Investment Market Sentiment Survey – January 2014
China The Technology Sector – January 2014
Czech Republic Green Buildings – December 2013
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.bruty@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.
- **Investment Transaction Database**
Aggregated overview of investment activity in Asia Pacific and Europe.
- **Money into Property**
DTZ's flagship research product for over 35 years providing capital markets data covering capital flows, size, structure, ownership, developments and trends, and findings of annual investor and lender intention surveys.

DTZ Research

DTZ Research Contacts

Global Head of Research

Hans Vrensen

Phone: +44 (0)20 3296 2159

Email: hans.vrensen@dtz.com

Head of Strategy Research

Nigel Almond

Phone: +44 (0)20 3296 2328

Email: nigel.almond@dtz.com

Head of CEMEA Research

Magali Marton

Phone: +33 1 49 64 49 54

Email: magali.marton@dtz.com

Head of UK Research

Richard Yorke

Phone: +44 (0)20 3296 2319

Email: richard.yorke@dtz.com

DTZ Business Contacts

Global Occupier Services

Steven Quick

Phone: +1 312 424 8182

Email: steven.quick@dtz.com

Global Occupier Services, EMEA

James Maddock

Phone: +44 (0)20 3296 3353

Email: james.maddock@dtz.com

We thank the following for their contribution to this year's report: Alhambra Property (Morocco), B Prime Property Advisors (Portugal), J+P Gewerbeimmobilien Beratungs GmbH (Austria) and Valeur SA (Greece)

DISCLAIMER

This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, DTZ can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced or referred to without prior approval. Any such reproduction should be credited to DTZ.

© DTZ May 2014

