

It is always very important before you sign any lease or lease renewal option, that you always understand exactly what you are signing and you should always consult with a solicitor if you do not understand what you are signing and be fully aware of the commitment you are undertaking.

You should know the answers to the following questions **before** you sign:

- Who will be responsible for maintenance of the structure, fixtures, fittings, equipment and chattels?
- Do you require permits or licences to operate the business?
For example a take-away eatery requires a health licence issued by the Department of Health.
- Is the business premise zoned for the type of business that you wish to undertake?
- Who is responsible for the legal costs, stamp duty, etc?
- Are you able to sublet all or part of the premises? If so, under what conditions?
- How is the rent calculated? (annual, monthly, weekly)
- How will the Tax Reform package affect your rent? What provisions are in the contract to change the rent when the Tax Reform package comes into effect?
- What types of insurance do you require under the conditions of the lease? Who is responsible for these insurances?
- What is the duration of the lease, for example, if you are taking over an existing lease, how much longer will it run for?
- Is there an option to renew the lease? Do you need to give prior notice of intention to take up the next option? Must this be in writing and how long before expiration of the lease?
- On what basis can the rental be varied and how often, for example is it based on CPI, gross profit, based on turnover or flat percentage increase, or is it by agreement between the parties?
- Who owns the premises? A title search should be carried out. This will show any mortgages. If the landlord has a mortgage, has the mortgagee consented to the lease? If not, the mortgagee will not be bound by the lease and may be able to evict you.
- Does the lease allow for the type of business to be conducted? Are there any limitations that might hinder diversification?

