

4. The bond is paid with an Office of Housing loan.

5.5 Retail rents and deposits

Rent

The rent for non-residential tenancies is set by the landlord. The tenant agrees to the level of rent by signing the retail lease.

There may be some negotiation about the rent and the landlord may adjust the rent according to market influences.

Security deposit

The security deposit or bond for a retail lease is not managed by any authority. The amount of the security deposit is decided by agreement between the landlord and tenant. The landlord cannot unreasonably refuse a guarantee provided for the security deposit by an authorised deposit-taking institution.

The landlord must keep the security deposit in an interest bearing account. The landlord is entitled to treat the interest earned as part of the security deposit. The landlord must account to the tenant for the interest earned, so statements detailing the amount of money in the account and the interest must be provided to the tenant if the tenant performs all of their obligations under the lease.

Deleted: The account must be opened jointly in the name of the two parties and requires authorised signatures to withdraw funds.

However, the security deposit and the interest accrued must be returned to the tenant at the end of the lease. The tenant should be reimbursed all government fees and charges debited from the account. Refer to the Retail Leases Act, section 24.

The landlord may keep all or part of the security deposit in certain circumstances and by mutual agreement with the tenant, for example:

- part of the property is damaged or needs repainting
- an amount of rent remains owing
- outgoings for utilities such as electricity and gas supply remain owing.