



GUIDE TO LEASING A PROPERTY

What is a lease?

Leases can fall into three categories: residential, commercial and retail. All have different regulations.

Residential

Residential Tenancy Agreements are the standard documents to be used for manses or other residential property for the sole use as an individual (or family) residence. The RTA is a set pro forma document, is governed by the Residential Tenancy Act and the maximum term is 12 months.

We recommend you engage a real estate agent to manage the process. Before doing so, contact Property Services for advice on fees.

All RTAs are required to be in the name of The Uniting Church in Australia Property Trust (Victoria) or (Tas). The Property Trust is the legal body for executing documents on behalf of the Church. All legal documents, including RTAs, must be signed by a member of the Property Trust but, before this can happen, an Application to Lease must be approved by the Property Applications Review Team.

Commercial

When looking for commercial or retail space to lease it is important to know the terms and conditions and what is included up front. This will enable you to negotiate effectively.

All commercial leases must follow the standard Application to Lease process to ensure PART approval.

Retail

The Victorian Small Business Commissioner provides information on retail leasing requirements under the Retail Leases Act. Failure to comply with the Act may void the lease. Synod Legal can assist with any other enquiries.

All retail leases must follow the standard Application to Lease process to ensure that PART approval is in place.

All lease contracts must be reviewed by the Synod's legal department and signed by the authorised signatories. The Synod's insurance department must also be consulted.

Lease negotiations (commercial and retail)

When considering additional space requirements resulting in a potential commercial or retail lease, we recommend you contact Property Services to negotiate the lease on your behalf.

Before negotiations begin, the Application to Lease must be approved by the Property Application's Review Team.

Specific terms and conditions may have a huge bearing on the overall cost of the lease, therefore we recommend the following items be considered and discussed with Property Services:

- ▶ Term and option periods.
- ▶ Incentives.
- ▶ Rental increases.

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- ▶ Break Clause.
- ▶ Ratchet Clause.
- ▶ Outgoings, including budget.
- ▶ Sub-leasing or assignment of lease.
- ▶ Make good obligations.

Licence Agreements

A Licence Agreement should be used when another entity wants to have occasional non-exclusive use of Church property. It should be used even if the property is only required for one occasion. A licence is usually of a commercial nature.

The maximum term for a licence agreement is 12 months, but it can be renewed for a further term by mutual agreement. This ensures all licences are reviewed at least once a year. Before an entity completes an agreement it must go through the standard License Agreement process, ensuring PART approval is in place.

The Church's Public Liability Insurance coverage and requirements should be confirmed with the Synod's insurance department in each instance of a proposed Licence Agreement.

Resources

We recommend annual reviews of UCA properties by the beneficial user which should include:

- ▶ Asbestos auditing.
- ▶ Maintenance schedules and budget.
- ▶ Current and future use of the property.
- ▶ Planned capital works.
- ▶ Current and proposed missional use.
- ▶ Lease management.
- ▶ Lease reviews.

Property Services can assist with various levels of reporting, assessments and future planning to ensure the property strategy supports the UCA's current needs and longevity.

Contact

For more information, contact Property Services on **03 9251 5949** or at property@victas.uca.org.au