

Leasing
Made
Easy.

Lease Documents Made **Easy**.

You have chosen a property and now the next step is entering into the formal documentation with the first step being the agreement to lease. This document sets out terms that the premises has been leased to you by the landlord and his obligations. It also sets out the Tenants obligations and what you as a tenant are required to do. The following document explains:

Agreement to **Lease**.

This is the simple form that sets out the terms to be included in the Deed of Lease. Once the agreement to lease has been signed it becomes a binding document. Terminology on the document is as follows:

FRONT PAGE

Landlord: Party that owns the building

Tenant: You, the party leasing the building

Guarantor: This is used when a limited company is the tenant and the directors of that company give a personal guarantee that the rent will be paid and all other terms met.

FIRST SCHEDULE

1. Premises: This is the legal address and description of the building.

2. Car Parks: If you are leasing car parks with your premises the number of car parks are recorded here.

3. Term: This is the length of time you want to lease the building for.

4. Commencement Date: This is the physical start date of the lease.

5. Rights of Renewal: Is used to describe how many more years after the first term you want to lease the building.

6. Renewal Dates: These are the actual dates that the renewals can take place. A tenant is required to tell the landlord within set parameters of time whether they want to renew the lease, once the current term is nearing an end.

7. Final Expiry: This is the date that the lease ends.

8. Annual Rent: Annual rent is broken into two parts. The first being the rental of the premises, the second being the rental paid for the car parking if any.

9. Deposit: The deposit is advanced rent which is usually paid to the agent upon the agreement being signed. The norm is two months' rental in advance, which is then used up before anymore rent is paid. Rent is ALWAYS paid in advance.

10. Rent Review Dates: This is broken into two parts; the first being market rent reviews - this sets out the date that your rent could be reviewed which is usually done by a registered valuation or written appraisal by a real estate person. The second part being CPI rent review - these are sometimes easier to work out as they are calculated from the consumer price index and adjusted for annual inflation.

11. Default Interest Rate: This is the interest rate you will be charged for late payment of rental and/or outgoings.

12. Business Use: This is where you describe the type of business you wish to operate within the premises you are leasing.

13. Landlord's Insurance: This covers the type of insurance the landlord has over the building. The cost of this insurance is recuperated from the tenant.

14. No Access Period: This item causes some confusion for most people. In the event of the building being damaged, but not destroyed beyond repair, it allows the tenant to cancel the lease if the landlord cannot get the premises ready for trading again within the time stated. The standard form allows for a 9 month period. During this period the tenant is still required to pay rent, so we recommend a no access period of 3 months.

15. Proportion of Outgoings: This covers the insurance the landlord pays on the building, rates, fire protection, servicing of lifts and air conditioning etc.

16. Limited Liability Trustee: In the case of a trust being involved as either landlord or tenant, the independent trustee's name is entered here.

17. Outgoings: These are broken down into sub clauses (1) - (13) and list each item the tenant is expected to pay.

SECOND SCHEDULE: DEFINITIONS, NOTICE AND INTERPRETATIONS.

These run from (1) through to (8) and give an in depth explanation of the terms of the Deed of Lease and reference particular areas in the Deed of Lease.

These terms are standard and have been approved by The Auckland District Law Society and appear in ADLS agreements to lease and deeds of leases.

Where required we can sit with you and explain these terms in greater detail.

THIRD SCHEDULE FURTHER TERMS (IF ANY)

This is the section where your specific requirements are noted along with completion dates etc. An example could be works to be carried out by the Landlord, and permission for the tenant to do certain works within the building.

FOURTH SCHEDULE LANDLORD'S FIXTURES, FITTINGS AND CHATTELS (if any).

Items owned by the Landlord but included in the lease to the tenant are listed here. For example heat pumps, alarm systems, floor coverings etc.

FINAL PAGE.

The final page carries the contact details for the solicitors etc.