

# City of SENDAI

## Subsidy for Promoting Rebuilding and Relocation of SME Businesses

### Background

Companies are met with large financial burdens when an old office building needs to be rebuilt and companies must relocate their offices. To mitigate this burden and to promote smooth negotiation between building owners who plan to rebuild their buildings and tenant companies, the renewal of old buildings will be promoted under the Sendai City Center Redevelopment Project.

### Subsidy Details

**Subsidy amount** : **One-fourth** of the annual rent of the building to which a company relocated to (No upper limit).

(However, the monthly rate that is to be the basis of calculation shall be limited to 8,000 yen/m<sup>2</sup>.)

**Subsidy frequency** : **Once**

### Subsidy Eligibility

#### [Intra-city relocation accompanying the rebuilding of an existing building]

Businesses that meet all of the following conditions are eligible for the subsidy.

- Businesses that are renting **existing buildings slated to be rebuilt as a designated building qualified for the Subsidy for Sendai City Center Reconstruction Promotion**.
- Businesses that fall under any one of the items under Article 2, Paragraph 1 of the Small and Medium-sized Enterprise Basic Act.
- Businesses scheduled to **relocate within the city** accompanying the rebuilding of an existing building.

Businesses may not receive the subsidy, however, if any of the following items apply.

- If a different business has already received designation by the system for the same section of the existing building
- If the relocation destination is an existing building of a different business
- If the business will receive a subsidy for the opening or relocation of an office within the city or a measure providing a reduction or exemption from rent from the City of Sendai, etc.
- If the business is eligible for the Sendai City Subsidy for Promoting Enterprise Establishment, etc.

#### What is the Subsidy for Sendai City Center Reconstruction Promotion?

This subsidy system was created to promote the rebuilding of old buildings in the city central and the development of sophisticated offices that meet corporate needs.

For details, please see the official website of the City of Sendai. (Japanese only)

[https://www.city.sendai.jp/toshinsebi/tosinsaikouchiku/tosinsaikouchiku\\_sisaku1dan.html](https://www.city.sendai.jp/toshinsebi/tosinsaikouchiku/tosinsaikouchiku_sisaku1dan.html)



### Subsidy Requirements

Amount equivalent to fixed asset investments related to establishment of facilities:

**2 million** yen or more

(“Amount equivalent to fixed asset investments” is defined as a value calculated by multiplying monthly rental costs of the relocation destination by 70.)

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### Application Procedure

To be designated to receive the subsidy, in principle it is required to conduct a prior consultation, and to submit the subsidy application at least **30** days in advance of starting a project.

For 1 year after the fiscal year in which the subsidy was received, a report of operational continuity must be submitted. If the report is not submitted, or the project is discontinued or stopped, repayment of the subsidy may be required.

#### [Inquires]

##### **For the Subsidy System:**

**Industry Cluster Promotion Section, Economic Affairs Bureau, City of Sendai**

Tel : 022-214-8276 / E-mail : kei008040\_13@city.sendai.jp

##### **For the Promotion Subsidy:**

**City Center Community Planning Section , Urban Planning Bureau, City of Sendai**

Tel : 022-214-8314 / E-mail : tos009225@city.sendai.jp