



YOUR OBLIGATIONS ON ENDING A TENANCY

Are you considering leasing smaller premises, or upgrading your premises or finding more environmentally friendly premises or do you simply wish to end your lease?

Regardless of whether you are upgrading, downsizing or simply moving, your existing lease will need to terminate either by the expiry of the term of your lease or by negotiating a surrender of your existing lease (which still has some time left to run) with your landlord.

In either case, you must consider your "make good" obligations under your lease. Your "make good" obligations in a commercial or retail lease can range from:

- complete stripping back of the premises to a bare shell;
- repainting all or part of the premises;
- recarpetting or refitting new floor coverings to the premises;
- removing wiring and cable; and/or
- removing your fit out, shelving and/or other fixtures and fittings.

Unless you adhere strictly to these "make good" obligations or clarify with the landlord exactly what their expectations are in the context of what the lease requires, you may run the risk of:

- the landlord withholding the return of your bank guarantee or security deposit;
- being charged rent whilst the landlord rectifies any breach of your "make good" obligations; and/or
- a claim being made against you for the cost of rectification and the loss of potential rent the landlord could have earned whilst they were rectifying the breach of your "make good" obligations.

Sometimes your lease will not be clear on what your "make good" obligations are, or may leave room for negotiation with the landlord as to the extent of your obligations.

If there is any doubt as to what your "make good" obligations are, you should clarify this with the landlord before ending your tenancy to avoid entering what could be a costly and time consuming dispute.

Our experienced team of solicitors can assist you by reviewing and advising you of your obligations. We can also assist you by ensuring that your lease deals with this issue adequately so the risk of ambiguity or dispute over future make good obligations is minimised because *Helping You is Our Business*.



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