

# ALERT

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## New disclosure statement for retail landlords

A new disclosure statement for retail landlords came into effect on 1 January 2011. Amendments to the *Retail Leases Regulations 2003* (Vic) alter the form of disclosure statement. These amendments aim to bring Victorian retail lease disclosure statements into alignment with NSW and QLD requirements. Current leases are not affected but leases entered into after 1 January 2011 must adhere to the new format.

In general, these amendments impose more onerous disclosure requirements on retail landlords. Landlords and managing agents are now required to have a greater understanding of their premises, and tenants are to be given more information about the properties they will be leasing, affording them the opportunity to make more informed choices.

### For landlords:

- Landlords will need to provide particular details about their properties and facilities. For example, disclosure requirements regarding existing fixtures and fittings have become much more specific: does the property include air conditioning, a hot water service, separately metered utilities?

- Landlords of retail shopping centres must now also disclose to tenants the existence of major or anchor tenants in the shopping centre, and their lease expiry dates.

### For tenants:

- Tenants stand to benefit under these changes because they are now given more information about the leased premises.
- Landlords are required to outline all costs which may be payable by the tenant (including up-front costs and costs payable in relation to default or obtaining consents) and identify any current legal proceedings.
- Landlords must now detail any contributions they will make towards the cost of a tenant's fitout.

If you are a landlord, managing agent or tenant, you must be aware of the changes and how they may affect you. Failure to comply with the new requirements may result in a tenant being entitled to terminate a lease or withhold rent.

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**If you would like to obtain a copy of the new disclosure statement, or have any questions regarding these changes, please contact:**

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