

## COMMERCIAL LEASE NOTES

### **GST on Bonds and Bank Guarantees**

The Retail and Commercial Leases Act is quite clear on this in that it says that the amount of a bond cannot exceed "four weeks rent".

Note that it doesn't say "rent plus GST on rent" or "rent plus outgoings" or even "rent including GST". It just says "rent".

So that means a bond cannot exceed four weeks rent. Not rent plus GST.

The situation with regard to the amount that you can ask for by way of a Bank Guarantee is less regulated. Basically you can ask for any dollar amount so how you calculate this is irrelevant.

Often agents will use the term "X months rent" and if they do, this means rent not rent plus GST. If you mean rent plus GST then you must say so or it will be restricted to rent only.

If you have any queries please contact Steve Evans on 8362 4444 or 0409408407.