

INTERNATIONAL PROPERTY GUIDE 2011



A GUIDE TO BUSINESS PRACTICES & CUSTOMS IN 60 COUNTRIES

NAI Commercial

Commercial Real Estate Services, Worldwide.

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ACQUISITION COSTS

TENANT COSTS

TRANSFER
TAXAGENT'S
FEELEGAL
FEERESTRICTIONS
ON FOREIGN
OWNERSHIPAGENT'S
FEELEASE
LENGTH
(Years)RIGHT TO
RENEW

Asia Pacific

	TRANSFER TAX	AGENT'S FEE	LEGAL FEE	RESTRICTIONS ON FOREIGN OWNERSHIP	AGENT'S FEE	LEASE LENGTH (Years)	RIGHT TO RENEW
AUSTRALIA	5.5%	2.5%	0.5-1.0%	Yes	Up to 15.0% of first year's rent ^{PBL}	Indef/3-10	Varies
CHINA	1.5%	1.0-2.0% ^{1-2 Months}	Varies	Yes	1 mo rent ^{PBL}	2-3	Yes
HONG KONG	0.01-3.75%	1.0% ^{Both B/S}	Varies	No	1-2 mo rent ^{PBL}	2-6	No
INDIA	6.0-8.0%	2.0%	Varies	Yes	1-2 mo rent ^{PBT}	3-9	Yes
INDONESIA	5.0%	2.0-3.0%	Varies	Yes	3.0-5.0% total rent ^{PBL}	2-3	Yes
JAPAN	0%	2.0-3.0% ^{PBS/B}	Varies	Yes	1 mo rent ^{PBT}	2-5	Varies
KOREA	Varies(Seller)/4.6%(Buyer)	1.0-2.0%	Varies	No	0.5-1 mo rent ^{PBT & PBL}	1-2	Yes
MALAYSIA	1.0-3.0%	3.0%	1-0.4% Reducing Scale	No	1-1.25 mo rent ^{PBL}	tenancy 1-3 lease 4 & above	Yes
NEW ZEALAND	N/A	2.5-4.5%	Varies	Yes	2 mo rent ^{PBL}	2-6	Yes
PHILIPPINES	0.25-0.75 of 1%	2.0-5.0% ^{PBS}	Varies	No	1-1.5 mo rent ^{PBL}	3	Yes
SINGAPORE	3.0% minus \$5,400 ^{PBB}	1.0-2.0% ^{PBS/B}	Varies	No	1 mo rent ^{PBL}	2-3	Yes
TAIWAN	6.0% C Tax ^{PBB} / LI Tax ^{PBS}	0-1.0% ^{PBB} /1.0-3.0% ^{PBS}	Varies	Yes	0.5-1 mo rent ^{PBL}	3-5	Yes
THAILAND	2.0%	2.0-3.0%	Varies	Yes	1 mo rent ^{PBL}	3	Yes
VIETNAM	4.0%	1.0-3.0%	By Agreement	Yes	1 mo rent ^{PBL}	2-3	No

Europe, Middle East and Africa (EMEA)*

	TRANSFER TAX	AGENT'S FEE	LEGAL FEE	RESTRICTIONS ON FOREIGN OWNERSHIP	AGENT'S FEE	LEASE LENGTH (Years)	RIGHT TO RENEW
AUSTRIA	3.5%	3.0%	1.0%	Yes	2-3 mo rent	Indef/3-10	Negotiable
BELGIUM	12.5%/10% Flanders	3.0%**	0.5%	No	15.0%**	3/6/9	No
BULGARIA	2.0%	1.0-3.0%	1.0%	Yes	8.0-15%	5/10	No
CZECH REPUBLIC	3.0%	1.0-3.0%	By Agreement	Yes	10.0-15.0%	3-5	No
DENMARK	0.6%	1.0-3.0%	0.5%	No	15.0%**	3-10	Yes
ESTONIA	0.02-0.04%	1.0-3.0%	By Agreement	No	1-2 mo rent	3-10	Yes
FINLAND	1.6-4.0%	1.0-3.0%	By Agreement	No	1-2 mo rent	3-10	Yes
FRANCE	5.09%	1.0-4.0%	0.9-1.5%	No	15.0-30.0%	3/6/9	Yes
GERMANY	3.5-4.5%	1.0-6.0%	1.5%	No	2-6 mo rent	5-10	No
GREECE	11.0%	2.0 - +2.0%	0.5-1.0%	No EEC/Yes	1-2 mo rent	12	Yes
HUNGARY	2.0-10.0%	1.0-3.0%	By Agreement	No	8.0-17.0%**	2-5	Yes
ICELAND	0.4%	1.5-3.0%	By Agreement	No EEC/Yes	8.0-17.0%**	3-20	No
IRELAND	9.0%	1.0%	0.5%	No	7.5-10.0%	Up to 25	Yes
ISRAEL	4.5-5.0%	1.5-2.0%	1.0%	No	8.0%	3-8	Yes
ITALY	4.0%/2.0% REITs	1.5-3.0%	1.0%	No	10.0-12.0%	6 + 6	Yes
KAZAKHSTAN	N/A	2.0-4.0%	By Agreement	No	10.0%	1-5	Yes
LATVIA	2.0% (but limited to 42,000 EUR)	1.0-3.0%	By Agreement	No	1-2 mo rent	3-10	Yes
LITHUANIA	N/A	1.0-3.0%	By Agreement	No	1-2 mo rent	3-10	Yes
NETHERLANDS	6.0%	1.25-2.0%	0.25-0.5%	No	14.0-16.0%	5-10	Yes
NORWAY	2.5%	1.0-3.0%	0.5%	No	10.0-15.0%	5-10	Negotiable
POLAND	2.0%	1.0-4.0%	By Agreement	Yes	8.0-15.0%	3-7; 10 max.	Yes
PORTUGAL	6.5%	3.0-5.0%**	1.0-2.0%	Yes	8.5-15.0%**	5	No
ROMANIA	1.0-3.0%	3.0%	By Agreement	Yes	12.5%	3-10	No
RUSSIA	Nominal	1.0-3.0%	By Agreement	Yes	8.0-10.0%	3-5	No
SERBIA	0.3-2.5%	1.0-3.0%	By Agreement	No	10.0-15.0%	3-7	Yes
SOUTH AFRICA	1.0-3.5%	2.0-6.0%	1.0-2.0%	No	1.0-5.0%	3-10	Negotiable
SPAIN	7.0% or 16.0% VAT	2.0-5.0%	By Agreement	No	10.0-15.0%	1-25	Yes
SWEDEN	4.25%	1.0-4.0%	By Agreement	No	8.0-12.0%**	3-5	Yes
SWITZERLAND	1.0-3.0%†	2.0-4.0%	By Agreement	No	10.0-15.0%	5-10	Yes
TURKEY	1.0%	1.0-3.0%	By Agreement	Yes	8.0-12.0%	1-5	No
UKRAINE	2.0%	2.0-5.0%	By Agreement	No	8.0-10.0%	1-5	Yes
UNITED KINGDOM	4.0% over £500,000	1.0%	0.5%	No	7.5-10.0%	Up to 25	Yes

Latin America and the Caribbean

	TRANSFER TAX	AGENT'S FEE	LEGAL FEE	RESTRICTIONS ON FOREIGN OWNERSHIP	AGENT'S FEE	LEASE LENGTH (Years)	RIGHT TO RENEW
ARGENTINA	2.5%	5.0% ^{50/50}	By Agreement	No	5.0% - tenant pays	3/5/7/10	Not Guaranteed
BAHAMAS	2.0-10.0%	6.0-10.0%	By Agreement	Yes	10.0%	3/5/10	Negotiable
BRAZIL	Up to 5.0%	5.0 - 7.0%	5.0%	No	Negotiable 1-3 months rent ^{PBL}	3	Negotiable
CHILE	No	4.0% ^{50/50}	Varies	No	4% - tenant pays 2% and landlord pays 2%	3/5/10	Negotiable
COLOMBIA	2.0%	4.0%	By Agreement	No	4% - 5% - tenant and landlord pay	3/5/10	Negotiable
COSTA RICA	3.0%	5.0%	1.5%	No	4% - 5% - tenant and landlord pay	3/5/10	Yes
PANAMA	2.0-3.0% ^{Capital Gains Tax}	3.0-5.0%	Varies	No	2% - 5% landlord pays	1/3/5	Yes
PERU	3.0%	5.0% ^{50/50}	By Agreement	No	4% - 5% - tenant and landlord pay	3/5/10	Negotiable
PUERTO RICO	0%	5.0%	0.5-1.0%	No	5.0%	3/5/10	Negotiable
URUGUAY	2.0%	5.0% ^{50/50}	By Agreement	No	4% - 5% - tenant and landlord pay	3/5/7/10	Negotiable
VENEZUELA	1.0%	5.0%	0.5%	Yes	4% - tenant and landlord pay	3/5/10	Yes

North America

	TRANSFER TAX	AGENT'S FEE	LEGAL FEE	RESTRICTIONS ON FOREIGN OWNERSHIP	AGENT'S FEE	LEASE LENGTH (Years)	RIGHT TO RENEW
USA	Varies By State	1.0-6.0%**	By Agreement	No	4.0-6.0%** Per Annum of Lease	3-5	Negotiable
CANADA	Varies By Province	1.5-4.0%*	By Agreement	No	3.5-5.0%*	1/3/5	Negotiable
MEXICO	2.0%	5.0%	By Agreement	Yes	5.0% ^{PBL}	3-10	Negotiable
NAFTA CORRIDOR	2.0%	5.0%	By Agreement	Yes	5.0% ^{PBL}	1-15	Negotiable

LANDLORD & TENANT

PAID IN
ADVANCE

GUARANTEE
(Months)

VAT

RENT REVIEW
Period Basis

INDEXATION
Period Basis

Asia Pacific

	PAID IN ADVANCE	GUARANTEE (Months)	VAT	RENT REVIEW Period	RENT REVIEW Basis	INDEXATION Period	INDEXATION Basis
AUSTRALIA	Monthly	3-6	10.0%	Varies	Varies	Annual	COL
CHINA	Monthly/Quarterly	3	17.0%	Expiry	Market	N/A	N/A
HONG KONG	Monthly	2-3	None	2-3 years	Market	N/A	N/A
INDIA	Monthly	3-10	12.5%	3 years	Market	N/A	N/A
INDONESIA	Quarterly	3	10.0%	1-3 years	Market	N/A	N/A
JAPAN	Monthly	8-12	5.0% Sales Tax	6 mo prior to lease exp.	Varies	N/A	N/A
KOREA	Monthly	Varies	10.0%	1-3 years	Market	N/A	N/A
MALAYSIA	Monthly	2-3	10.0% Sales Tax	1-3 years	Market	N/A	N/A
NEW ZEALAND	Monthly	Varies	15.0% GST	2-3 years	Market	N/A	N/A
PHILIPPINES	Monthly	2-4	10.0%	3 years	Market	N/A	N/A
SINGAPORE	Monthly	2-3	7.0%	2-3 years	Market	N/A	N/A
TAIWAN	Mthly/Qtrly	3-6	5.0%	2-3 years	Market	Annual	CPI
THAILAND	Monthly	3-6	7.0%	3 years	Market	N/A	N/A
VIETNAM	Mthly/Qtrly	1-3	10.0%	N/A	N/A	N/A	N/A

Europe, Middle East and Africa (EMEA)

AUSTRIA	Monthly	3-6	20.0%	Varies	Varies	Annual	CPI
BELGIUM	Quarterly	6	21.0% N/A on Leases	3/9 years ^{††}	Market	Annual	COL
BULGARIA	Monthly	3	20.0%	Expiry	Market	Annual	Eurostat Index
CZECH REPUBLIC	Quarterly	3	20.0%	N/A	N/A	Annual	Eurostat Index
DENMARK	Mthly/Qtrly	6	25.0%	4 years	Market	Annual	COL
ESTONIA	Monthly	3	20.0%	Varies	Market	Annual	CPI
FINLAND	Monthly	3-6	23.0%	3-5 years	Market	Annual	COL
FRANCE	Quarterly	3	19.6%	Expiry	Market	3 Times/Year or Annual	Construction Cost
GERMANY	Monthly	3	19.0%	Varies	CPI	Annual	CPI
GREECE	Monthly	2-3	23.0%	Expiry	Market	Annual	Eurostat Index
HUNGARY	Monthly	3	25.0%	N/A	N/A	Annual	Eurostat Index
ICELAND	Monthly	3-6	25.5%	N/A	N/A	Monthly	CPI
IRELAND	Quarterly	3-18	21.0%	5 years	Market ^{Upwards Only}	N/A	N/A
ISRAEL	Quarterly	3-9	16.0%	5 years	Plus 5.0%	Annual	COL
ITALY	Mthly/Qtrly	3	20.0%	N/A	N/A	Annual	75% of COL
KAZAKHSTAN	Quarterly	3	12.0%	Varies	Varies	Annual	N/A
LATVIA	Monthly	3	22.0%	Varies	Market	Annual	CPI
LITHUANIA	Monthly	3	21.0%	Varies	Market	Annual	CPI
NETHERLANDS	Quarterly	3	19.0%	5-10 years	Market	Annual	COL
NORWAY	Quarterly	3-12	25.0%	5 years	Market	Annual	CPI
POLAND	Monthly	3-6	23.0%	N/A	N/A	Annual	CPI
PORTUGAL	Monthly	1	23.0%	N/A	N/A	Annual	75% of COL
ROMANIA	Monthly	3	24.0%	N/A	N/A	Annual	Eurostat Index
RUSSIA	Quarterly	3	18.0%	6 months-1 year	Varies	N/A	Varies
SERBIA	Monthly	3	18.0%	3-5 years	Market	Annual	MUICP
SOUTH AFRICA	Monthly	1-6	14.0%	5 years	Market	N/A	N/A
SPAIN	Monthly	2	18.0%	Negotiable	Market	Annual	COL (ipc)
SWEDEN	Quarterly	6-12	25.0%	3-5 years	Market	Annual	CPI
SWITZERLAND	Mthly/Qtrly	3-6	7.6% ^{Rarely Charged}	N/A	N/A	Annual	COL
TURKEY	Mthly/Qtrly	3	18.0%	N/A	N/A	Annual	CPI
UKRAINE	Mthly/Qtrly	1-3	20.0%	N/A	N/A	N/A	N/A
UNITED KINGDOM	Quarterly	3-18	20.0%	5 years	Market ^{Upwards Only}	N/A	N/A

Latin America and the Caribbean

ARGENTINA	Monthly	1-2	21.0%	2-3 years	CPI	Annual	CPI
BAHAMAS	Mthly/Qtrly	1-2	None	Varies	Market	N/A	N/A
BRAZIL	Monthly	Negotiable	25.0% Income Tax	End of Term	Market	Annual	CPI
CHILE	Monthly	1	19.0%	End of Term	Market	Annual	CPI
COLOMBIA	Monthly	2	16.0%	End of Term	Market	Annual	CPI
COSTA RICA	Monthly	1	13.0%	End of Term	Market	Annual	CPI
PANAMA	Monthly	1	7.0%	End of Term	Market	Annual	CPI
PERU	Monthly	1-2	19.0%	End of Term	Market	Annual	CPI
PUERTO RICO	Monthly	1-2 or surety bond	None	End of Term	Market	Annual	CPI
URUGUAY	Monthly	1-2	21.0%	End of Term	Market	Annual	CPI
VENEZUELA	Monthly	Yes	12.0%	End of Term	Market	Annual	CPI

North America

USA	Monthly	1	N/A	N/A	Market	Annual	CPI or spec amt
CANADA	Monthly	Varies	5.0% •	End of Term	Market	Annual	CPI or spec amt
MEXICO	Monthly	2	11.0-16.0%	Annual	CPI	Annual	CPI
NAFTA CORRIDOR	Monthly	1-2	15.0%	Annual	CPI	Annual	CPI

LANDLORD & TENANT

REPAIRS & MAINTENANCE
Landlord Tenant

INSURANCE
TENANT PAYS

Asia Pacific

	REPAIRS & MAINTENANCE Landlord	Tenant	INSURANCE TENANT PAYS
AUSTRALIA	Structural	Maintenance	Yes
CHINA	Structural	Inside Maintenance	Yes
HONG KONG	Structural	Maintenance	Yes
INDIA	Structural	Maintenance	Landlord Mostly/Tenant Rarely
INDONESIA	Structural & CA	Inside Premises	Building PBL/Premises PBL
JAPAN	Repairs	Inside Maintenance	Varies
KOREA	Structural & CA	Inside Premises	Building PBL/Inside Premises PBT
MALAYSIA	Structural	Maintenance	Building PBL/Inside Premises PBT
NEW ZEALAND	Structural	Maintenance	Yes
PHILIPPINES	Structural	Maintenance	No
SINGAPORE	Structural & CA	Inside Maintenance	Yes
TAIWAN	Structural	Maintenance	No
THAILAND	Structural	Maintenance	Yes
VIETNAM	Structural	Maintenance	Varies

Europe, Middle East and Africa (EMEA)

	REPAIRS & MAINTENANCE Landlord	Tenant	INSURANCE TENANT PAYS
AUSTRIA	Structural	Maintenance	Yes
BELGIUM	Structural	Maintenance	Yes
BULGARIA	Structural	Maintenance	Yes
CZECH REPUBLIC	Structural	Maintenance	Yes
DENMARK	Structural	Maintenance	Varies
ESTONIA	Structural	Maintenance	Varies
FINLAND	Repairs	Maintenance	No
FRANCE	Structural	Maintenance	Yes
GERMANY	Structural	Maintenance	Varies
GREECE	Structural	Maintenance	Varies
HUNGARY	Structural	Maintenance	Yes
ICELAND	Outside Maintenance	Inside Maintenance	Yes
IRELAND	Minimal	All Repairs	Yes
ISRAEL	Structural	Maintenance	Yes
ITALY	Structural	Maintenance	Yes
KAZAKHSTAN	Structural	Maintenance	Varies
LATVIA	Structural	Maintenance	Varies
LITHUANIA	Structural	Maintenance	Varies
NETHERLANDS	Outside Maintenance	Inside Maintenance	Varies
NORWAY	Structural	Maintenance	No
POLAND	Structural	Maintenance	Yes
PORTUGAL	Structural	Maintenance	Varies
ROMANIA	Structural	Maintenance	Yes
RUSSIA	Structural	Maintenance	Varies
SERBIA	Structural	Maintenance	Yes
SOUTH AFRICA	Structural	Maintenance	Varies
SPAIN	Structural	Maintenance	Varies
SWEDEN	Structural	Maintenance	No
SWITZERLAND	Structural	Maintenance	Varies
TURKEY	Structural	Maintenance	No
UKRAINE	Structural	Maintenance	Varies
UNITED KINGDOM	Minimal	All Repairs	Yes

Latin America and the Caribbean

	REPAIRS & MAINTENANCE Landlord	Tenant	INSURANCE TENANT PAYS
ARGENTINA	Structural	Premises	Yes
BAHAMAS	Structural	Premises	Yes
BRAZIL	Improvements	Maintenance	Yes
CHILE	Structural	Premises	No
COLOMBIA	Structural	Maintenance	Yes
COSTA RICA	Structural/Major	Maintenance	Negotiable
PANAMA	Structural/Major	Inside	Yes
PERU	Structural	Premises	Yes
PUERTO RICO	Structural	Premises	Yes
URUGUAY	Structural	Premises	Yes
VENEZUELA	Structural	Minimal	Yes

North America

	REPAIRS & MAINTENANCE Landlord	Tenant	INSURANCE TENANT PAYS
USA	Varies	Varies	Yes
CANADA	Structural	Maintenance	Yes
MEXICO	Structural/Hidden Defects	Maintenance	Yes
NAFTA CORRIDOR	Structural	Premises	Yes

International Property Guide 2011

LEGEND

Asia Pacific

CA	Common Area
C Tax	Contract Tax
LI Tax	Land Increment Tax
PBB	Paid By Buyer
PBL	Paid By Landlord
PBS	Paid By Seller
PBS/B	Paid By Seller/Buyer
PBT	Paid By Tenant
COL	Cost of Living

Europe, Middle East and Africa (EMEA)

*	Agent's Fees in EMEA are generally shown as a percentage of the first year's rent
**	Usually paid by vendor or lessor
†	Costs in Switzerland vary significantly by Canton
††	3 years for office and industrial 9 years for retail/shops
COL	Cost of Living
CPI	Consumer Price Index

Latin America and the Caribbean

50/50	Split fee 50/50
PBL	Paid By Landlord
CPI	Consumer Price Index

North America

*	Agent's Fees in Canada are generally shown as a percentage of the first year's rent
**	Usually paid by vendor or lessor
•	Canadian VAT rate is 5% Federal GST plus local Province Sales Tax (PST) or Harmonised Sales Tax (HST)
CPI	Consumer Price Index

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