

# Internal lease terms

Approved by the President 2020-11-10

Ref No: 1-817/2020

In effect as of 2021-01-01



**Karolinska  
Institutet**



## **Internal lease terms**

### Contents

<b>1. NEW INTERNAL RENT MODEL – UNIVERSITY BOARD DECISION .....</b>	<b>4</b>
<b>2. PURPOSE AND POINTS OF DEPARTURE.....</b>	<b>4</b>
<b>3. INTERNAL RENT: COST TYPES.....</b>	<b>4</b>
<b>4. FURNISHING AND INFRASTRUCTURE .....</b>	<b>5</b>
<b>5. INTERNAL RENT .....</b>	<b>5</b>
<b>6. INTERNAL RENT FOR KI'S DENTAL CLINIC.....</b>	<b>5</b>
<b>7. INTERNAL RENT FOR ANIMAL FACILITIES .....</b>	<b>6</b>
<b>8. ORGANISATION OF PROPERTY MANAGEMENT .....</b>	<b>6</b>
<b>9. PREMISES MANAGEMENT SYSTEM.....</b>	<b>6</b>
<b>10. CHARGING .....</b>	<b>6</b>
<b>11. TERMINATING OR DOWNSIZING .....</b>	<b>6</b>
<b>12. OPERATIONAL ADAPTATION AND CONVERSIONS.....</b>	<b>7</b>
<b>13. WHEN LEAVING LEASED AREAS .....</b>	<b>7</b>
<b>14. SUB-LETTING .....</b>	<b>7</b>
<b>15. BOOKING OF TEACHING ROOMS .....</b>	<b>7</b>

<b>Reference number:</b> 1-817/2020	<b>Ref.no. previous version:</b> 1-769/2018	<b>Decision date:</b> 10/11/2020	<b>Period of validity:</b> as of 01/01/2021 until further notice
<b>Decision: President</b>		<b>Document type: Rules</b>	
<b>Handled by department/unit:</b> Property and Facilities Office		<b>Preparation with: University Management,</b> senior executives	
<b>Revision with regards to: New internal rent model</b>			

NOTE: This is a translation (03/03/2021) of the Swedish version (Internhyresföreskrifter). In the event of any discrepancy between the versions, the Swedish version constitutes the official decision and the Swedish wording will prevail.

## **1. New internal rent model – University Board decision**

On 21 April 2020, the University Board (Konsistoriet) approved a new internal rent model (ref. no 1-188/2019) to take effect on 1 January 2021.

The new model necessitates an updating of the internal lease terms as follows. The former regulations (approved by the President on 6 November 2018) expires on 31 December 2020.

## **2. Purpose and points of departure**

The purpose of financing premises costs through an internal rent system is to effectuate premises management. The utilisation of premises incurs a cost in the same way as personnel and other resources. The internal rent shall be geared towards effective resource economy with a good balance between leased area and other resources.

The departments can decide on the size of their leased area and thus the rental costs, renting larger or smaller area. In the event of excessive vacancies it is up to the Property and Facilities Office (PFO) to try to reduce them.

Departments may not lease premises outside KI's property portfolio. Rental agreements may only be signed by the property and facilities director in accordance with the prescribed procedures and delegation rules.

The cost for leased space utilised by the university in general rather than a specific department are covered centrally by KI.

## **3. Internal rent: cost types**

The internal rent covers the costs of:

- Rent
- Electricity, water, heating, ventilation and air conditioning
- Vacancies
- Rental loss due to renovation
- Premises management (salaries and overheads directly associated with projects and the administration of premises costs as well as external and internal lease agreements)
- Security coordination and expert support on systematic fire safety
- Outdoor patrol guards
- Internal post and postal agreements
- Annual inspection of protective ventilated work spaces (example fume hoods etc) first aid stations, household and special waste management.

## 4. Furnishing and infrastructure

In the event of strategic property projects (i.e. newbuilds or major reconstructions) the following are also provided in premises subject to internal-rent. From a departmental perspective, it can be considered part of the internal rent, but the costs (depreciation and interest costs) are not a subset of the internal rental sum, but are financed through centrally allocated investment funds.

- Basic furnishing of laboratories, office space and teaching environments
- AV equipment in TimeEdit-bookable rooms for general university use; not in department leased areas.
- Internal data and telecom networks (excluding active units in cross-connect cabinets)
- Lock and access control systems

The furniture is at the departments disposal during the lease period. The department leasing the space is responsible for maintenance and exchange of furniture at own cost during the lease period. Loose furniture acquired by the department, can be left behind if agreed with the department moving in or with PFO.

Depending on availability, complementary furniture from central stocks may be ordered for a transportation fee. Contact PFO for further information.

Fixed furnishings include permanently attached furniture, water and drainage systems, ventilation (HVAC), climate control systems, etc. Fixed furnishings can belong either to the landlord, to the university or to the department.

Examples of fixed furnishings are protective ventilated work spaces, kitchenette furniture, black-out curtains, and vertical cable ducts for desk electricity and tele/data supplies. Fixed furnishings acquired by the department shall be removed on vacating the premises, which shall be restored to its original condition at the department's expense, unless otherwise agreed with PFO.

## 5. Internal rent

All premises with the exception of those given in sections 6 and 7 are charged the same rent per square metre and year.

Pursuant to the University Board decision of 19 October 2020 § 16 *Karolinska Institutets planeringsföreskrifter och budgetramar för 2021-2023* (ref. no 1-326/2020) the internal rent has been set at SEK 2,750/sq.m. for 2021.

The rent will be updated and determined by the University Board annually for each forthcoming year after preparation by PFO.

## 6. Internal rent for KI's dental clinic

Since 2017 KI's dental clinic has been charged the actual cost of its premises at Alfred Nobels allé 8.

The rent per square metre is revised annually to Consumer Price Index and is set by the October meeting of the University Board in accordance with section 5 above. The calculation is based on CPI growth from August of previous year to August immediately preceding the board's decision.

## **7. Internal rent for animal facilities**

Animal facilities are sublet to Comparative Medicine, which is charged the actual cost of the premises used. The same applies to CM's administration office.

## **8. Organisation of property management**

Overall responsibility for the administration of Karolinska Institutet is delegated by the President to the University Director. Strategic property management for KI has been delegated to the PFO along with the day-to-day management of property projects, the administration of external and internal lease agreements and the administration of the Premises Management System.

## **9. Premises Management System**

PFO is responsible for KI Premises Management System (PMS), which registers the square meterage each department utilises. Based on registered areas the departments are charged internal rent. Common areas are divided up (by level and building) among the departments in proportion to leased area.

## **10. Charging**

Internal rent is charged monthly in arrears.

## **11. Terminating or downsizing**

If a department wishes to reduce its premises, the head of department or the administrative manager is to do so by issuing vacancy notice to PFO by email to the senior property manager or the property manager responsible for the building in question.

Parts of a department's premises may only be vacated on condition that they are connected, clearly separable from the remaining premises and rentable to another operational unit.

The following periods of notice apply:

- 9 months for premises of general character, that can be used by another department immediately or with only minimal adaptation (office, teaching and laboratory spaces)
- 24 months for specialised premises, that can only be used by another operational unit after substantial conversion or rebuilding (e.g. laboratory animal facilities, clean rooms or BSL3 labs).

The period of notice runs from the start of the month immediately following its receipt by PFO.

If another department can take over vacated areas already during this period, the former department will no longer be charged rent once it has been transferred to the succeeding department.

## 12. Operational adaptation and conversions

A department wishing to make operational adaptations or convert already leased areas must cover the associated costs. In all such cases, the department must first seek and obtain approval from PFO. This also applies to alterations to the building's installations.

## 13. When leaving leased areas

When a department relocates or vacates leased areas on its own initiative it must cover all associated costs, including cleaning and decontamination.

When a department is required to leave or relocate on the initiative of the President or PFO, KI covers all costs with the exception of decontamination unless otherwise agreed.

If a department alters a leased area and its utilisation potential through some form of conversion without approval from PFO it is financially liable for restoring the premises to its original condition at the time of initial occupancy.

## 14. Sub-letting

If a department lease premises that are not terminable as per section 8 or are only temporarily free, it has the option to sub-let. Such free areas shall be offered in the first instance to another KI department, in the second instance to other research organisations. Only in exceptional circumstances, such areas may be sub-let to a company, and only after the department has consulted PFO and obtained its approval. A copy of the sub-lease agreement shall be sent to PFO .

Another option is co-utilisation. In such cases, one of the departments has disposal rights and responsibility for the leased area and agrees with the other department(s) on how the premises are to be utilised and the costs shared.

## 15. Booking of teaching rooms

Departments book teaching rooms through the TimeEdit booking system and are charged monthly in arrears.

Hourly rates are applied pursuant to the University Board's annual decision on planning conditions and budgets for government appropriations.

See: <https://ki.se/medarbetare/lokalbokning>

The booked time shall include time for necessary preparation and for returning any rearranged furniture to its original position. Bookings for longer sessions lasting several hours may not be interrupted by any less than one hour.

Bookings may be cancelled free of charge up to 14 days in advance, after which the full price will be charged.

Group rooms not booked by departments etc. are available for use by KI students for self-study, project work and the like. If a teaching room is not left in an acceptable condition, the department will be charged the costs of cleaning, tidying and reorganisation.