

Retail and Commercial Leasing Information



Leasing information and support

If you have a retail lease, the *Retail Leases Act 1994* sets out key obligations for both landlords and tenants, particularly in situations where a premises has been damaged, or access is restricted.

While you should refer to your lease for specific information about your rights and obligations, the below information may offer some quick tips to help better understand where you stand.

If landlords and tenants disagree over payments, repair obligations, or any other lease matters, they may seek assistance through the NSW Small Business Commission, which provides mediation services for retail and commercial leasing disputes.

Further information



[Guide to the Retail Leases Act](#)



[Mediation Guide](#)

If you would like further assistance, you can contact the NSW Small Business Commission to discuss your situation.

Contact the NSW Small Business Commission:

Phone: 1300 795 534 8:30am – 5:00pm Monday to Friday

Lodge an online enquiry: www.smallbusiness.nsw.gov.au/contact-us#enquiry-form

Web: www.smallbusiness.nsw.gov.au

Negotiating rent adjustments or deferrals

Business disruption can impact tenants and landlords in many ways.

Options for managing the impacts on the tenancy include:

- Negotiation of rent adjustments and deferrals.
- Management of outgoing contributions.
- Variations to lease terms.

Tenants and landlords are encouraged to participate in good faith negotiations to explore their options. This can sustain a tenancy, allowing a tenant to trade out of any difficulties, and preserve the value of the tenancy to the owner of the property.

Significant damage or destruction – rent abatement

Retail leases

There are specific arrangements in place for retail leases where part of a shop cannot be used due to damage or destruction.

If a shop or building is damaged, section 36 of the *Retail Leases Act 1994* provides a retail tenant with a right to a rent and outgoing reduction relative to the proportion of the premises that are unusable, for the period during which the shop cannot be used or is inaccessible due to the damage.

Commercial leases (other than retail)

If premises under a commercial lease are unusable or partially damaged, the lease may include provisions for rent relief, or the landlord and tenant may negotiate temporary arrangements. Check the lease for any relevant terms.

Damage to tenant's property and equipment

Tenants are generally responsible for maintaining insurance for their own property within the rented property. A landlord is not obliged to compensate the tenant for any damage to the tenant's furniture or equipment unless specific arrangements exist under the lease.

Compensation for disturbance by the lessor

Under Section 34 of the *Retail Leases Act 1994* a retail tenant may be entitled to compensation if they are prevented from accessing or using the premises due to unreasonable action taken by the **lessor** that:

- inhibits access of the lessee to the shop in any substantial manner
- inhibits the flow of customers to the shop, or
- has a significant impact on trading from the shop.

Retail tenants will not be entitled to compensation for any action taken by the landlord as a reasonable response to an emergency or if the action is taken in compliance with government orders, such as mandatory evacuation .or road closures.

Further information

- [Retail Leases Act 1994](#)
- [Retail lease basics](#)
- [Apply for mediation](#)
- [Guide to making insurance claims | NSW Small Business Commissioner](#)
- More information on eligibility is available from [Terrorism Pool Consumers - ARPC](#)

The NSW Small Business Commission can help parties resolve disputes. Find out more about our services by contacting the Commission by phone on **1300 975 534** or by [enquiring online](#).