

NEW RETAIL TENANCIES LEGISLATION

The legislation governing retail tenancies changed with the coming into effect of the Retail Tenancies Reform Act 1998 (Vic). The Act applies to retail premises leases. 'Retail premises' are defined in the Act to mean (with certain specified exceptions) any premises that under the terms of the lease relating to them are used, or are to be used, wholly or predominantly for the carrying on of a business involving the sale or hire of goods by retail or the retail provision of services.

The Act imposes a number of obligations upon the landlord if the premises fall within the definition of 'retail premises'. These include :

- a disclosure statement must be provided to the prospective tenant at least 7 days before the term of the lease commences and before renewal and assignment of a lease. Failure to do so allows the tenant to terminate the lease or to refuse to pay rent;
- rent review is only available on a very limited basis and a minimum rent provision is not permissible;
- legal costs for preparing leases are not chargeable to the tenant; and
- in the case of new leases, the tenant has a guaranteed five year minimum term.

There are other less significant implications.

If the University enters a lease or renews an existing lease which is a retail premises lease, it must comply with the Act. If you are negotiating a new lease or a lease renewal which may fall under the Act, you should seek the advice of Legal Services.

Please contact Angela Smith, Solicitor, Legal Services on Bundoora ext 2532 if you wish to discuss the matter further or if you require any assistance.

This article provides general information only. It is not a complete or definitive statement of the law on the subject matter. Formal legal advice should be sought in relation to particular matters.