

# The relationship between urban street configuration and office rent patterns in Berlin

APPENDIX B - DEFINITION OF LEASE VARIABLES

PhD Thesis by Dr. Jake Desyllas

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## About this thesis

This thesis presents a study of the influence of urban street configuration on the pattern of commercial office rents in Berlin. The hypothesis is that there is a relationship between the two, and that the alteration of the street network with reunification has precipitated a spatial reorganisation of office rents.

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## APPENDIX B: DEFINITION OF LEASE VARIABLES

Variable	Description	Type	Sample size (n)
Building Quality	'old' for buildings built before the fall of the wall and 'new' for office space built since 1990.	Dummy variable	437
Lease start date	The occupation start date in months since January 1991	continuous	437
Pre-letting time	The period in months between the date of the lease signature and the start date of occupancy.	continuous	206
Obligatory lease term	The length of time in years until the first point at which the tenant can leave the contract.	continuous	317
Length category	The minimum length term split to lower than 5 years, 5years and 10 years	Category	317
optional renewal time	Optional renewal time has been calculated as the total period that a tenant may choose to remain under the same lease conditions after the obligatory lease term. First and subsequent renewal periods have been summed.	continuous	206
Unit floor-space size	Unit floorspace size is the leased area of office space and the share of communal space (always charged at the same price) in square metres taken by the tenant Garages or other use spaces were excluded.	continuous	437
Floor-space category	This category was based on the variable Unit Floorspace Size. The break point for categories was arbitrary, after discussions with agents suggested that this would be useful. It was used to explore the differences between small and large leases, more detail of which can be found in [Desyllas, 1998 #402]  Small: <500m2 leased area  medium: 500 to 999m2 leased area  Large:>1000m2 leased area	Category	437
Rent-free periods	The number of months of occupation during which no rent must be paid	continuous	206
Cash incentives	Any amount in DM paid to the tenant from the landlord	continuous	206
Headline rent	The price in DM per square metre per month stated in the contract in constant 1991 prices. All rents are exclusive of tax and service surcharge costs.	continuous	437
Total lease value	The headline rent multiplied by the floorspace	continuous	437
Consideration on rent	mean rent p.a. paid by the tenant after adjustment for all incentives in the lease	continuous	206
Effective rent	mean net present value of the consideration rent discounted at 6% p.a.	continuous	206

**Table 11.1: Definition of lease variables**