

# 3% threshold to the adjustment rate of commercial leases rents

Pursuant to article 121 of recently enacted Law 4926/2022 (Greek Government Gazette Bulletin 82/A'/20.04.2022) introduced by the Ministry of Development and Investments, a threshold at 3% is imposed on the rent increase rates applicable to commercial and professional leases, retroactively covering the entire year of 2022.

Such measure is adopted to temporarily counterbalance the statutory freedom of the contracting parties to determine the rent and its adjustment rate given the current general financial situation. As per standard practice, annual increase rates are agreed by the parties to either follow the annual inflation rate or to be of a fixed percentage.

Above threshold does not apply in cases where the Lessor is:

- a. a Real Estate Investment Company (REIC as per Law 2778/1999),
- b. a company, the majority of the registered shares, units or voting rights of which belongs directly or indirectly to Alternative Investment

Organisations that are managed by Managers of Alternative Investment Organisations (as per Law 4209/2013 and Directive 2011/61/EU), and whose registered office is not located in a non-cooperative state (as defined in the Income Tax Code), or in a high risk third country (as designated by the European Commission for money laundering or terrorist financing).

- c. A shopping centre/mall operator (according to the relevant decision of the Deputy Minister of Economy and Finance), having, at a minimum, a total surface of 15,000 sq. m. developed in one or more levels.

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