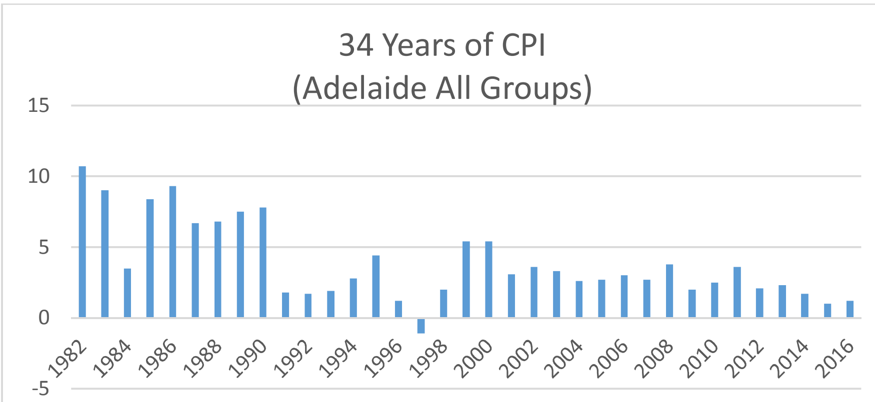
Commercial Lease Specialists

LEASE INSIGHTS – February 2017

A picture is supposedly worth a thousand words but personally I think a graph goes even further.



This graph pretty much speaks for itself but begs the question of what method of Rent Review do we turn to if we want to avoid using the CPI?

Here are a few ideas: -

CPI Plus X%	Where X is 1, 2 or perhaps 3 depending on what your prospective tenant will agree to.
Fixed % increase	Generally we are seeing between 3% and 5%.
Market Review	Remember that this method can reduce the Rent if the Valuer thinks that the current Rent is above the market.
The price of the Advertiser	i.e. The Rent goes up in line with any increase in the cost of the Advertiser Newspaper.
Mortgage Interest rates	The Rent increases or decreases in line with Mortgage Interest rates charged by your bank.

Just a few ideas to consider when you are negotiating a new Lease agreement.

Regards

Steve Evans

66 THE PARADE

NORWOOD SA 5067

08 83624444

admin@theleasebureau.com.au