

# Charter Temporary Living

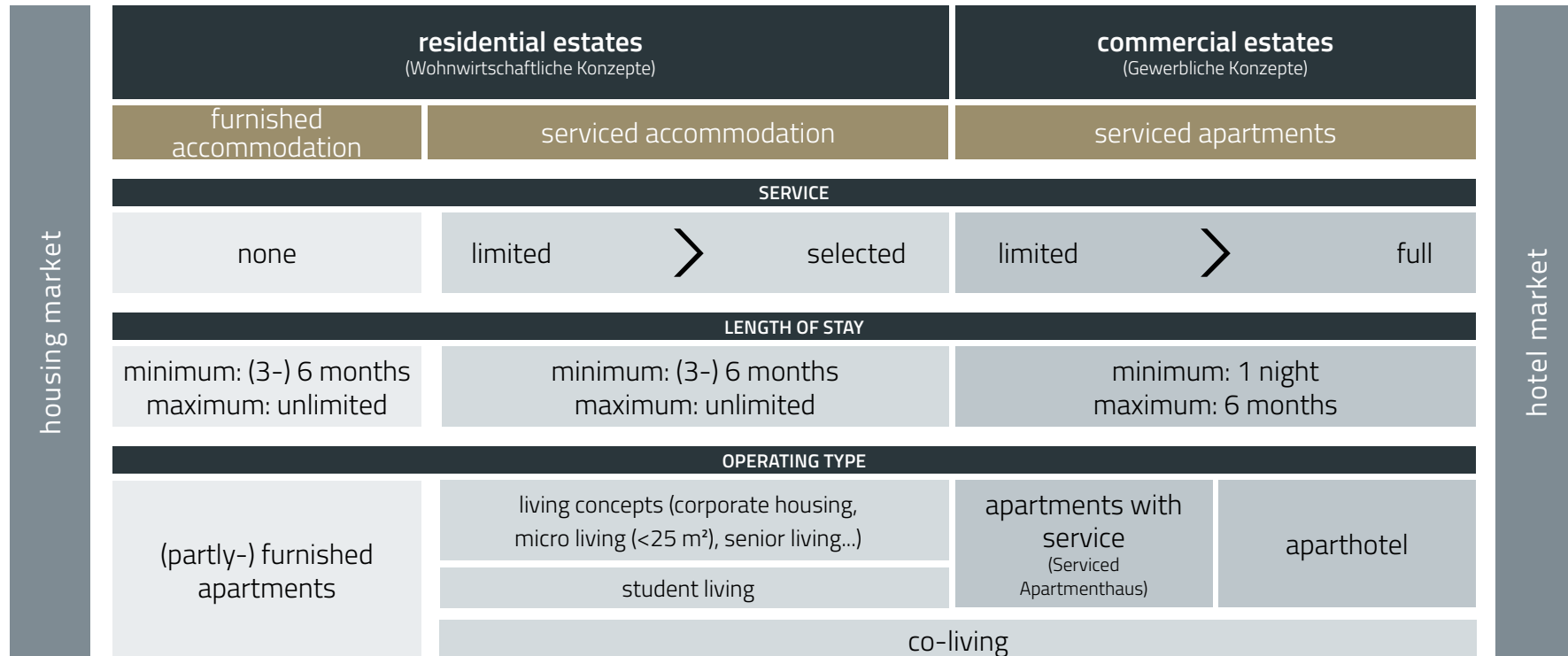
(German Market)

Updated 1 February 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.

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# Definitions of the Concepts of Temporary Living

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**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

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# Classification under Construction Law

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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	
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.

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# Serviced Apartments and VAT

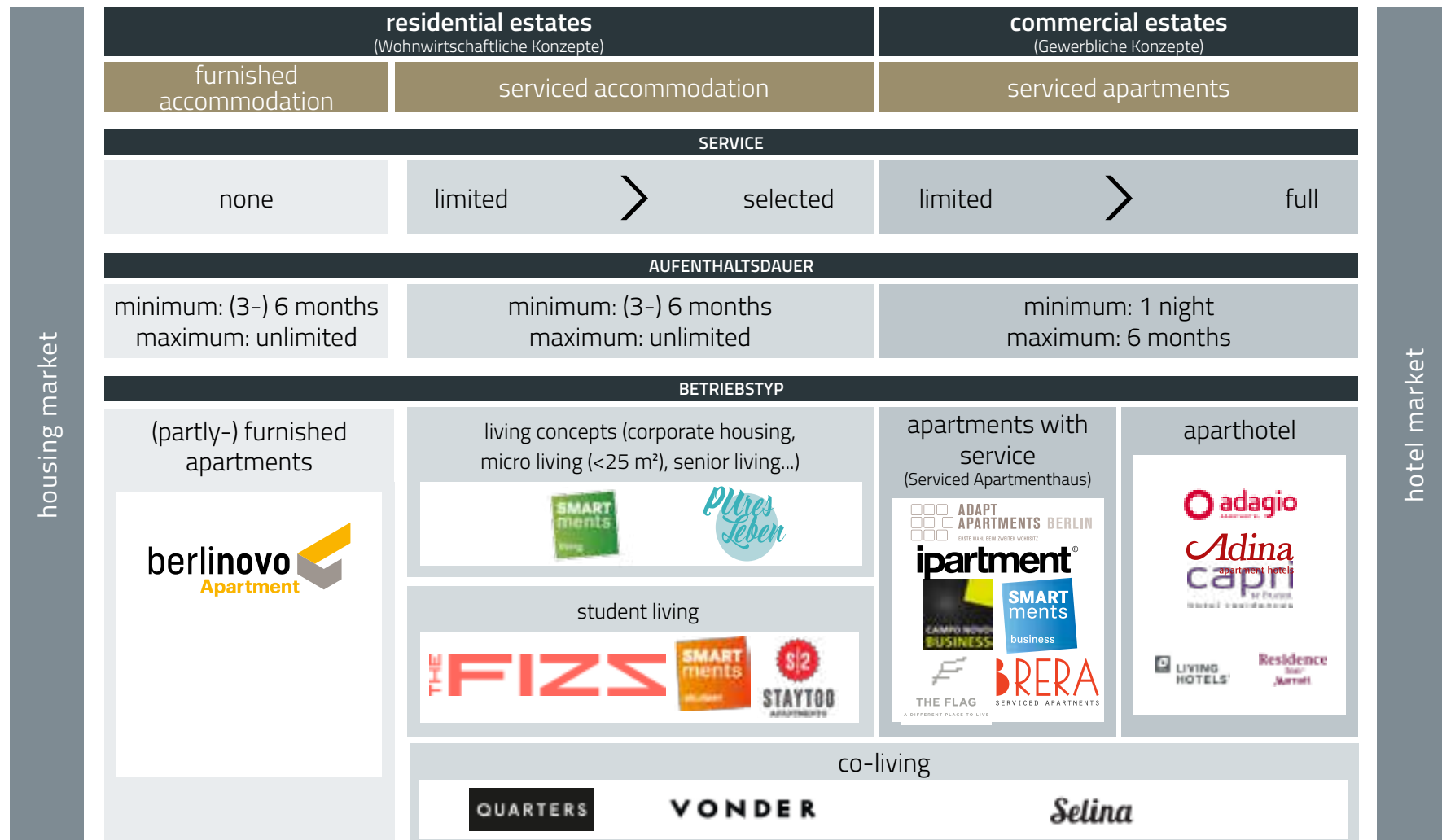
Tax Classification (German Market)

- 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.

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## Exemplary Assignment of Trademarks

(German Market)



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Fachgruppe Serviced Apartments

on the initiative and under the direction of  
**Apartmentservice.**  
Consultant + Agent for Serviced Apartments



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# Serviced Apartments and VAT

Tax Classification (German Market)

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

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If you have any questions, please contact

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