

Workshop, factory, barn lease

Date of lease: [date]

The Landlord: [name]

The Tenant: [name]

Lease of: [property address]

Contents

1. Definitions
 2. Interpretation
 3. Entire agreement
 4. The lease
 5. Rent and other payments
 6. Further payments
 7. Interest
 8. Condition and repair
 9. Tenant's positive obligations
 10. Restrictions on Tenant
 11. Signs and advertisements
 12. Goods and vehicles
 13. Default notice by Landlord
 14. Assignment of the lease
 15. Tenant indemnifies Landlord
 16. The Security Deposit
 17. Insurance
 18. Access for Landlord
 19. Guarantor
 20. Provision for premature termination
 21. Forfeiture
 22. Rent review
 23. Failure to agree reviewed rent
 24. At the end of the lease
 25. Stamp duty
 26. Other matters
- Schedule 1: Rights expressly reserved

The Landlord is: [name]
of [address]
ABN: [Number]
The Tenant is: [name]
of [address]
ABN: [Number]
The Guarantor is: [name]
of [address]
Start date of lease: [date]
End date of lease: [date]

1. Definitions

In this lease the following words shall have the meanings shown unless it is clear from :

“Conduit”	means any medium through which a service is .
“Insurance Rent”	means the premium, net of any commission, paid by the Landlord to .
“Landlord”	includes the person or persons from time to time entitled to possession of the .
“Lease Period”	means the total of the Term plus any extension or renewal, during which .
“Plan”	means the plan of the Workshop attached to this lease .
“Rent”	means \$ [48,000] per year payable without any deduction, in advance, by [twelve equal monthly instalments of [4,000], on the first day of each / [/]

	[/]];
“Rent Review Date”	means [date].
OR	
“Rent Review Date”	means every [third] anniversary of the start date of the lease. A reference to the Rent
	.
“Security Deposit”	means the sum paid by the Tenant to the Landlord as a deposit against any breach
	.
“Sign”	means any sign, poster or advertisement or other visual message in any medium, painted onto or attached to any part of the ,
	.
“Term”	means a term of [number] years [/]
“Workshop”	means the Workshop at [full address] the boundaries and details of which are , .
“Use Allowed”	means: use as [state use]
	.

2. Interpretation

In this lease

2.1. Whenever more than one person or company is the ,

2.2. An agreement by any party not to do or omit to

2.3. The headings to

2.4. The schedules to this lease

2.5. All money sums mentioned in this lease are

2.6. A reference to a right of the Landlord to have access to

2.7. A reference to "the last year of the Term"

2.8. It is certified that

3. Entire agreement

3.1. This lease contains the entire

3.2. Each party acknowledges that, in entering into this lease, he does not

].

3.3. Conditions, warranties or other terms implied

4. The lease

4.1. By this lease the Landlord lets and the Tenant

- 4.2. The Workshop is let subject to , , , .
- 4.3. The rights specified 1 .
- 4.4. All payments which may be due by the .
- 4.5. Except so far as provided in this lease, the , .

5. Rent and other payments

- 5.1. The Tenant shall pay to the Landlord:
- 5.1.1 the Rent;
 - 5.1.2 the Insurance Rent;
 - 5.1.3 a fair proportion (decided by a surveyor nominated by the Landlord) of , , , , , .
- 5.2. For each of the above payments, an appropriate .
- 5.3. The Tenant shall also pay , :
- 5.3.1 any works to the ;
 - 5.3.2 dealing with any application by , ;

5.3.3 preparing and serving a schedule

5.4. Payments to the Landlord shall be made by [direct debit / Internet /
/]

5.5. [Despite the above provisions, the

[] []
/]].

6. Further Payments

The Tenant agrees ,

:

6.1. all periodic rates and other taxes, relating to the Workshop, including

(

),

;

6.2. all charges for services at the Workshop to be paid promptly to

(

,

-

)

;

6.3. the cost of the grant, renewal or continuation of

,

.

7. Interest

All the payments to the Landlord referred to in this lease are payable on demand and if any payment is more than [seven] ,

,

[8 %].

,

.

8. Condition and repair

In relation to _____ :

- 8.1. use the Workshop only for the Use Allowed;
- 8.2. maintain the state and condition of the _____ , _____ ;
- 8.3. decorate the inside and the outside of the Workshop in every **[fifth]** year of the lease and in the last three months _____ (_____). _____ , _____ . _____ , _____ ;
- 8.4. **[at least once in** _____ , _____ , _____];
- 8.5. maintain and keep clean the exterior of the buildings _____ , _____ ;
- 8.6. clean, maintain and keep free from _____ , _____ , _____ , _____ , _____ .

9. Tenant's positive obligations

The Tenant agrees and undertakes that he will:

- 9.1. give the Landlord a copy of _____ ;
- 9.2. provide a written notice to the _____ / _____ .
- 9.3. immediately notify the Landlord of any encroachment on the Workshop _____ .

9.4. assist the Landlord as far as reasonably possible, and

9.5. comply with the terms of every law regulating

9.6. comply with all laws

10. Restrictions on Tenant

The Tenant

10.1. make any alteration to the Workshop;

10.2. in any circumstance do anything which might cause the

10.3. sleep overnight on the

10.4. apply for planning permission relating to the

10.5. make any

10.6. store or leave goods or detritus on

10.7. fix to the Workshop any pole

10.8. pour into any pipe or drain any trade waste or

10.9. bring onto the Workshop

- 10.10. remove or change
;
- 10.11. remove from the
;
- 10.12. obstruct any window on the Workshop;
- 10.13. cause any nuisance
;
- 10.14. bring, keep or allow any animals to be
;
- 10.15. cease carrying on business in the Workshop or leave the Workshop
continuously unoccupied for more than []
- ;
- 10.16. do anything which might
;
- 10.17. change or install any locks and other
;
- 10.18. use the Workshop for any activity which is dangerous, offensive,
noxious,
.

11. Signs and advertisements

- 11.1. Before the Tenant may place any Sign on or near to the Workshop, he
must
,
,
,
.
- 11.2. The Landlord is under no obligation
-

11.3. The Landlord may approve any Sign subject

, , , , , .

11.4. The Tenant accepts full liability for and indemnifies the Landlord

, , ,

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12. Goods and vehicles

The Tenant agrees that he will not:

12.1. park any vehicle except

;

OR

12.2. park more than [number] cars

,

,
;

12.3. load or unload

/

;

12.4. park any commercial

;

12.5. cause congestion of any adjoining

;

12.6. permit any vehicle belonging to him or any visitor to him,

,

,

;

12.7. move goods into or

.

13. Default notice by Landlord

13.1. If the Tenant is in default of any provision of this

,

.

13.2. If the Tenant fails to remedy the default within seven

14. Assignment of the lease

14.1. Except as specified in this lease,

14.2. The Tenant may not assign

14.3. The Tenant may assign or transfer his interest

14.4. The Landlord may not

14.5. It is a good reason (among other good reasons)

14.5.1 the proposed transferee is less likely to be able
/

14.5.2 the Tenant owes money to the Landlord;

14.5.3 there is no satisfactory guarantor of the
()

14.6. In giving consent,

14.6.1 the assignee shall not

14.6.2 the assignment shall impose an

14.6.3 the assignee shall enter into direct

14.7. Within four weeks after the Workshop is assigned (),

15. Tenant indemnifies Landlord

The Tenant agrees to

:

15.1. any act, omission or negligence ,

;

15.2. any breach by

;

15.3. any act, omission or negligence of the Tenant which

16. The Security Deposit

16.1. The Landlord confirms that he has \$[]

16.2. The Landlord may use the Security Deposit

16.3. If the :

16.3.1 he will tell

;

16.3.2 the rights or

;

16.3.3 the sum used is repayable to the Landlord

[4]

17. Insurance

17.1. "Insured Risks" means the risks of loss or damage by any naturally occurring event, fire, explosion, riot, terrorism, civil commotion, malicious damage,

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17.2.

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17.3.

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17.4.

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17.5.

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18. Access for Landlord

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18.1.

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18.2.

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18.3. to comply with any statutory obligation;

18.4.

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18.5.

;

18.6. to value the Workshop;

18.7.

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Conditions for access for the Landlord are:

18.8.

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18.9.

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18.10.

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19. Guarantor

The Guarantor agrees:

19.1.

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19.2. that his obligations will continue through the Term;

19.3.

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19.4.

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19.5.

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,

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;

19.6.

[28]

;

19.7.

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19.8.

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19.9. The new lease will be:

19.9.1

;

19.9.2 at the Rent then payable under this lease;

19.9.3

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19.10.

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19.11.

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20. Provision for premature termination

20.1.

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20.2.

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20.3.

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21. Forfeiture

21.1.

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21.1.1

28

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21.1.2

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21.1.3

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21.1.4

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21.1.5

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21.1.6

21

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21.2.

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22. Rent review

22.1.

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22.2.

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22.3.

[20 %]

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OR

22.4.

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OR

22.5.

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22.6.

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22.6.1

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22.6.2 the Workshop is vacant;

22.6.3 the Workshop can immediately be used;

22.6.4

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22.6.5

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22.6.6

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22.7.

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22.8.

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22.9.

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22.10.

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[8] %

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23. Failure to agree reviewed rent

- []
- ,
- 23.1. ()
- .
- 23.2.
- .
- 23.3.
- .
- 23.4.
- ,
-
- .
- 23.5.
- .

24. At the end of the lease

24.1. When this lease ends the Tenant must:

- 24.1.1
- ;
- 24.1.2
- ;
- 24.1.3 ()
- ,
- ;
- 24.2.

[14]

24.3.

25. Stamp duty

26. Other matters

26.1.

26.2.

26.3.

26.4.

26.5.

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26.6.

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26.7. [

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26.8.

- .

It shall be deemed to have been delivered:

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24

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24

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26.9.

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26.10.

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[].

[] .

Signed as a deed by or for the Landlord [\[write name\]](#) (who certifies that he has proper authority to sign)

Signature:

Witness: signature:

Name:

Address:

Signed as a deed by or for the Tenant [\[write name\]](#) (who certifies that he has proper authority to sign)

Signature:

Witness: signature:

Name:

Address:

Signed as a deed by the Guarantor [\[write name\]](#)

Signature:

Witness: signature:

Name:

Address:

Schedule 1: Rights expressly reserved

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6.

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Explanatory notes:

Workshop, factory, barn lease

General notes:

1. What to take up on completion

When you meet to complete, you should expect _____ :

- The counterpart lease: that is to say the copy signed by the tenant. (He _____);
- Any capital money paid to you as a premium _____ ;
- The rent, apportioned to the next _____ .

2. Registration

The lease term can be as long as you want. In most states, if the lease period exceeds three years, it should be registered with the Land Title Office. If you want to register the lease,

:

www.lpi.nsw.gov.au

www.nt.gov.au/justice/bdm/land_title_office/

www.nrw.qld.gov.au/property/index.html

www.landservices.sa.gov.au/

www.dpiw.tas.gov.au/inter.nsf/ThemeNodes/JGAY-53CUVH?open

www.dse.vic.gov.au/property-titles-and-maps/land-titles-home

www.landgate.wa.gov.au/corporate.nsf/web/Conveyancing+Channel

Paragraph specific notes:

Notes referable to specific numbered paragraphs

Party details

If landlord or tenant is a company, include ABN. Do

.

1. Definitions

We believe it is bad drafting practice to randomly capitalise words which are not defined terms. For example, in this document, the word "lease" is not a defined term. However, in the

Conduit is an ancient word for a pipe. In law it has a wider meaning, to include pipes, wires and anything which carries

Insurance rent: landlords have special powers to obtain rent which are not available for the collection of other debts. It is therefore always advantageous to specify that monies due to a landlord should be treated as rent, as they are in this lease. Insurance rent is a commonly used term.

Workshop: substitute some alternative work if you wish. We cannot over emphasise the importance of a full specification of the subject matter of the lease. If it is complicated you could put it in a schedule. The best way is a description which refers to

A good plan may also throw up unresolved side issues such as where the bins go and whether the landlord can park a

A further tip is to take photographs, particularly close-up to any feature, so that the condition is clear. If the Workshop is in excellent condition, the landlord will benefit most from photographs. If the Workshop is in poor condition, then it is the tenant who

Rent: is generally calculated in \$s per square foot or \$s per square metre, but the calculation rarely appears in the lease. The landlord will often specify a particular round sum when a property is advertised.

Security deposit: whether you decide to take a security deposit or not

Use allowed: When a rent review comes up, the landlord will claim rent based on the open market value for the Use Allowed. The question of user is of course more important in longer leases where the use is much more likely to change over time. It is a mistake for the landlord to fix the use paragraph

narrowly - perhaps with the thought that if the landlord needs to change the use

The point he misses is that at a rent review the new rent will be calculated by reference to the rack rent (then current rent) payable in the open market. Clearly, that market rent will be highest when the property can be used for many uses and lowest, when the use is restricted to a single, low value use. A landlord should therefore think

2. Interpretation

Leave these items in place unless there is a good reason to edit or remove. Each of them

3. Entire agreement

This paragraph prevents a party from later saying he was relying on some other document or web site or what was said. If other documents are to be relied on, let them be listed here, so that both parties know the basis of the deal.

4. The lease

This paragraph covers a reservation of general rights. In addition, we have provided for a schedule of rights. The reason is: first, you may wish to use a schedule for the avoidance of doubt and second,

It is usual for only the cost of insurance to be treated as rent (and usually referred to as " ").

This paragraph also contains the usual landlords warranty for " ".

5. Rent and other payments

This paragraph contains detailed commercial terms.

Important: the last sub-paragraph provides for a rent free period. However, it is better practice to deal with any money concession to the tenant in a side letter and

6. Further payments

We have no comment.

7. Interest

This provision crystallises the landlord's entitlement when otherwise

8. Condition and repair

The level to which repairs and maintenance must be maintained is usually to be as it is on the date of the lease. In other words the

This is done through a "schedule of dilapidations". The parties jointly appoint a surveyor to provide a list of all the deficiencies in the building. It should

Decoration: the specification for redecoration and the frequency are a matter for negotiation. Many landlords are not too concerned about the quality of the interior decoration,

Historically, leases tend to specify that redecoration should be as before. With today's fast advances in technology, this may be unrealistic.

This lease document will be used by landlords with widely different Workshops let for an even wider array of uses. There may be

9. Tenant's positive obligations

Encroachments happen constantly and unexpectedly. Once a neighbour has committed to the construction of a large adjacent building, the only practical remedy is damages.

10. Restrictions on tenant

Here is a long

It is important to prevent anyone sleeping habitually on the

11. Signs and advertisements

Traditionally drawn leases fail to cover the many possibilities for visual impact. We take the view that a Landlord is entitled to know about, and approve what his tenant wishes to show.

If a sign affects the use or enjoyment of adjacent or neighbouring premises of the Landlord,

Because the requirements of every tenant will be different, we recommend that the landlord prepares a specification for a new tenant as to what is

12. Goods and vehicles

Land around a building is often forgotten in lease provisions. Consider what is the land use and state of it. It is important to the landlord to maintain the amenity of

13. Default notice by Landlord

This paragraph provides a practical solution to the dilemma facing a landlord when the tenant is in breach but fails to take action. It may be

14. Assignment of the Lease

When a tenant no longer requires property, he will have to transfer it to some other person in order to avoid the continuing obligation to pay the

15. Tenant indemnifies landlord

Few draftsmen include an indemnity in a lease because the tenant's covenants are precise and a simple recourse is to sue on a breach. However,

16. The Security Deposit

We have provided a fair and simple procedure.

17. Insurance

The landlord should be sure that he

18. Access for landlord

Essential, but the tenant

19. Guarantor

Whether a guarantor is required is entirely a commercial decision. We suggest that in the case of a grant to a limited company, you should always obtain personal

The guarantee provisions in this lease are stronger than most guarantors would like. In particular, the guarantor remains in place after an

In order to remove the obligation of the guarantor for

" 1 "

The last sub paragraph refers to the position

20. Provision for premature termination

Otherwise known as a "break clause", that is a provision for the tenant to give notice, at some particular point in time, to terminate the lease

21. Forfeiture

These provisions are usual.

22. Rent review

The usual period for a short

We provide for three clear alternatives:

the rent is

the rent

the

The purpose of a rent review is to bring the rent into line with rents

Many older leases provide for "upwards only" review. When rents are falling, this prejudices a tenant. However,

23. Failure to agree reviewed rent

A simple procedure for resolving disputes. We have made this provision because it is likely to be acceptable to all parties,

The provision for the person appointed to act as expert and not as arbitrator is

24. At the end of the lease

These provisions simply tie up loose ends.

If the tenant has fitted out the workshop

25. Stamp Duty

In some states you

<http://www.business.gov.au/BusinessTopics/Taxation/Taxesexplained/Pages/Stampduty.aspx>

26. Other matters

Apart from the

A provision for mediation has been included in place of the more usual

Schedule 1: Rights expressly reserved

Reserved rights are rights which the landlord is keeping back from the grant of the lease. It is usually unnecessary to specify them

End of notes