



**Australian Government**

# **CPPREP4204 Establish commercial property lease**

**Release: 1**

# CPPREP4204 Establish commercial property lease

## Modification History

Release 1 This version first released with CPP Property Services Training Package Release 8.0.

Supersedes but is not equivalent to CPPDSM4041A Contribute to development of a tenancy mix strategy, CPPDSM4050A Lease industrial, commercial and retail property and CPPDSM4063 Participate in developing and establishing property or facility contracts.

Merged to reduce duplication. Updated to the Standards for Training Packages.

## Application

This unit specifies the skills and knowledge required to establish a commercial property lease.

It includes working with potential lessees to assess their suitability for the lease and obtain agreement to lease terms and conditions following lessor instructions. It also includes preparing and administering lease documentation, approvals and payments and negotiating with parties to the lease to formalise lease arrangements.

The unit applies to industry professionals in real estate.

State or territory licensing requirements may apply to this unit.

## Pre-requisite Unit

Nil

## Unit Sector

Real estate

## Elements and Performance Criteria

| Elements describe the essential outcomes.                   | Performance criteria describe what needs to be done to demonstrate achievement of the element.                                                                                                                                                                   |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Respond to lessee enquiry for commercial property lease. | 1.1 Respond promptly to lessee enquiry and identify their needs and preferences.<br>1.2 Discuss property features and usage requirements with lessee according to type of property and lease.<br>1.3 Assess lessee suitability against property usage and lessor |

|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            | <p>instructions.</p> <p>1.4 Provide additional information to lessee as required and obtain agreement to proceed with lease.</p> <p>1.5 Record details of interactions with lessee according to agency requirements.</p>                                                                                                                                                                                                        |
| 2. Disclose terms and conditions with lessee.              | <p>2.1 Prepare pre-lease documentation, setting out terms and conditions of lease and proposed agreement between lessor and lessee.</p> <p>2.2 Brief lessee on lease terms and conditions and provide required information or advice to address issues or concerns.</p> <p>2.3 Confirm with lessee required bonds, rent reviews, outgoings and financial obligations.</p>                                                       |
| 3. Negotiate agreement for commercial property lease.      | <p>3.1 Negotiate terms and conditions of lease with lessee according to lessor instructions and type of commercial property.</p> <p>3.2 Identify and resolve issues that may impact agreement of the lease terms and conditions.</p> <p>3.3 Maintain communication with lessee and lessor to negotiate variations to conditions of agreement.</p> <p>3.4 Negotiate conflict or deadlocks and confirm final lease agreement.</p> |
| 4. Facilitate completion of lease for commercial property. | <p>4.1 Administer required lease approvals and payments according to lease agreement.</p> <p>4.2 Execute lease documentation and facilitate lease registration.</p> <p>4.3 Check understanding of responsibilities and obligations with parties to the lease.</p> <p>4.4 Secure lease records according to agency requirements.</p>                                                                                             |

## Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

## Unit Mapping Information

No equivalent unit.

Supersedes but is not equivalent to:

- CPPDSM4041A Contribute to development of a tenancy mix strategy

- CPPDSM4050A Lease industrial, commercial and retail property
- CPPDSM4063 Participate in developing and establishing property or facility contracts.

## **Links**

Companion volumes to this training package are available at the VETNet website -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>

# Assessment Requirements for CPPREP4204 Establish commercial property lease

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## Performance Evidence

To demonstrate competency in this unit, a person must negotiate, draft and prepare for finalisation, leases for two commercial properties. These properties must come from two of the following categories:

- industrial
- office
- retail.

In doing this, the person must meet the performance criteria for this unit.

## Knowledge Evidence

To be competent in this unit, a person must demonstrate knowledge of:

- legislation and regulations governing the lease of commercial property in the state or territory of operation
- agency documentation required to be completed and maintained when leasing commercial property
- factors that can lead to breach of lease
- financial obligations of lessee
- lease structures and requirements for different categories of commercial property:
  - office
  - industrial
  - retail
  - healthcare
  - leisure
  - warehouses
  - multi-family

- land use controls for different types of commercial properties
- legislative requirements for retail leases
- processes for establishing commercial lease agreements:
  - acceptance and consideration
  - agreement to lease
  - letters of intent
  - negotiations containing offers
  - relative lessee or lessor obligations
- ethical standards, regulatory requirements and role of agents in leasing commercial property
- common terms and conditions of commercial property leases
- considerations when qualifying lessees for lease of commercial property
- information normally contained in disclosure statements associated with the lease of commercial property
- rent review mechanisms and methods:
  - fixed percentage increase
  - consumer price index (CPI) percentage increase
  - market review
  - agreed amount
- situations requiring local government approval associated with the lease of commercial property
- tenancy mix requirements for commercial property.

## Assessment Conditions

Assessors must satisfy the requirements for assessors listed in the Standards for Registered Training Organisations.

Assessment must be conducted in the workplace or in a simulated workplace environment.

Assessors are responsible for ensuring that the person demonstrating competency has access to:

- materials and equipment meeting the operational requirements for a real estate agency, including:
  - policies, procedures and documentation relating to lease of commercial property
  - legislation in the state or territory of operation relating to lease of commercial property
  - equipment, communication and data access and storage technology required to prepare documentation for the lease of commercial property
- lessees, lessors and information to support the lease of two different types of commercial property.

## Links

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