

PRESENTERS



Mark Anderson, Greenwood-Roche, Wellington

Mark is a specialist commercial property lawyer based in the Wellington office of Greenwood Roche. Mark has extensive experience advising local and offshore investors on large acquisition and divestment projects. His practice includes advising developers on mixed use developments and subdivisions and he has considerable experience advising private sector, central and local government clients on major development and lease projects. In addition, Mark has considerable expertise in commercial leasing, providing advice to both landlord and tenant clients with significant portfolios.



Antonia Shanahan, Greenwood-Roche, Auckland

Antonia is a commercial real estate expert based in our Auckland office. Antonia advises on all aspects of commercial property, having gained extensive experience in the UK, Australia and the Middle East. She has extensive experience in capital markets sales and acquisitions and is well known as one of Auckland's most prominent leasing experts. In addition, Antonia regularly advises on major commercial development projects. Antonia's clients include Air New Zealand, ASB Bank, MediaWorks, NZ Post, Regus, Kiwibank, Norak and Medispace.

CONTENTS

1. INTRODUCTION.....	1
INTERPRETATION	1
COVID/WORKING FROM HOME/PRACTICAL CONSEQUENCES	1
<i>What is being observed in the market?.....</i>	2
WHAT IS A SUBLEASE?.....	3
<i>Key features of a sublease.....</i>	3
WHY SUBLEASE?	4
2. DISTINCTION BETWEEN SUBLEASE AND ASSIGNMENT.....	5
ASSIGNMENT	5
SUBLETTING	6
KEY STEPS IN EFFECTING A SUBLEASE	6
LANDLORD’S CONSENT AND TIMING	7
<i>Practical tips.....</i>	7
<i>Consent and the Auckland District Law Society Form of Lease</i>	8
<i>Consent timing summary.....</i>	9
<i>Conditions to headlandlord consent.....</i>	9
<i>The Property Law Act 2007: unreasonably withholding consent.....</i>	10
<i>Consent to a change in business use</i>	11
<i>Headtenant’s liability and responsibilities.....</i>	12
<i>Sharing of responsibilities.....</i>	13
3. SUBLEASES – PART 4 OF THE PROPERTY LAW ACT 2007.....	15
SUBPART 4 – GENERAL PROVISIONS	15
<i>Sublease Term</i>	15
<i>New headlease does not affect sublease.....</i>	17
SUBPART 6 - REMEDIES AND RELIEF	17
<i>Cancellation of leases</i>	17
<i>Statutory protection of sublease on cancellation of headlease.....</i>	19
4. DUE DILIGENCE AND TIMING.....	21
HEADTENANT CONSIDERATIONS.....	21
<i>Subtenant due diligence.....</i>	21
<i>Consistency with headlease.....</i>	21
<i>Rent and outgoings.....</i>	23
<i>Fitout and subtenant requirements.....</i>	24
<i>Shared occupation arrangements.....</i>	24
<i>Fixtures and fittings</i>	24
SUBTENANT CONSIDERATIONS	24
<i>Suitability of premises</i>	25
<i>Pass-through tenant obligations under the headlease.....</i>	25
<i>Specific rights of headtenant</i>	25
<i>Rent reviews</i>	26