

## Leasing Premises for a Business

CSG Law offers professional guidance and advice to individuals and groups alike in the law of leasing. In particular we can provide advices in relation to the leasing of a premises used for business purposes.

A Lease contains all relevant terms and conditions and identifies rights and responsibilities. Leases for business premises are usually prepared by the owner's solicitor. It is important that you and your solicitor carefully check and agree on the details before you sign.

### Initial Negotiations

When you have found premises to let for your business, a letting agent may provide you with a letter of offer. Do not sign or pay any deposit unless the offer clearly states that it is subject to your solicitor's approval of the lease, with a full refund of the deposit payable to you if the lease does not proceed.

### The Lease

Once you have received the lease from the owner's solicitor, it should clearly set out the terms and conditions of the lease. It should also contain the rights and responsibilities of the owner (lessor) and yourself (lessee). Our firm is able to thoroughly check your lease before you sign, to protect and minimize litigation and disputes.

### Retail Shop Leases Act 1994

If you intend to lease a retail shop, it is vital that you are fully aware of the provisions of this Act.

This Act deals primarily with the requirement of disclosure statements from the owner to you and other issues including:

- Rent review
- Turnover rent and figures
- Promotional levies

### Terms of the Lease

The terms of a lease are negotiable. It is therefore important that you have the lease inspected by your solicitors to be sure the terms are fair.

Consider the following:

- The initial rent and the method of how the rent is to be increased should reflect the offer
- Your ability to transfer or assign the lease should you decide to sell your business and the expenses involved in doing so
- The possibility of sub-letting the premises
- Local town planning laws, will they allow your business to operate
- Your rights to terminate the lease if the premises are damaged or destroyed
- Term of lease and right to renew the term
- Who pays for
  - Keeping the premises in good repair
  - Rates and taxes
  - Outgoings and other charges
  - All the additions, improvements and fixtures made during the lease
- Types of insurance required and who obtains it
- Restrictions on the removal of fixtures and fittings

- Your obligation to remove partitions and reinstate the premises after expiry
- Consequences of failing to pay rent
- Right to terminate the lease before it expires
- Ways of resolving any disputes
- Whether the *Retail Shop Leases Act 1994* applies to your lease and what that means
- Special obligations under a shopping centre lease
- Payment of a security deposit and the terms of a personal guarantee

### Government Fees

Be aware that you must pay standard State and Local Government charges. These may include registration fees, mortgage consent fees, survey fees and sketch plan examination fees.

### Legal Costs

At your initial appointment ask your solicitor about the costs involved.

Legal costs for preparing a retail shop lease are paid by the owner (landlord). In all other cases they are paid by the tenant.

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