

RETAIL LEASE ASSIGNMENT IN NEW SOUTH WALES

When purchasing or selling a business in New South Wales, it is common to transfer the lease for the business premises. This process, known as lease assignment, involves changing the tenant listed on the lease agreement from the seller (assignor) to the buyer (assignee). This fact sheet outlines the key steps in retail lease assignment in New South Wales.

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WHY IS IT IMPORTANT?



- **Ensures business continuity:** The buyer can keep operating from the same location
- **Often required:** It is typically a condition in the Business Sale Agreement (BSA)
- **Landlord involvement:** The property owner must consent to the change

1. REVIEW THE EXISTING LEASE



- **Buyer:** Understand your future obligations, rent details, and renewal options
- **Seller:** Familiarise yourself with the assignment clause in your lease

2. EXCHANGE DISCLOSURE STATEMENTS



- **Seller:** At least 7 days before the assignment date, the seller should provide:
 - To the Buyer: a copy of the landlord's initial disclosure statement from the commencement of the lease with the seller's written confirmation of any/all updated current lease details (or otherwise request the landlord to provide an [updated disclosure statement](#)); and [assignor disclosure statement](#)
 - To the Landlord: copies of the above disclosure documents
- **Buyer:** To sign (and return) the Lessee's disclosure statement form contained in the Landlord disclosure statement within 7 days of receipt

3. NOTIFY AND SEEK LANDLORD'S CONSENT



- Seller requests the landlord's consent for the assignment
- **Note:** The landlord must confirm or reject its consent of the buyer and assignment of lease within 28 days, otherwise, consent could be deemed automatically approved if the seller and buyer comply with all obligations

4. MEET LANDLORD'S REQUIREMENTS



- The landlord may ask the buyer for financial statements, business references, increased security, or personal guarantees

5. REVIEW AND SIGN ASSIGNMENT DOCUMENTS



- Main document (to be prepared by the landlord's solicitor): Deed of Consent to Assignment of Lease
- If the lease is registered: Form O1TL Transfer of Lease

6. COMPLETE PRE-SETTLEMENT TASKS



- **Seller:** Pay the landlord's legal costs for the assignment
- **Buyer:** Provide financial and legal advice reports (unless you are a major lessee), security, and insurance certificates to the landlord

7. POST-SETTLEMENT DUTIES



- Handle stamp duty on assignment documents
- If the lease has been registered, register the Form O1TL Transfer of Lease on the title via PEXA

TIPS FOR A SMOOTH PROCESS



- **Start early:** The process takes 2–4 weeks. Engage with the landlord early and provide information promptly.
- **Communicate clearly:** Maintain regular communication to keep all parties informed throughout
- **Be prepared:** Gather documents as soon as the BSA is signed
- **Review thoroughly:** Understand all terms and obligations in the lease and assignment documents
- **Financial readiness:** Ensure you can meet financial obligations, including security and any bank guarantee with the required wording