

General guidelines for

# renting offices and premises

**BUSINESS LOCATION SERVICE** 



Ajuntament de **Barcelona** 



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# 1. Introduction

### **Business Support Office**

Barcelona Activa's **<u>Business Support Office</u>** (OAE in Catalan) is Barcelona City Council's reference point for the city's companies and SMEs. It offers support for improving business competitiveness and therefore has a permanent portfolio of added-value services and an expert team providing comprehensive assistance for companies, according to their needs. The OAE's portfolio of business services includes the **Business Location Service**.

### **Business Location Service**

The Business Location Service aims to **provide advice on finding spaces for businesses** in Barcelona, in order to begin a new activity, or to expand or transfer an existing one. The service provides information about the most suitable business spaces, according to the specific needs of each project (offices, coworking areas, incubation spaces, industrial or logistic buildings, land for economic activities, etc.) as well as producing personalised visiting schedules.

If you are looking for space for your business, please contact the **Business Location Service**.

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### About this guide

The purpose of this guide is to facilitate **general guidelines for companies that wish to rent offices or real estate in Barcelona city**. The guide introduces the **main concepts associated with rental contracts**, such as the length of the contract, rent, deferrals and discounts, deposit, property transfer and subletting, construction and repair work and contract termination, among others.

To begin with, it is important to note that **this guide is intended for guidance only**. This is because, unlike rental contracts for housing properties, in the case of offices or premises designated for economic activities **the agreement between the parties takes precedent over what is established in the Urban Rentals Act**. In other words, the final conditions agreed between the tenant (renter) and the landlord (owner) will depend on the outcome of the negotiation between them and the state of the market for offices and business premises at any given moment.



#### If you are an international company looking to set up your business in Barcelona, please contact first the <u>Business Landing Service</u>

The Business Landing is a comprehensive and free one-stop-shop support service of the Business Support Office to accompany the Barcelona-based investment projects.

The aim of the service is to provide smooth landings for business setup processes, including business incorporation, business location and search of talent, among other practical services.



# Setting up a business in Barcelona



Barcelona is a **dense and compact** city, with buildings used for many different purposes (housing, offices, retail, and leisure).

It covers a municipal area of 100 km2 and borders twelve other municipalities, forming a continuous urban area with some of them. The Barcelona metropolitan area comprises 36 municipalities, including Barcelona itself, and spans an area of 636 km2.

In recent years, Barcelona's office market has seen both an increase in the supply from **"flex" market operators** (co-working spaces and offices offering flexible solutions for businesses), and a **growing demand for the construction of sustainable buildings** (energy savings, emissions control, less polluting materials, etc.).

### City Centre (CC) Area

Home to most of the city's offices and retail spaces. These are mainly mixed-use buildings (residential and office spaces), although in recent years, entire buildings have been refurbished and converted into co-working centres.

This area also includes the **Prime Zone (CBD)**, with higher rents, which is primarily located along Passeig de Gràcia and its intersection with Avinguda Diagonal.

### New Business Areas (NBAs)

- **22@ District:** an area with an industrial past, it is now home to most of the city's technology companies. It consists of buildings solely for use as offices (without residential units), most of them large and constructed recently, although there are also offices in converted industrial buildings.
- Plaza Europa: this is a new area that stretches from Plaça Cerdà, within the municipality of Barcelona, to the Fira Gran Via trade fair venue, in the municipality of L'Hospitalet de Llobregat. It features large buildings solely for use as offices (without residential units), ideally located for businesses that need easy access to the airport and/or Fira de Barcelona.

# Office and retail spaces in Barcelona.

Barcelona Sants railway station



# NEW BUSINESS Areas

Barcelona-El Prat Airport Port of Barcelona

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PASSEIG De gràcia

HISTORIC CENTRE Sagrera railway station

# NEW BUSINESS AREAS

### 2.1 Business licences and land-use plans

Business activity in Barcelona is currently regulated through various instruments, such as the Municipal Activity Bylaw, land-use plans and the Special Urban Development Plan for Tourist Accommodation.

#### **Business licenses**

In Barcelona, the vast majority of business activities are currently regulated under the **notification system**, which allows businesses to start operations by submitting the corresponding **notification** to Barcelona City Council.

Before starting a business activity, **it is necessary to make a <u>previous</u>** <u>consultation</u> if the activity is compatible with the specific site and, if so, which notification rules apply.

The start-of-operations notification must be accompanied by a technical certificate and, depending on the specific business activity, other documentation such as a technical plan or certification from an Environmental Control Authority (EAC). This is the case for premises with a large surface area or activities involving the general public (restaurants, leisure, etc.).

Applying for an **environmental licence** is only necessary for industrial or waste treatment businesses.

### Land-use plans

Barcelona has embraced a sustainable city model that makes urban diversity compatible with the spaces used in different ways (for business, housing, culture, etc.). Land-use plans are urban development instruments that regulate the introduction of certain business activities in an area (districts, neighbourhoods or specific locations). They aim to achieve a balance between various urban uses and mitigate any negative impacts that these uses may have on the area and the quality of people's lives.

These tools **regulate which new business licences can be granted and under what conditions**, mainly in regard to commercial **establishments or those open to the general public** (shows, cultural and sports



activities, restaurants, etc.). In recent years, land-use plans have been approved in various districts and areas in Barcelona, such as Gràcia, Poble-sec, Ciutat Vella, Sants i Hostafrancs, Paral·lel, Gran de Sant Andreu, Eixample, Sant Martí and the 22@ district.

Lastly, plans have also been approved for thematic uses that are applied to specific businesses, such as the sale of souvenirs, gambling or the installation of petrol stations and charging facilities.

### Special Urban Development Plan for Tourist Accommodation (PEUAT in Catalan)

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The PEUAT regulates the creation of **tourist accommodation** establishments, youth hostels, tourist flats, shared flats and group residences for temporary accommodation in the city. This plan aims to ease the strain of tourism on certain parts of the city.

For information about the permits needed to start a business activity in Barcelona, as well as existing land-use plans, you can request an appointment with the <u>Municipal Information and</u> <u>Procedures Service.</u>

### 2.2 District 22@

The 22@ is Barcelona's technology and innovation district. It is located in the Poblenou neighbourhood in the district of Sant Martí.

It has 1,000,000 m<sup>2</sup> for business activity and it is home to a large number of stakeholders in the technology and entrepreneurial ecosystem, from start-up incubators and accelerators to universities, research centres, business associations and large companies.

The district is divided into two main areas on either side of Avenida Diagonal: 22@South, practically consolidated in terms of urban development, and 22@North, still under development, with a massive potential for economic activities.

> 22@, the innovation district



In 2022, Barcelona City Council approved its **new urban reorganisation plan**, which aims to culminate the development of this large area of the city. Part of this plan involves the development of **unique projects to boost strategic economic sectors**, such as the creative industries, through the conversion of iconic industrial sites in the district.

The <u>22@ One Stop Service</u> is a Barcelona City Council initiative which aims to introduce a single reference point for both companies and private individuals in regard to 22@ business and urban-development procedures.

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# 3. Rental contract for offices and premises



Act 29/1994, of 24 November, concerning Urban Rentals (LAU in Spanish), is the principal law regulating rental matters in Spain and it distinguishes between two different aspects: rental housing and rentals for uses other than housing.

Contracts for uses other than housing are considered to be those that concern a building but do not involve the tenant residing in that property. They are used for undertaking an activity that may be industrial, commercial or professional in nature.

In regard to this type of business premises or office rental, the LAU opts for the **free negotiation of all elements of the contract by the parties involved**. For that reason, it will be necessary for the interested parties to agree on those issues they consider convenient and, only in the absence of agreement, shall the legal provisions established in Part III of the Urban Rentals Act be applied, or ultimately, the provisions established in the Spanish Civil Code.

Although the Act allows for verbal contracts, either of the parties may oblige the other to sign a **written contract**, which is, in any event, **the most recommendable form**.





In a rental contract for business premises or offices, at least two mandatory parties always intervene, namely, the **owner or landlord** and the **tenant or renter**.

- The owner (landlord): is the person or company that owns the premises, and consequently the party offering the premises or office to the other party. The owner may act on their own behalf or through a third party that represents them.
- The tenant (renter): is the person or company interested in the premises and they are the one that rents and pays for its use and benefit.

In addition, a third party may intervene in the contract:

• The guarantor: the owner of the premises may request a guarantor. In a rental contract for uses other than housing, the guarantor is the person who undertakes, with the owner, to comply with the tenant's obligations in the event that the tenant does not do so. The guarantor is therefore responsible to the owner for any non-compliance with the tenant's obligations, in regard to their money and assets.

# **5.** Reservation: before signing the contract



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## 5.1 Purpose of the reservation

If the tenant is interested in insuring the property before formalising the rental contract, an agreement may be reached with the owner to reserve the desired office or premises in order to block any marketing of the premises and stop other interested parties from bidding on it, allowing the tenant enough time to **process the licences needed for their activity.** 

A reservation is more common for renting premises than for offices, where the parties proceed directly to signing the contract.

### 5.2 Amount and duration

A reservation **usually involves the payment of an amount of money as a deposit**, which may vary, but in general corresponds to one month's rent or a symbolic amount.

It is normal practice to establish a period of **one or two months for the reservation contract.** 

### 5.3 Free negotiation

This reservation contract is not regulated by law, so the parties are able to negotiate and agree on it according to their interests. However, in the absence of an agreement, the reservation shall equal the deposit known as "withdrawal surety", according to which:

- If the rental contract is not signed because of causes attributable to the **tenant**, (for example, if they find a more suitable property) that party shall lose the deposited amount.
- If the contract is not signed because of causes attributable to the property, the **owner**, that party must return double the deposited amount, in accordance with Article 1454 of the Spanish Civil Code.

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Depending on the activity, it may be advisable for the owner company to include a sunset clause, conditional on the activity licence not being approved. In that regard, there are certain activities that require a specific licence, such as:

- bars and restaurants
- schools and driving schools
- hostels, hotels and tourist apartments
- medical clinics, medical centres and veterinary centres
- sports centres and gyms



To obtain information about the permits needed to initiate an economic activity in Barcelona city, you can request an appointment at the <u>Municipal Information and Procedures</u> <u>Service.</u>

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# 5.4 Concepts that must figure in the reservation

As a minimum, the following concepts must appear in the reservation contract:

- The intervening parties and their identification.
- The location of the premises and their cadastral reference.
- The activity to be undertaken in the premises.
- The duration of the contract (period of mandatory compliance for the tenant).
- Period of mandatory compliance for the owner.
- Advance notice of withdrawing from the rental.
- Duration of the reservation.
- Deferral period and discounts.
- Rents and additional expenses.
- VAT and income tax (IRPF in Spanish)
- Revision of the rent (it is important to indicate date).
- Agency fees (if there was an intermediary)
- Amount of the deposit.
- Sunset clause (advisable in the case of properties intended for businesses activities that require a licence)

## 5.5 First draft of the contract

Before making the down-payment for reserving the premises, it is a good idea for the interested client to have a first draft of the contract, in order to study the contract clauses they will be subject to. However, this is often not possible, as some landlords want the premises to be reserved before the first draft of the contract is created.

# 6. Contract content



The rental contract should include the following sections:

• **The parties**: the section listing information about the parties signing the contract; specifying first names and surname(s), ID number, address and, if acting in the name and on behalf of a company, the company's data and their position in that company.

- The rental item: detailing the location of the premises/office that is being rented and its cadastral reference.
- The activity: the activity the rented premises or office will be used for must be specified. For this point, it is important to take into account that the level of precision and detail in regard to the activity may later condition the possibilities of changing activity or transferring or subletting the premises (see Section 7.9 of this report).

Another aspect that must be considered concerns those economic activities that require a prior activity licence. Normally, the owner requires an activity licence to be presented for the signing of the contract, or for the contract to include a clause establishing that the owner (landlord) shall be exempt from any responsibility if the tenant (renter) is finally unable to obtain an activity licence.

To obtain information about the permits needed to initiate an economic activity in Barcelona city, refer to <u>Section 2.1</u> of this guide.

- Pacts and agreements: can be freely agreed between the parties, and therefore any agreement reached by the owner and the tenant may be included in the contract. This includes the case of transfer or subletting (which generally requires the permission of the owner). Even so, there are a series of stipulations that must always be established, including: the duration of the contract, the rent and the amount of the deposit (the most common clauses are detailed in Chapter 7).
- The Energy Efficiency Certificate (EEC): on signing the contract, the owner must submit a copy of the EEC or the submitted application to the renter. This document certifies the energy efficiency of the premises but does not affect the awarding of the activity licence.
- The place and date: the place and date on which the contract is signed must be established, and all the pages of the contract must be signed by the parties.

# 7. Elements of the contract



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As stated in Chapter 6 of this guide, the clauses of the contract are freely agreed upon by the parties, although there are certain elements that must be included in the contract: the **duration**, the **rent** and the amount of the **deposit**. This chapter also explains other common clauses, such as those related to grace periods and discounts, works and repairs, as well as transfers and subletting, among others.

### 7.1 Contract period

Unlike rental contracts for housing, **the Urban Rentals Act does not** establish a minimum or maximum contract duration for renting business premises or an office, so this must be agreed between the parties.

If the parties do not agree on the duration, the contract period shall be the same as the periodicity for payment of the rent. Therefore, it is understood that the duration will be in years when an annual rent has been set, in months when it is monthly rent and in days when it is daily, in accordance with Article 1581 of the Spanish Civil Code.

The agreed rental period for business premises or offices is normally between 5 and 10 years. If the company needs to make a high initial investment, it is possible to negotiate a longer period, which may even be as long as 25 years.

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It is important to agree on the period for fulfilling the contract, but it is also **recommendable to include a clause that makes it possible to terminate it early** if the results are not as expected. The tenant may then inform the owner in advance (normally 30, 60 or 90 days) in order to terminate the rental agreement without this constituting a breach of contract.

Lastly, if neither of the parties have communicated their wish to renew the contract by the expiry date, the contract is terminated automatically.

## 7.2 Rent

The amount to be paid by the tenant in rent shall be freely agreed between the parties, without any legal conditions in that regard.

**Normally, the rent is established as monthly payments,** and it varies according to the location, size, characteristics and type of premises:

TYPOLOGY	PRICE FACTORS	OBSERVATIONS LINKED TO PRICE LEVELS
Office	Euros/m2/ monthly rent of the premises + Community expenses for the building (fixed/month)	<ul> <li>Office rentals are usually more uniform in terms of price per square metre than it is for commercial premises.</li> <li>Even so, in Barcelona, office rental prices vary considerably according to the location, the type of business and how old or modern the space may be.</li> <li>It should also be taken into account that buildings that are used exclusively for offices have higher additional community costs than buildings with mixed uses.</li> </ul>
Commercial premises	Euros/m2/ monthly rent of the premises + The building's community expenses could be added	There are more intervening factors for defining a rent, including location, facade, height of the ceiling, surface area, layout and characteristics.

Before formalising an offer, a **property valuation** may be requested from a consultant, in order to check that it falls within market parameters. The consultant carries out a comparative study of the price and availability of similar properties in the area, and analyses market indicators. It is sometimes possible to agree a variable rent, divided into one fixed part and another based on the turnover of the business, especially for renting commercial premises in shopping centres.

### Community expenditure (concierge, cleaning, lifts, etc.)

These expenses are normally included in the rent, especially in the case of offices, as the tenant benefits from the services and the state of the building.

In the case of premises without any access to communal areas, according to the law, if nothing is agreed in this regard it is not included (Article 20 LAU), although it is always advisable to state this in the contract.

### Property tax (IBI)

This is a tax on the ownership of the property and not the use of the premises. In general, whether the IBI is included or not in the rent will depend on the negotiation between the parties.

### **Rubbish Collection Charge**

If this tax is not included in the IBI, the parties shall agree on who is responsible for the payment. It is normally agreed that the tenant pays, as they generate the rubbish.

# 7.3 Rent revisions

The rent revision can be agreed for contracts with a duration of over one year and it consists of increasing the rent in accordance with the Consumer Price Index (IPC in Catalan).

The revision is once a year, coinciding with the calendar year, from the year the contract comes into force.

For **contracts with a duration of over 5 years**, the owner may agree an additional revision, such as:

- **Revision to market prices:** this is an open revision where the price is stipulated according to the market. This price may be advised by the Property Administrators Association or by a property expert, or agreed by the parties in accordance with the criteria they freely decide to employ.
- **Revision of an additional percentage:** In many cases, in order to avoid the uncertainty of market revisions, a fixed percentage increase is set (this is the most recommendable option).



## 7.4 Invoice, VAT and retention

#### Invoice

The owner is obliged to provide the tenant with the invoice (receipt) proving payment, which should contain the various concepts that make up the total payment. If this is not done, a way of proving payment must be found (bank cash deposits, transfer receipts, consignments, etc.).

# The receipt, which will serve as an invoice, must obligatorily contain the following elements:

- the first name and surname(s) or corporate name of the parties
- addresses of the parties
- NIF (tax identification number) of the parties
- concept: rental amount
- address of the rented premises
- invoice number and series
- amount charged for VAT

### Value Added Tax

The income from a rental contract for a use other than housing is always subject to Value Added Tax (VAT). The tax rate is 21%. In each monthly invoice, the owner must charge the amount corresponding to this tax.

#### Tax retention

Furthermore, **tenants who are trading companies or civil-society organisations, individual business owners or professionals** must retain 19% of the income and other assimilated amounts (except VAT) and deposit the total amount of that retention with the Spanish Tax Authority.

- If the owner is a natural person: the retention must be paid as part of their income tax (IRPF in Spanish).
- If the owner is a legal person (company): the retention must be paid as part of Corporate Tax.

Tenants who apply this retention must present standard forms 115 and 180 to the Spanish Tax Agency and provide the owner with an annual certificate for the deposits made, before the start of the voluntary period for presenting income tax or corporate tax returns.

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#### Circumstances where the party is exempt from tax retention

- When it is housing rented by companies for their employees.
- When the rent paid by the tenant (renter) to a sole landlord (owner) is not above €900 a year.Epígraf 861.1. Lloguer d'habitatges.
- When the landlord (owner)'s activity is subject to one of the Group 861 sections established for Business Tax (IAE) and the total value of the premises involved in the rental activity is above €601,012.10.
  - -Section 861.1. Housing rental.

-Section 861.2. Rental of industrial premises and other NCOP rentals (business activities that are not specifically defined in other sections on business activities).

For these three circumstances, it is necessary to provide supporting documentation.

### Detailed example of the rental receipt/invoice:

Rent Community expenses Tax base VAT (21% €1,000) Retention (19% €1,000)	€900 €100 €1,000 €210 -€190 (to pay to the Spanish Tax Agency)
TOTAL	€1.020 (to pay to landlord)

# 7.5 Deferral and discounts

### Deferral

If the tenant has to make major adaptations to the rented premises prior to initiating their activity, they may ask the owner for a deferral period, that is, a **time during which they do not have to pay the rent, so that the necessary work may be carried out.** 

These deferrals may be due to **construction work**, where the tenant works on the premises to adapt them to their needs, but also **due to moving** (without involving construction work), while the tenant is moving their assets and equipment to the new location.

There is no legal precept that enforces the establishment of this period. Both parties must agree and these conditions must figure in the contract, in order to avoid future conflicts.

### Discounts

Another option for amortising the cost of adapting the premises involves reducing the rent by a percentage during the first months of the contract, something which may not necessarily coincide with the duration of the construction work. This reduction is known as a rental discount and in many cases, it takes the form of staggered rental payments.

### 7.6 Construction and repair work

One of the main sources of conflict in rental contracts is often related to construction work: what the tenant may or may not do, who should pay for it, what construction work must obligatorily be done by the owner, if the owner has the right to increase the rent or not, and so on.

This section is regulated by Articles 21, 22, 23 and 26 of the LAU (Urban Rentals Act), which distinguish between three types of construction work:

### **Conservation work**

TYPES OF REPAIR	SUBJECT OBLIGED TO UNDERTAKE THEM	TO TAKE INTO ACCOUNT
Necessary so that the tenant may use the premises normally (repairs to structural elements, water and electricity systems, foundations, roofing).	The owner	<ul> <li>The tenant must tolerate the conservation work, but if it continues for more than 20 days, they shall have the right to request a rent reduction, in proportion to the part of the premises they are unable to use.</li> <li>If the construction work needs to be done urgently, to avoid serious and immediate damage, the tenant may undertake it directly, and shall have the right to claim the owner to reimburse them for the amounts paid.</li> </ul>
Small repairs caused by the wear and tear of the everyday use of the premises.	The tenant, unless the contrary has been agreed.	



In the case of the premises being destroyed by causes not attributable to the owner (fires, flooding, earthquakes, etc.), the owner shall not have the right to raise the rent.

Lastly, if the conservation work is ordered by an authority and this prevents the premises from being used, the tenant may choose between suspending the contract (both its duration and rental payment) or terminating it, without any right to compensation.

#### Improvement work

This is work that affects the comfort or aesthetics of the rental premises.

- The tenant will not be able to carry out work that modifies the layout of the premises or causes a reduction in their stability or safety, without the **owner's consent** (the contract must specify the way in which the tenant should inform the owner of their wish to carry out this work in order to receive the authorisation).
- If it is the owner carrying out the improvement work, once **the contract has been valid for 5 years**, the owner shall have the right to **increase the rent**, unless the parties have agreed the contrary. The increase may not exceed 20% of the current rent.



# Construction work by the tenant, to adapt the premises for initiating the activity

When renting a premises, it is normal for it to require adaptation to prepare it for the new activity or to modernise the installations, according to **current regulations concerning activity licences.** 

In these cases, it is advisable **to list the work that needs to be done in the contract**, as it is something to take into account for the possible deferrals and discounts mentioned above. The improvements and adaptations are for the benefit of the owner at the end of the contract, unless the contrary is agreed.

Another important issue that must be reviewed before renting premises is the **location of the sign**. This involves consulting the applicable municipal regulations, as well as the community statutes, in order to ensure that the corporate image can be installed on the façade.

## 7.7 Deposit or guarantee bond

The deposit is a **guarantee for possible damages and flaws that the tenant may cause to the premises or office** and which are not due to everyday or normal use.

For this type of rental, the legal deposit is equivalent to **two months**' **rent.** 

The owner must **deposit the corresponding amount with INCASÒL** (Catalan Land Institute) and provide the tenant with a copy of the rental contract, with the printed registration number, within a maximum period of one month.

The amount of the deposit must be returned to the tenant (renter) when the contract is finalised, provided that there are no outstanding monthly rental payments, the utility payments are up to date and the premises

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are returned in perfect condition. Otherwise, the unpaid amounts or repair and/or replacement costs shall be deducted from the deposit.

Furthermore, **the owner may ask for the deposit to be updated** (as with the rental payments) once the first 5 years of the contract have passed.

## 7.8 Additional Guarantee

This is an additional amount, different from the legal deposit, and added to it, which the owner may request from the tenant as a way of protecting themselves from possible damage which may arise during the rental period. The parties may freely agree on this in the contract obligations.

This guarantee may take the form of an **economic guarantee or a bank surety**. However, in the latter case, it must be taken into account that maintaining this surety involves a monthly cost for the tenant.

Furthermore, as an additional guarantee, the existence of a **joint guarantor or backer** may be requested. This will serve as a guarantee without the tenant having to make any economic payment, with the guarantor being jointly responsible, with the tenant (renter), in the case of non-payment. If the tenant is a company, the company directors are often asked to be joint guarantors, so that, in the case of non-compliance, they are also liable with their personal assets.

# 7.9 Assignment (transfer) and subletting

### Assignment or transfer of the contract

Transfer by the tenant of the rights and obligations under their lease contract to a third party.

This would be the case of a company that no longer wishes to continue its business in premises with an active rental contract. If the company were to find another business interested in starting its operations in the premises, the original company would be released from the rental contract with the owner, and the new company would become the tenant. Assigning the rental contract means transferring the rights and obligations associated with that contract.

If the premises have a valid business license, the transfer of the rental contract could have a higher value and therefore a higher price. This would be the case, for example, of premises with a restaurant licence if the future tenant wishes to open their restaurant there. The existing license would allow for a quicker opening of the restaurant, as there would be no need to apply for a new one

### Subletting

Lease that the tenant grants to a third party for all or part of the property they are renting.

The tenant takes on a dual role: on one hand, as the lessee, since they remain bound by the original rental contract with the owner; and on the other hand, as the **sublessor** to the third party to whom they rent all or part of the property.

This could be the case, for example, of a professional who is running their business in a rented office and decides to rent part of that office to another professional.
### How to proceed in cases of assignment or subletting

The owner usually decides to include in the contract a prohibition on assigning or subletting the property. However, if nothing is specified in this regard, the tenant may sublet or assign the contract without the need for the lessor's consent.

Unless there is an agreement to the contrary, for both assignment and subletting, the **tenant must notify the owner one month in advance, for the record** (in writing, by registered fax, etc.).

### Increase in rental amount (the rent)

Article 32 of the LAU (Urban Rentals Act) establishes that, if there is no agreement, the owner shall have the right to increase the rent by **10% in the case of partial subletting**, or by **20% in the case of transferring the contract or total subletting** of the rented premises



The change in incumbent is not considered to be a transfer in cases where the tenant is a company and there has been a merger, transformation or division, although the owner will be allowed to increase the rent.

## 7.10 Utilities and installations

It is important to check that the installations are working properly and that the utilities are connected, as once the contract has been signed, the acquisition, conservation, repair or replacement of utility meters and the invoices for consumption are exclusively expenses to be paid by the tenant.

If the premises do not have connected utilities and up-to-date installations, it will be necessary to undertake an electrical project, adapt all the installations to current regulations and obtain **the installation certificate**.



In many cases, that involves a major additional cost. If the situation is detected prior to the signing, it is possible to negotiate an agreement so that the owner pays for the connection and updating of the utilities, or provides for the cost in deferrals

# 7.11 Sale of the rental property and the right to preferential acquisition

By law, if the owner wishes to sell the premises, they must offer them first to the tenant, unless the tenant has waived this right in the contract.

The tenant has the right to preferential acquisition and will have **30 days** to decide on the purchase.

If the owner did not make the offer, or if they sell the premises at a lower price than the one quoted to the tenant, the tenant can **challenge the sale and acquire the premises under the same conditions** as in the transfer to the third party.

In practice, it is very common for a clause to be included in **the contract** in which the tenant expressly waives the right to first refusal, pre-emption and preferential acquisition.

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If the owner finally sells the premises to a new purchaser other than the tenant, **the new purchaser must respect the conditions that the tenant already had in the contract**, unless an agreement is reached to the contrary, in accordance with Article 29 of the LAU.



### 7.12 Death of the tenant (renter)

If the tenant dies and a partner or legatee wishes to continue the activity in the premises, they can subrogate, i.e., become the new tenant **assuming the same rental contract conditions and having the same responsibilities as the previous tenant.** 

The heir or legatee must **notify the owner, in writing, of their** intention to subrogate in the contract **within two months following the death**, according to Article 33 of the LAU.



## 7.13 Termination of the contracte

The causes for terminating the contract are as follows:

CAUSES FOR TERMINATION	MOTIVES	
Expiry of the contract	Expiry of the agreed period.	
Non-compliance by one of the parties	Non-compliance by the tenant	<ul> <li>Non-payment of the monthly rent or other concepts</li> <li>Subletting or transferring the premises to a third party without consent.</li> <li>Carrying out unpleasant, unhealthy, harmful, dangerous or illegal activities.</li> <li>Undertaking an activity different to the one</li> </ul>
		established in the contract.
	Non-compliance by the owner	• The owner does not carry out the repairs needed for the premises to meet the necessary conditions for use.
		<ul> <li>The owner disturbs the tenant in their use of the premises.</li> </ul>
Agreement between the parties	The two parties can agree the early termination of the contract.	
Loss of the property or declaration of ruin	Loss of the property due to a cause not attributable to the owner or a declaration of ruin on the proper-ty made by the competent authority.	

## 7.14 Compensation for the tenant (renter)

When the established time for the contract to terminate arrives, it will end, unless the parties have expressly agreed on the possibility of an extension.

Article 34 of the LAU (Urban Rentals Act) states that the termination of the contract gives the tenant the right to receive compensation from the owner, provided that the following requirements are met:

- That a commercial activity has been undertaken on the premises in the last five years.
- That four months before the end of the contract period, the tenant has expressed their wish to renew the contract for at least five more years and at a market rent.
- That within the first six months after the end of the contract, the owner or a third party exercises an activity identical or similar to the one performed by the tenant.

CAUSE	AMOUNT
If, within the first six months after the end of the contract, the tenant resumes their activity in the same location	Moving expenses and damages for loss of customers.
If the tenant does not initiate any ac-tivity or undertakes a different activity	1 monthly payment per year of the contract, with a maximum of 18 monthly payments.

The amount of compensation shall be as follows:

In rental contracts, the parties often agree a clause expressly waiving the right to receive this compensation.

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### 7.15 Competent court in case of conflict.

All judicial disputes that may be brought in regard to issues relating to rental contracts shall be resolved in the **Lower Court in the place where the premises are located.** 



# 8. Coworking spaces



Coworking is a type of rental that has become increasingly popular in recent years. It consists of a shared space where various professionals or companies work independently.

These spaces normally offer the necessary furniture, internet connection, meeting rooms, photocopiers and printers, reception and everything professionals need to carry out their activities.

There are different types of coworking:

- Flexible workstation: the users do not have a specific workstation and only attend at certain times. This is usually a good option if we are speaking about professional activities which require a lot of mobility for meetings or trips.
- **Fixed workstation:** the user has a fixed place in which to carry out their activity, i.e., a specific workstation.
- **Private office:** there is a place separated from the rest of the coworking space, allowing a certain level of privacy to be maintained, while still sharing communal spaces with all the other professionals.

In the case of coworking, the tenant does not rent the entire premises, but rather a specific space within it, which may range from a room to a desk in a shared room. Therefore, **it is really a mixed premises and services rental contract.** 

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In these contracts, it is very important to specify which services are included and which are additional. It is essential to specify aspects such as the characteristics of the included technical services (connectivity) or whether there is a reception, attention to telephone calls and/or visits, mail and packages reception, etc.

The conditions for using the shared spaces, such as meeting rooms, cleaning services and the availability and use of furniture should also be taken into account.

This type of contract also establishes **the duration of the rental period**, **which must be complied with**. If the tenant wishes to waive the rental contract, they must take into account the duration of the contract, the obligatory compliance period and whether there are penalties in the case of early contract termination, as in a normal rental contract.

# Spaces for statups at Barcelona Activa

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- 55 units with a surface area ranging from 18 to 110 m2.
- Business support services.
- UX Lab for product and service validation based on a user-centred design philosophy.
- Reception services and meeting rooms

### Eligibility requirements

- Innovative or deep-tech startups that focus on intensive technology development or address under-met needs.
- In business for less than 5 years.
- Viable business plan approved by Barcelona Activa.
- More than 50% of the share capital held by partners who work on the company (natural persons).

#### **Further information:**

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### Eligibility requirements:

- Deep-tech startups in the sectors of photonics and electronics, biotechnology, AI, blockchain, robotics, advanced materials and nanotechnology, and quantum computing.
- More than 50% of the share capital held by partners who work on the company (natural persons).

#### **Further information:**

parc.tecnologic@barcelonactiva.cat

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Business Support Office C. Roc Boronat, 117 08018 Barcelona