



Quiz

Retail and Commercial Leasing

1. Under the Retail Leases Act, which of the following can a landlord NOT pass onto the tenant?
 - a. Real Estate Agent's fees
 - b. Lease preparation costs
 - c. For strata property, any sinking fund or special levies
 - d. All of the above

2. Which of the following is true regarding demolition clauses?
 - a. If a property is due to be demolished whilst under a lease, a landlord must relocate the tenant to comparable premises
 - b. If a property is due to be demolished a tenant is not obligated to adhere to its repair and maintenance obligations
 - c. If a property is due to be demolished whilst under a lease, a landlord must compensate the tenant for moving costs and a new fit out for a new site if required
 - d. All of the above

3. What is a 'ratchet clause'?
 - a. An incentive offered by a landlord allowing for a rent free period at the commencement of the lease
 - b. A clause in the lease that provides that if a tenant defaults during the term of a lease then the equivalent of any rent free period is repayable

- c. A clause which states that regardless of how the market moves, the rent payable by the tenant cannot decrease
 - d. A clause in the lease which allows a tenant to bring forward a market review date and exercise an option earlier.
- 4. Which of the following is most beneficial for a landlord when disclosing outgoings in a lease disclosure statement?
 - a. It is better for a landlord to overestimate outgoings in a disclosure statement
 - b. It is better for a landlord to underestimate outgoings in a disclosure statement
 - c. A landlord must provide actual figures in the disclosure statement and not estimates of costs
 - d. It is most beneficial for a landlord to not provide the disclosure statement until after the commencement of the lease
- 5. Which of the following is not considered an 'arm' of commercial leasing?
 - a. A retail lease
 - b. A residential lease
 - c. An industrial lease
 - d. Both A and B

Answers:

1. B 2. B 3. A 4. A 5. B