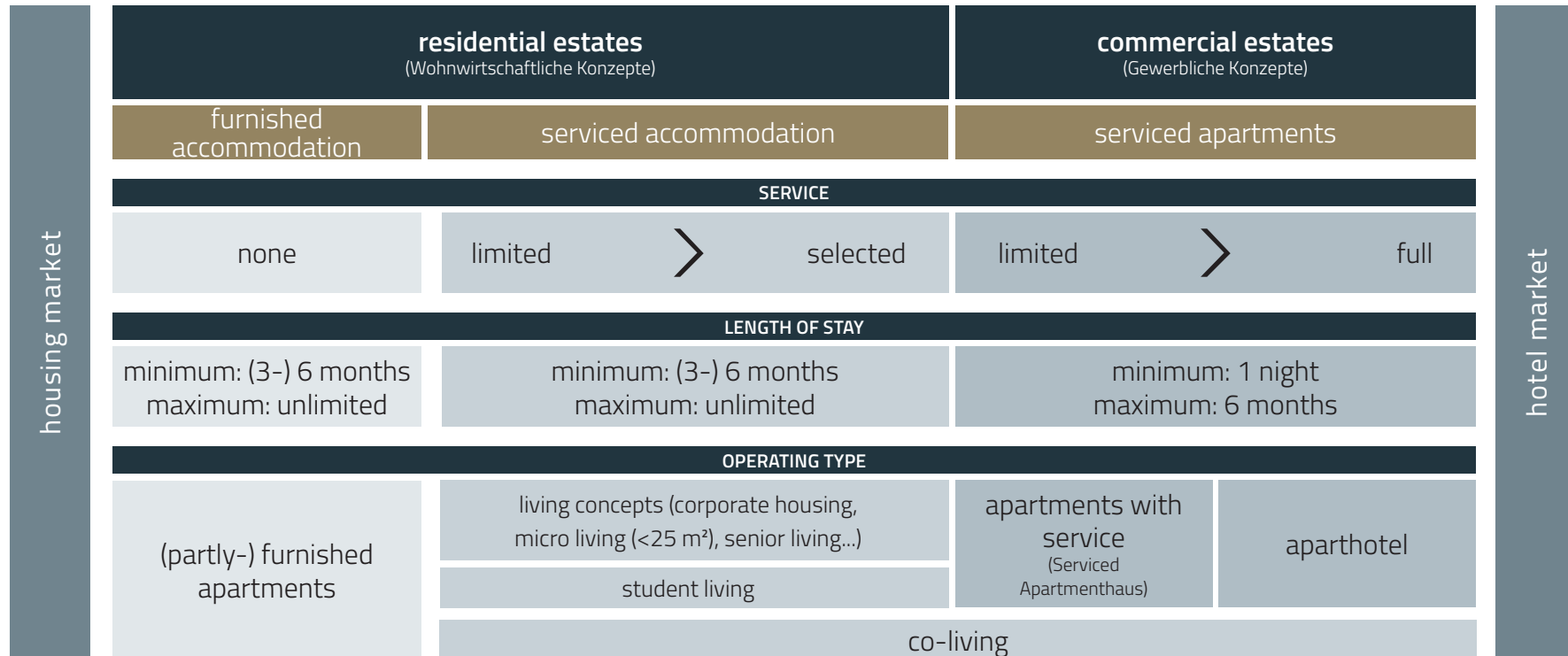


# Charter Temporary Living

(German Market)

Updated 17 September 2020

Charter Temporary Living  
**Overview of Terminology**  
 (German Market)



Note: Since the distinction between commercial use and residential use is made by the courts on a case-by-case basis in the context of an overall consideration of numerous factors such as size, facilities, presence of shared facilities, average length of stay, type and scope of services, etc., the diagram eludes it a schematic representation. The diagram is therefore limited to show the general direction of action and significance of individual demarcation functions.

The Charter Temporary Living for the German market was developed in cooperation with various brands in Germany under the direction of Apartmentservice. In 2018 the charter was updated with the help of the members of the Serviced Apartments Industry within the "Arbeitskreis Hotelimmobilien" under the direction of Apartmentservice. The charter is subject to continual development in line with market trends.  
 © Apartmentservice, Printing date: 01.02.2020

# Definitions of the Concepts of Temporary Living

(German Market)

**Serviced apartments** is the umbrella term for commercial units in the form of **apartments with service (Serviced Apartmenthaus)** or **aparthotel**. Serviced apartments are furnished units that always have cooking facilities. The furnishing of the units is designed for longer stays. Typical hotel services are associated with this, whereby the service level varies according to the concept.

- **Aparthotels** usually offer a 24/7 reception service as well as other typical hotel services and for example gastronomy, conference, fitness and wellness areas.
- **Apartments with service (Serviced Apartmenthaus)** offer a limited range of services compared to Aparthotels. The focus is on the self-sufficiency of the guests.

**Serviced accommodation** is the umbrella term for residential units in the form of furnished units that always have a cooking facility. This is associated with typical hotel services, whereby the service level varies according to the concept.

**Furnished Accommodation** is the umbrella term for residential units that are only partially furnished and do not offer any services.

# Definitions of Length of Stay for Serviced Apartments

(German Market)



## Apartments with service (Serviced Apartmenthaus)

- Short-stay 1 - 6 nights
- Medium-stay 7 - 27 nights
- Long-stay 28+ nights



## Aparthotel

- Short-stay 1 - 3 nights
- Medium-stay 4 - 14 nights
- Long-stay 15+ nights

Charter Temporary Living

# Classification under Construction Law

(German Market)

housing (Wohnung)	serviced apartments		hotel
	apartments with service (Serviced Apartmenthaus)	aparthotels	
	kitchen / kitchenette / cooking facilities	cooking facility	
cleaning materials provided	cleaning every 14 days		daily room cleaning / laundry service
		weekly room cleaning	
	washing machine / dryer		laundry / service areas
self-determined use			room size < 25 m <sup>2</sup>
	temporary reception		24 hours reception
			breakfast buffet
			wellness area
			fitness area
	per month billing		per diem billing
unlimited	3 months	1 month	1 week
			daily

The legal classification of a project into the categories housing (Wohnung), serviced apartment or hotel is carried out on a case-by-case basis. The graphic shows schematically which factors are usually used for the assessment and for which category they speak. In this respect, it serves as a reference point for categorization.

# Explanation of Terms for Land-Use Areas (Baugebiete)

(German Market)

Permitted uses *	housing (Wohnen)	accommodation (Beherbergung)	serviced apartments
WS Kleinsiedlungsgebiet (small residential estate)	small housing developments		
WR reines Wohngebiet (residential-only area)		small businesses	small businesses
WA Allgemeines Wohngebiet (general residential area)			
WB Besonderes Wohngebiet (special residential area)			
MD Dorfgebiet (village area)			
MI Mischgebiet (mixed use area)			
MU Urbane Gebiete (urban areas)			
MK Kerngebiet (core area)	only flats		
GE Gewerbegebiet (commercial area)		depending on hotel type	only for hotel-like use
GI Industriegebiet (industrial area)			

 generally imposed

 exceptionally imposed

 generally permitted

The illustration serves as orientation. The admissibility under planning law depends on the stipulations of the land-use plan and the surrounding buildings.

\* The basis is the German Baunutzungsverordnung (BauNVO). The area types designated in the illustration are therefore typified in the German terminology.

Charter Temporary Living

# Serviced Apartments and VAT

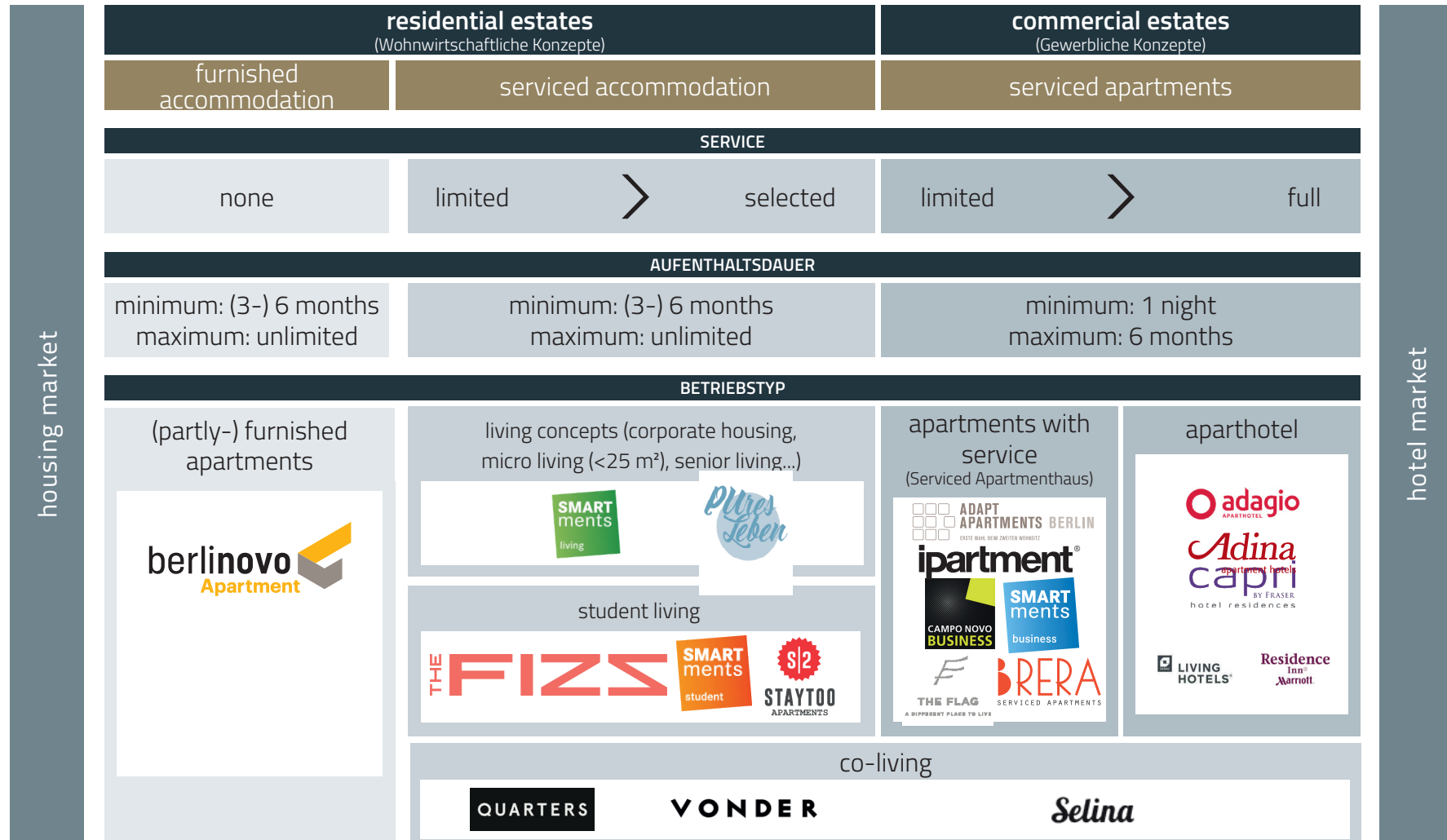
Tax Classification (German Market)

- Serviced apartments in their commercial form generate accommodation turnover (Beherbergungsumsatz) and are therefore subject to VAT (no option of choice).
- **Beherbergungsumsätze** is a term from VAT law. The following are regarded as such
  - the renting of **living and sleeping rooms** provided by an **entrepreneur** for the **short-term accommodation** of **strangers**
  - **short-term** means a stay of **less than six months**; the duration of the accommodation contracts must be less than six months
  - the entrepreneur's **intention not** to offer the rooms **on a permanent basis** and thus **not for a permanent stay** is decisive
- The VAT risk lies in the endangerment of the input tax deduction (Vorsteuerabzug); if there are no accommodation turnovers, VAT may not be levied and at the same time prepaid tax deduction is excluded; this applies to all advance performances (purchase of goods, services, rental and lease expenses); the risk is passed on to the owner/lessor of the property, who is then also excluded from the input tax deduction.

# Charter Temporary Living

## Exemplary Assignment of Trademarks

(German Market)



Note: Since the distinction between commercial use and residential use is made by the courts on a case-by-case basis in the context of an overall consideration of numerous factors such as size, facilities, presence of shared facilities, average length of stay, type and scope of services, etc., the diagram eludes it a schematic representation. The diagram is therefore limited to show the general direction of action and significance of individual demarcation functions.

The Charter Temporary Living for the German market was developed in cooperation with various brands in Germany under the direction of Apartmentservice. In 2018 the charter was updated with the help of the members of the Serviced Apartments Industry within the "Arbeitskreis Hotelimmobilien" under the direction of Apartmentservice. The charter is subject to continual development in line with market trends.  
© Apartmentservice, Printing date: 01.02.2020





Charter Temporary Living

# Serviced Apartments and VAT

Tax Classification (German Market)

- Serviced apartments in their commercial form generate accommodation turnover (Beherbergungsumsatz) and are therefore subject to VAT (no option of choice).
- **Beherbergungsumsätze** is a term from VAT law. The following are regarded as such
  - the renting of **living and sleeping rooms** provided by an **entrepreneur** for the **short-term accommodation** of **strangers**
  - **short-term** means a stay of **less than six months**; the duration of the accommodation contracts must be less than six months
  - the entrepreneur's **intention not** to offer the rooms **on a permanent basis** and thus **not for a permanent stay** is decisive
- The VAT risk lies in the endangerment of the input tax deduction (Vorsteuerabzug); if there are no accommodation turnovers, VAT may not be levied and at the same time prepaid tax deduction is excluded; this applies to all advance performances (purchase of goods, services, rental and lease expenses); the risk is passed on to the owner/lessor of the property, who is then also excluded from the input tax deduction.

# Charter Temporary Living

(German Market)

The Charter Temporary Living for the German market was developed in cooperation with various brands in Germany under the direction of Apartmentservice. In 2018 the charter was updated with the help of the members of the Serviced Apartments Industry within the "Arbeitskreis Hotelimmobilien" under the direction of Apartmentservice. The charter is subject to continual development in line with market trends.

## ■ The members were at the time of the 2018 update:

Anastasia Osipov, Adina Apartment Hotels  
Anett Gregorius, Apartmentservice  
Benjamin Djebali, Brera Serviced Apartments  
Dr. Goetz Martius, Wirtschaftsprüfer und Steuerberater  
Falk Haase, formerly i Live Hospitality Services GmbH  
Harald Ultsch, Harry's Home Hotels  
Julie Lenz, ZLC Solutions  
Karl-Heinz Daurer, GBI-Projektentwicklung Ges.m.b.H  
Lisa Neubueser, formerly Cycas Hospitality  
Markus Wenske, wenske real estate legal  
Michael Blind, formerly Apartmentservice  
Peter Durinke, Wolter Hoppenberg Rechtsanwälte Partnerschaft mbB  
Uwe Niemann, Deutsche Hypothekenbank AG  
Volker Thamm, SV (Schweiz) Group

## ■ External experts involved in the development were:

Markus Beike, Staycity Group  
Matthias Niemeyer, Adina Apartment Hotels  
Ralf Krause, Adapt Apartments

# Charter Temporary Living

(German Market)

If you have any questions, please contact

Apartmentservice Consulting

Anett Gregorius

Head of the Fachgruppe Serviced Apartments Arbeitskreis Hotelimmobilien

Berliner Allee 36 ▪ 13088 Berlin (Germany)

phone +49 (0)30 96 06 09 49-0 ▪ fax +49 (0)30 96 06 09 49-19

[info@apartmentservice-consulting.de](mailto:info@apartmentservice-consulting.de) ▪ [www.apartmentservice-consulting.de](http://www.apartmentservice-consulting.de)