



15 Insider Secrets You Should Know

Before Entering into Your Commercial Lease



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Congratulations on taking the next step in your business journey by securing a commercial lease!

However, before you put pen to paper, it's crucial to arm yourself with insider knowledge that can protect your interests and ensure a smooth leasing process. As a leading property and leasing law firm, we've distilled our expertise into 15 invaluable secrets every business owner should know before signing a commercial lease.





Understand your needs.



Before diving into lease negotiations, thoroughly assess your business requirements. Consider factors such as location, space size, layout, and amenities. Knowing your needs will empower you during negotiations and help you secure a lease that aligns with your business goals.

Lease term flexibility.



Negotiate for lease terms that offer flexibility, especially if you're a startup or anticipate future growth. Opt for shorter initial terms with renewal options or expansion clauses to accommodate your evolving business needs.

Carefully review the lease agreement.



Don't rush through the lease agreement and the disclosure statement. Carefully review every clause, including rent escalation clauses, maintenance responsibilities, renewal terms, and exit clauses. Seek clarification on any terms you don't fully understand.



Seek legal advice



Engage a reputable property and leasing law firm to review your lease agreement before signing. An experienced property and leasing lawyer can identify potential pitfalls, negotiate favourable terms on your behalf, advise you on the applicable retail leasing legislation and other legal compliance issues.

Negotiate rent



Don't accept the initial rent offer without negotiation. Research comparable rents in the area and leverage this information to negotiate a fair rent that aligns with market rates and your budget.

Hidden costs



Beware of hidden costs such as maintenance fees, essential safety costs, outgoings such as Council and water rates, insurance premiums, and owners corporation fees. Factor these expenses into your budget to avoid financial surprises down the line.



Understand maintenance responsibilities



Clarify maintenance responsibilities with the landlord to avoid disputes over who is responsible for repairs and upkeep. Ensure that maintenance obligations are clearly outlined in the lease agreement.

Fixtures, fittings and alterations



Clarify in advance what fixtures and fittings belong to the landlord. Negotiate upfront if you want alterations done to the property and clarify who is responsible to pay for what. Be aware of 'make good' obligations at the end of the lease because these can be expensive to comply with.

Zoning and permits



Ensure that the property is zoned for your intended use and obtain any necessary permits before signing the lease. Failure to comply with zoning regulations can result in costly fines or forced closure of your business.



Understand lease termination provisions



Familiarise yourself with the conditions and penalties associated with early lease termination. Negotiate favourable termination clauses that protect your interests in case you need to exit the lease prematurely.

Renewal options



Negotiate for renewal options that give you the right to extend the lease term at predetermined terms and conditions. This provides stability for your business and eliminates the uncertainty of finding a new space. Make sure you are aware of and diarise the date by when you must renew your lease.

Accessibility and parking



Ensure that the property offers adequate accessibility and parking for your employees, customers, and suppliers. Lack of parking or accessibility issues can negatively impact your business operations.



Environmental considerations



Assess potential environmental risks associated with the property, such as hazardous materials or contamination. Conduct due diligence and include environmental protections in the lease agreement if necessary.

Lease incentives



Do your research about what financial or other incentives landlords typically offer for an incoming tenant in your area or industry to secure a long-term lease. Incentives can take the form of rent-free periods and contributions to fit out.

Document everything



Keep meticulous records of all communications, agreements, and amendments related to the lease. Written documentation serves as evidence in case of disputes and protects your rights as a tenant.



Entering into a commercial lease is a significant commitment that requires careful consideration and negotiation.

By understanding these insider secrets and seeking expert legal advice, you can safeguard your interests, secure favorable lease terms, and set your business up for success in its new location. Remember, a well-negotiated lease can be a cornerstone of your business's growth and prosperity.

To find out more about how we can help you with your commercial lease transaction, book in for an initial consultation. To book, scan the QR code or head to our website

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