



COMMON COMMERCIAL LEASE TERMS IN GREECE

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Commercial leases are regulated by the provisions of **Presidential Decree 34/1995**, as amended by Law 2749/1999, Law 4242/2014, Law 4257/2014, Law 4264/2014, Law 4335/2015 & Law 4373/2016 and the Civil Code.

They are distinguished by the milestone of the publication of Law 4242/2014 into "old" (before 28.2.2014) and "new" (after 28.2.2014).

Rights and Obligations

A. Lessor

(a) The lessor has **the obligation to deliver to the lessee the lease suitable for the agreed use and to keep it suitable throughout the duration of the lease.**



(b) The lessor bears the burden of the lease (necessary costs and costs of physical damage).

(c) The lessor has the right to fix a certain amount as security, usually in the amount of one or two rents. The security deposit is returned to the lessee after the end of the lease.

(d) The lessor is granted the right to ascertain every three months that the lease is being used in good order and in accordance with the terms of the lease, either in person or through an agent or by a technician or expert.

B. Lessee

(a) The lessee shall pay rent in the way and at the time stated in the lease agreement.

(b) Lessee shall use the lease solely for the use and purpose agreed upon.

(c) The lessee shall not cause any damage caused by his/her fault that cannot be considered as physical damage. In the case of damage caused by his own fault, he shall reimburse the costs himself, while he shall be entitled to reimbursement from the lessor for the necessary costs paid for the repair of physical damage.

(d) Ordinary common charges and any other pecuniary debt relating to the leasehold property which, according to the agreement, is borne by him, shall be paid by the lessee.

The amount of the rent shall be freely determined. Any agreement on the amount of the rent and on its subsequent increase or decrease shall be legally valid and binding on both parties.

The stamp duty on commercial leases is 3.6%.

Duration

➤ New leases (concluded after 28.02.2014)

Their duration is in principle freely determined by the parties. If a longer term than three years is agreed, the longer term shall apply. If, however, a shorter term than three years is agreed or no specific term is agreed (lease for an indefinite period), then the minimum term of three years applies, binding on both parties.



An implied renewal for an indefinite period is deemed to exist if, after the agreed period has expired, on the one hand the lessee continues to pay rent and on the other hand the lessor does not object.

➤ **Old leases (concluded before 28.02.2014)**

A minimum term of 12 years is still provided for.

Lease termination

In principle, leases may be terminated by written agreement of the parties of a certain date. They may also be terminated in accordance with the provisions in force, either by the lessor or by the lessee by serving a duly dated document on the other party.

Indicative grounds for termination of a lease, whether old or new, are the following:

- A) late payment of rent,
- B) misuse of the lease,
- C) breach of any term, if expressly provided for in the contract,
- D) defects in the leasehold,
- E) death of the tenant (termination by the tenant's heirs).

In case of termination of the lease for any reason, the lessor is obliged to make a declaration to this effect in the information system of the A.A.D.E. (Independent Public Revenue Authority), otherwise the lease is considered to be in force.

Lessors are obliged to declare all information on the conclusion of the lease and any amendments to it in the information system of A.A.D.E. (Independent Public Revenue Authority) by the end of the following the conclusion or amendment month.

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Evi Grigoriou
Senior Associate