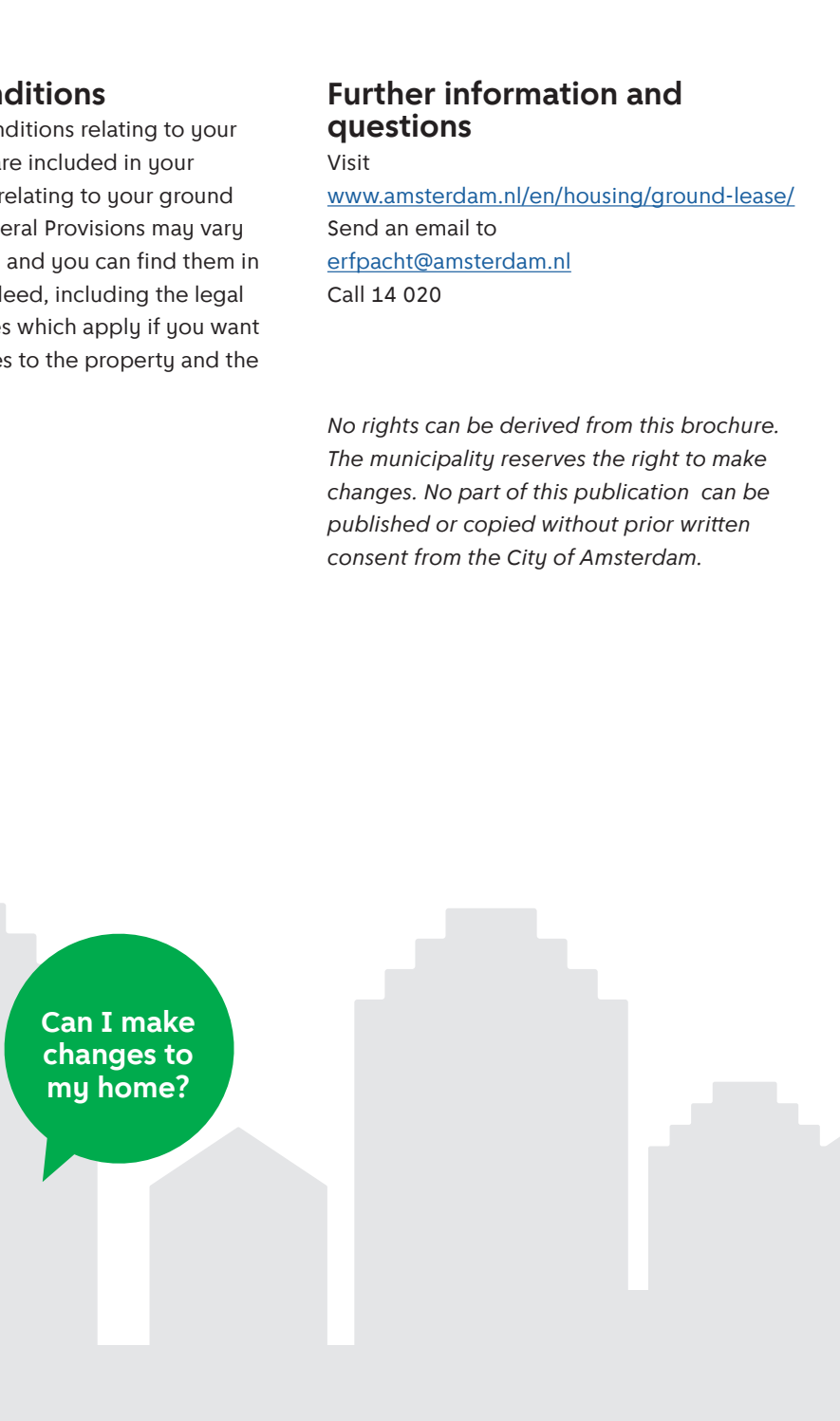




Checklist: Buying a ground lease property

What does ground lease mean?

If you buy a ground lease property, the land remains the property of the municipality. As the leaseholder, you need to pay a fee for the use of the land every six months. This fee is known as the ground rent (canon).

Why does Amsterdam have ground lease?

Since 1896, the City of Amsterdam has issued land on the basis of ground lease for the following reasons:

- to combat land speculation,
- to ensure that the increased value of the land benefits Amsterdam residents and businesses,
- to ensure that the City of Amsterdam has a say in how the land is used.

The municipality invests the revenues from the ground lease land in the development of the City of Amsterdam.

Temporary ground lease

Temporary ground lease is less common. In this case, the ground lease ceases after 50 or 75 years. The municipality then decides whether a new ground lease contract will be issued. Owners of temporary ground lease properties can apply for perpetual ground lease.

Continuous ground lease

Most properties in Amsterdam are subject to continuous ground lease. As a municipality, we fix the amount of ground rent (canon) for continuous ground leases for a 50-year or 75-year period. Owners of continuous ground lease properties can apply for perpetual ground lease.

Perpetual ground lease

There are no time periods for perpetual ground leases. As a municipality, we calculate the ground rent only once. Subsequently it remains fixed forever, unless you change something about the legal destination or construction of your property. However, every year the fixed ground rent (perpetual canon) will be adjusted in line with the inflation.

Requesting ground lease data

If you already own a ground lease property, you can request your ground lease data free of charge from the municipality. You can also view your data through Mijn Erfpacht (My Ground Lease) at mijnerfpacht.amsterdam.nl.

If you are planning to purchase a property, you can request the relevant property's ground lease data through your real estate agent or notary. They can view the data through our website. Alternatively, you can request the data yourself from the National Land Registry (Het Kadaster), for a fee.

Which data can I request?

- Whether the ground lease has been bought off
- The current ground rent (canon) amount
- The expiry date of the current lease period
- The general provisions in the ground lease contract
- The land registry data
- Information about payment arrears (available to notaries only)

The ground lease has been bought off:

If the current continuous ground lease has been bought off, you do not have to pay anything until the end of the period unless you make changes to the property, such as a change of legal destination, or an expansion of the living area by more than 100%.

If the ground lease is paid off on a continuous ground lease, this applies until the end of the lease period.

Afterwards, you will have to pay the ground rent (canon) again. We only calculate this new ground rent at the end of the lease period, based on the ground value at the time. As the ground value may have increased sharply after 50 years, your ground rent (canon) may be much higher in the following period.

Owners of a perpetual ground lease property can opt to buy off the ground rent (canon) forever. Afterwards you no longer have to pay ground lease, unless you change something about the legal destination or construction of your property.

The ground lease has not been bought off:

How much do you pay per year?

If the ground lease for your home has not been bought off, then you pay ground rent twice per year. The amount varies between properties, based on factors such as location, type of property and the date of calculation of the ground rent. In many cases, you can still deduct the half-yearly ground rent (canon) from your income tax.

Prefer to buy off?

You can buy off the ground lease any time:

- until the end of the time period in the case of continuous ground lease, or
- forever, in the case of perpetual ground lease

The ground lease is recalculated after the end of the period

It is important to know when the current period will end. Bear in mind that the ground rent (canon) for the next period may increase significantly. The amount depends on your property's ground value at the end of the lease period. This will be communicated to you between one and four years before the end of the lease period.

If you switch to perpetual ground lease the new calculated ground rent will be fixed at that moment. Every year the new fixed ground rent (perpetual canon) will be adjusted in line with the inflation rate. These annual adjustments will start after the ground rent has been fixed.

Seeking more certainty?

If you'd like more certainty with respect to your future ground rent (canon), you can switch to perpetual ground lease. We will then calculate your ground rent once more, and it will apply forever from the end of your current term. However, every year the fixed ground rent (canon) will be adjusted in line with the inflation. These annual adjustments will start after the ground rent has been fixed.

There will no longer be any lease periods. The fixed perpetual ground rent will be adjusted, if you change the legal destination or construction of your property.

You can always buy off the ground lease in perpetuity at a later date, but this is not compulsory. The redemption fee will then be recalculated. Once you have switched, and you would still like to buy off the ground lease, you need to buy off your current period and your perpetual period at once. You can use the calculation tool at erfpacht.amsterdam.nl to calculate the cost of the perpetual ground lease in advance.

Making changes to your property?

If you want to change something about your property, you need to get permission from the municipality. In some cases, this will entail a change to your ground lease contract. This may mean that your ground rent (canon) will increase, or that you need to pay an additional redemption fee. The following are some cases in which your ground lease contract needs to be adjusted

- change of legal destination (for example, if you want to turn your office or shop into a home)
- change in construction (such as increasing the area of the home)
- dividing the property into multiple dwellings
- dividing ground lease rights into apartment rights
- merging multiple dwellings

If you plan to make any changes to your property, you should consult both your district (stadsdeel) and the Ground Lease & Issue department (Afdeling Erfpacht & Uitgifte).

Rules and conditions

All the rules and conditions relating to your ground lease right are included in your General Provisions relating to your ground lease right. The General Provisions may vary between properties and you can find them in your ground lease deed, including the legal destination, the rules which apply if you want to make any changes to the property and the financial terms.

Further information and questions

Visit www.amsterdam.nl/en/housing/ground-lease/
Send an email to erfpacht@amsterdam.nl
Call 14 020

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