

2001

**THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**LEASES (COMMERCIAL AND RETAIL) BILL 2000
(No. 2)**

**SUPPLEMENTARY EXPLANATORY MEMORANDUM
GOVERNMENT AMENDMENT – Clause 53**

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Attorney-General

Leases (Commercial and Retail) Bill 2000 (No. 2)

SUPPLEMENTARY EXPLANATORY MEMORANDUM GOVERNMENT AMENDMENT – CLAUSE 53

Under clause 53 of the existing *Commercial and Retail Leases Code of Practice*, on the landlord making an offer to renew a lease, the offer "must not exceed the market rent for the premises". A landlord may withdraw the offer at any time, even if a tenant disputes that the offered rent is for market value and commences proceedings to seek the Tenancy Tribunal's consideration of the matter.

The Bill, as introduced, contain similar provisions, with one exception. Once a tenant commences proceedings, the landlord cannot withdraw the offer.

This amendment introduces the concept of an interim agreement, complete save for a determination of market rent in accordance with clause 52. Once the interim agreement comes into effect and the tenant requests the Court to deal with market rent, neither lessor nor tenant may withdraw from the agreement (unless both so agree).

The amendment similar in form to the Bill, as introduced, save that a tenant will no longer be able to dismiss a renewal offer made by a lessor once the market rent is determined.