

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 72 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

Table of content

Americas	4	EMEA	40
Argentina	5	Angola	41
Brazil	6	Austria	42
Canada	7	Bahrain	43
Chile	8	Belgium	44
Colombia	9	Croatia	45
Mexico	10	Czech Republic	46
United States		Denmark	47
Atlanta	11	Estonia	48
Boston	12	Finland	49
Chicago	13	France	50
Dallas	14	Germany	51
Houston	15	Greece	52
Los Angeles	16	Hungary	53
Miami	17	Ireland	54
New York City (Midtown)	18	Israel	55
New York City (Downtown)	19	Italy	56
Philadelphia	20	Latvia	57
San Francisco	21	Lithuania	58
Seattle	22	Luxembourg	59
Washington DC	23	Morocco	60
		Netherlands	61
Asia Pacific	24	Norway	62
Australia	25	Poland	63
Cambodia	26	Portugal	64
China	27	Qatar	65
Hong Kong	28	Romania	66
India	29	Russia	67
Indonesia	30	Saudi Arabia	68
Japan	31	Slovakia	69
Malaysia	32	South Africa	70
New Zealand	33	Spain	71
Philippines	34	Sweden	72
Singapore	35	Switzerland	73
South Korea	36	Turkey	74
Taiwan	37	UAE Abu Dhabi	75
Thailand	38	UAE Dubai	76
Vietnam	39	United Kingdom	77
		Ukraine	78
		Definitions	79

Global User Guide 2014

Americas

Argentina	5
Brazil	6
Canada	7
Chile	8
Colombia	9
Mexico	10
United States	
Atlanta	11
Boston	12
Chicago	13
Dallas	14
Houston	15
Los Angeles	16
Miami	17
New York City (Midtown)	18
New York City (Downtown)	19
Philadelphia	20
San Francisco	21
Seattle	22
Washington DC	23



Global User Guide 2014

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 length¹

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%

¹ 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 length²

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

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

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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 79)

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%

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Chile



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Shell & core (see Definitions on page 79)

Standard fit-out costs: 20 to 25 UF per sq m, equivalent to US\$850 - 1,060 per sq m³

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%

³ 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 79)

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

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Mexico



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Shell & core (See Definitions on page 79)

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

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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

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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 advisor

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

Global User Guide 2014

Asia Pacific

Australia	25
Cambodia	26
China	27
Hong Kong	28
India	29
Indonesia	30
Japan	31
Malaysia	32
New Zealand	33
Philippines	34
Singapore	35
South Korea	36
Taiwan	37
Thailand	38
Vietnam	39



Global User Guide 2014

Australia



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 79)

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 79)

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 79)

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

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

⁴ 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 79)

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%⁵

VAT/GST: None

Legal fees: By agreement

VAT/GST on transaction fees: None

⁵ 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 79)

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 79)

Standard fit-out costs: IDR 5,000,000 to 6,500,000 per sq m, depending on the quality of finishes⁶

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%

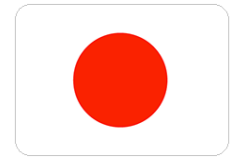
Legal fees: By agreement

VAT/GST on transaction fees: 10%

⁶ 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 79)

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 land⁷

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)

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

Global User Guide 2014

Malaysia



1. LEASE STRUCTURE

The basics

Standard lease document: No

Standard space delivery conditions: Category A (see Definitions on page 79)

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

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 79)

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

Rent guarantee period: 3-6 months gross rent (includes outgoing). 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 79)
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 79

Standard fit-out costs: SGD 70-130 per sq ft, depending on the quality of finishes⁸

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

⁸ 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 79)

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 79)

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 79)

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 79)

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

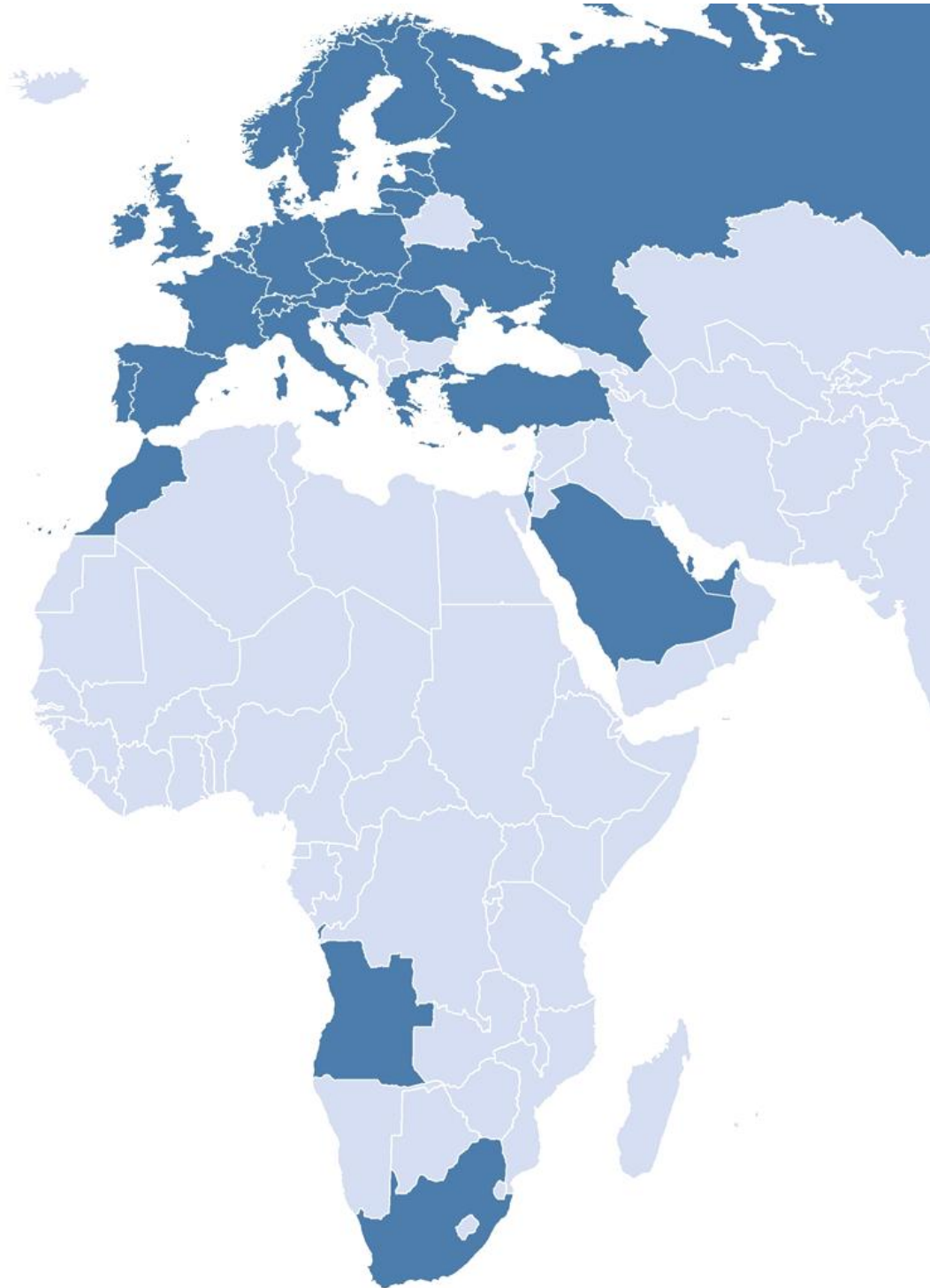
Legal fees: By agreement

VAT/GST on transaction fees: 10%

Global User Guide 2014

EMEA

Angola	41
Austria	42
Bahrain	43
Belgium	44
Croatia	45
Czech Republic	46
Denmark	47
Estonia	48
Finland	49
France	50
Germany	51
Greece	52
Hungary	53
Ireland	54
Israel	55
Italy	56
Latvia	57
Lithuania	58
Luxembourg	59
Morocco	60
Netherlands	61
Norway	62
Poland	63
Portugal	64
Qatar	65
Romania	66
Russia	67
Saudi Arabia	68
Slovakia	69
South Africa	70
Spain	71
Sweden	72
Switzerland	73
Turkey	74
United Arab Emirates	
Abu Dhabi	75
Dubai	76
United Kingdom	77
Ukraine	78



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 79)

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 79)

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 79)

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 79)

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%

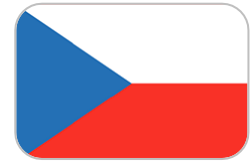
VAT/GST: Properties built after January 1, 1988 are subject to 25% VAT which is calculated on the costs of the built portion of the property and is usually absorbed by the seller in the price

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 79)

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 79)

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 79)

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 79)
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 length⁹
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).

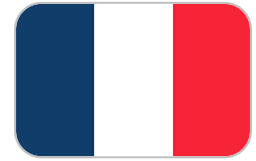
Purchaser transaction costs

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%

⁹ 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 79)
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%¹⁰

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%

¹⁰ 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 79)

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%.¹¹

Legal fees: 1-1.5%

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

¹¹ 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 79)

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 79)

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.¹²

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%

¹² 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 79)

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.¹³

Legal fees: 1-2%

VAT/GST on transaction fees: 23%

¹³ 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%¹⁴

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%

¹⁴ 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 79)

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%¹⁵

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 duty¹⁶

VAT/GST: 22%

Legal fees: By agreement

VAT/GST on transaction fees: 22% where applicable

¹⁵ Note that there has been an increase in VAT from 21% in 2013

¹⁶ 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 79)
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 applicable¹⁷
Legal fees: By agreement
VAT/GST on transaction fees: 21%

¹⁷ 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 79)

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 79)
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 79)
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 79)
Standard fit-out costs: EUR 350 - 450 per sq m incl. project management (excl. furniture and ICT)
Rent guarantee period: 3 months¹⁸
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)

¹⁸ 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 79)

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 79)

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 sale¹⁹

Legal fees: By agreement

VAT/GST on transaction fees: 23%

¹⁹ 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 79)
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 79)

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 79)

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 79)

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 purchased²⁰

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

VAT/GST on transaction fees: 18%

²⁰ 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 79)

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 79)

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 79)

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 79)

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 79)

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.²¹

Legal fees: By agreement

VAT/GST on transaction fees: 8% where applicable

²¹ 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 79)

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 79)

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 79)

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 79)

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.²²

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

VAT/GST on transaction fees: 20%

²² 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 79)

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)

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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.

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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™.

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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.
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- **Money into Property**
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