



Press Release – 09 March 2009

Retail market rent reviews being actively contested

Leasing Information Services has recorded a large spike in the number of market rent reviews being taken to determination over the period December to February, across the Eastern Seaboard of Australia.

The managing director of LIS, Mr Simon Fonteyn said “There has been a very large spike in the requests we receive for data to be used as a submission to a determining valuer for market rent reviews. The reviews typically relate to the exercise of an option, in a strip location, however, there has also been some increased activity in mid – term market rent reviews being taken to determination.” The categories that appear to be most active include pharmacy, food and jewelers.”

The current economic climate for retailers remains extremely perilous and a number of retailers have exercised their right to have the rent determined on the expectation that the rent will fall or at least flatten out. However a number of smaller retailers are still unaware of their rights in relation to market reviews and the implications of the NSW Retail Leases Act or equivalent legislation around Australia. ‘A lot of small retailers, who have contacted us, believe that the rent cannot fall, because their lease contain a provision ‘known as a ratchet clause’ which means the rent has to remain at the previous level or will increase. However, the Retail Leases Acts void these clauses around Australia, in most circumstances” Simon Fonteyn said.

Retailers should seek independent advice in relation to their lease agreement or contact the relevant department that administers the Retail Leases Act in their State.

All enquiries should be directed to
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