

# Leasing Policy

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The Abbotsford Convent Foundation (ACF) offers leased space within the various buildings located throughout the precinct. Leases are offered to individuals, representative organisations and commercial businesses that meet the selection criteria as detailed within this policy, The Tenancy Vision Policy and The Master Plan.

Within the precinct there are several established areas (buildings, wings, annex etc) created to reflect a commonality of pursuit by the individual tenants e.g. Wellbeing Centre, Food & Beverage, Hard Arts, Learning, Visual Arts, Music, Dance, Broadcasting and Writers etc. It is the aim of the ACF to ensure, where practical, that new tenancies are not at odds with the existing use and overall balance and coherency of tenancies

There are specific categories of tenants within the precinct, which are dealt with in differing ways to reflect the essential nature of the activities undertaken by the individuals or organisations involved.

## Current Categories of Leases:

1. Special Purpose Long Term Leases (10 years or more)
2. Commercial (e.g. architects, graphic designers)
3. Food and Beverage outlets
4. Wellbeing Centre
5. Creative

This policy applies to all formal leases within the Abbotsford Convent Precinct.

This policy does not cover Management Agreements, Hire Agreements, and Occupation Licences or similar such arrangements which may from time to time be entered into with individuals or organisations that provide services to or are granted access (licence) to facilities within the Abbotsford Convent Precinct.

## Special Purpose Long Term Leases

This category of lease will only be considered in exceptional circumstances, where the inclusion of the tenant is deemed to be fundamental to the aims and aspirations of the precinct at a given time, in accordance with the Master Plan and Vision of the ACF.

Any lease of or exceeding a ten year period requires a formal and rigorous application process including a full business case that must be submitted to the ACF Board.

The ACF Board, in its absolute discretion, will then determine whether to offer a lease of up to ten years or recommend the application to the relevant State Government Minister (Dept of Treasury & Finance) who acts as ultimate approval authority in the case of leases of more than ten years duration.

### COMMERCIAL

Commercial lease are those offered to individuals or business organisations that carry out activities that whilst consistent with the Master Plan and Tenancy Vision, Are primarily engaged in operating commercial business that does not qualify as a creative lease.

## **FOOD AND BEVERAGE OUTLETS**

Leases for this category are to commercial enterprises engaged in the supply of food and beverage services to all users of the precinct. They are open to the public and their activities are subject to specific Local, State and Federal Government regulations that ensure compliance and maintenance of high standards. Specific terms and conditions will apply to Food and Beverage outlet leases.

## **WELLBEING CENTRE**

These leases are offered to practitioners of alternative wellbeing and healing disciplines. Specific terms and conditions will apply to Wellbeing Centre leases and their selection process.

## **CREATIVE**

Generically these leases are to practitioners of arts, crafts and other creative pursuits and/or their representative bodies. Each practitioner may also have a commercial/retail component to their activities without being deemed to be primarily commercial e.g. artists selling their works, writers publishing, conduct of classes etc.

### **General Information**

Generally Commercial, Creative and Well Being Leases will be offered for a period of one year to three years.

One year (or more) leases will be offered at commercial rates relevant to the building area in which the space is offered, the size, permitted use and general amenity of the space to be leased.

Leases will only be offered with standard ACF terms and conditions.

A renewal option (for the same duration of the original lease) may be available with these types of leases.

Due to the significant fit out investment required, Food and Beverage outlets may be offered longer term leases – with length of term determined on a case by case basis.

Longer term leases may also apply to other category leases where a significant initial investment in fit out is required by the tenant and/or they are deemed to be strategically important to the precinct in achieving the long term success of the ACF's vision.

Other factors to be considered in determining length of lease will include: the type of tenancy, type and size of space, the ongoing use of the building/area the operational requirements of the ACF, including future planning for building renovations, on-going maintenance, impact on surrounding tenants and the overall balance and coherency of the subject area.

Formal approval by the ACF Board is required for any lease of or greater than six years (including options granted).

ACF Board and/or Minister decisions are final and binding.

Rental income is an essential component for the ACF to fulfil its requirement to comply with conditions of the Deed and the Master Plan.

In determining rental rates the ACF takes into consideration comparable market rentals, type, size, amenity and permitted usage of each available space, together with the on-going operational costs of the precinct together with the value generated by other activities and public use of the site.

Other considerations in determining a rental rate include; the tenant's contribution to fit-out, funding sources, status, however this is subject to the overriding requirement that ACF must be economically and financially viable and the operation of the precinct must be self sustaining.

All leases will be subject to an annual rental increase based on one of three methods: CPI, fixed amount by percentage or dollar value and in some exceptional circumstances a market review (only applicable to long term leases). The method of annual review will be determined by ACF in its absolute discretion.

Where an option exists in any lease, a market value rental will apply at the end of the initial lease term.

In certain circumstances, longer term leases may be negotiated with an incentive component to the incoming tenant. A variety of factors may be considered such as; investments in fit out and or infrastructure by tenant, strategically beneficial nature of tenant, start up projects of ACF etc. Any such incentive will be at the sole discretion of ACF. The ACF uses a variety of methods in seeking to attract applications for an available space, these include but are not limited to; private search and/or marketing, call for Expression of Interest (open public or selective), from register of interest (where held) and expressed interest from existing tenants.

In seeking tenants, the ACF will always ensure that the applicant's activities will contribute to the Vision and long term viability of the precinct.

ACF may from time to time undertake specific projects that incubate, evolve and develop a particular space, use or tenant.

In the case of newly refurbished buildings or parts of buildings, significant space or special purpose/usage spaces, ACF will generally undertake a leasing campaign by way of Expression of Interest (public or selective). A selection or advisory panel may be used, at the sole discretion of ACF, as part of the process.

In selecting tenants ACF will apply some or all of the tenant selection criteria and, specific additional criteria or other factors deemed appropriate from time to time. Different weights may be applied to different criteria or factors in assessing applications for various different spaces; however each competing application of a particular space will be assessed using the same weightings for criteria or other factors in the interests of fairness and natural justice.

ACF will make all such enquiries necessary in assessing applications in accordance with relevant legislation. To maintain diversity, tenants are not able to hold leases over more than two separate spaces within the precinct at any one time. Only in the case of exceptional and compelling circumstances will the ACF, in its absolute discretion, consider waiving this policy.

## **Tenant Selection Criteria**

### **1. CAPACITY FINANCIAL AND REPUTATION**

Prospective tenants are required to demonstrate both financial and reputational capacity, which will, unless determined otherwise by the ACF, include the provision of:

- Financial statements and/or records demonstrating capacity to meet rental and other obligations and on-going viability
- Funding / income sources
- Capacity to undertake specific tenant fit-out requirements (where applicable)
- Business plan relevant to the occupation of leased space

- Resumes, portfolios or other documents demonstrating skills, qualifications and experience (in activity to be undertaken) of all principals
- Management structure and staffing levels (where applicable)
- Financial / trade creditor references
- Constitution and current officers (where applicable)
- Certified Copies of all registrations, permits, licences and other compliance documentation relevant to proposed activities
- Such other information as ACF may require

## **2. CULTURAL CAPITAL DEVELOPMENT POTENTIAL**

Applications should include proposals and potential for contribution to the development of the cultural capital of the Convent community, in accordance with the Vision and the Master Plan.

## **3. DEMONSTRATED EXCELLENCE OR OTHER BENEFITS**

Applicants should demonstrate a high standard of excellence in their field of practice or offer other benefits to the Abbotsford Convent community and the Vision.

## **4. COHERENCY AND COMPATIBILITY WITH PRECINCT VISION**

All applicants must demonstrate their compatibility with the current Vision, Tenancy Vision, Master Plan and the specific uses identified for the buildings or spaces being applied for, including:

- Usage proposed is a fit with current tenant mix and is compatible with the required diversity of the precinct.
- Size, scale and significance of operation
- Hours of operation – compatibility with the opening times of the precinct and the neighbourhood.
- Activity and/or usage is appropriate to the heritage building's forms, configurations and the applied for space.
- Traffic and infrastructure impact (including number of users, employees, transport, car parking etc )
- Requirements for power, water, utilities, other facilities, health and safety and fire considerations
- Environmental impact (including noise, vibration, power use, dust and other impacts)
- Level of Public interface
- Capacity and willingness to participate in precinct wide events
- Capacity to attract and engage with visitors

## **5. CLIENT / VISITOR ATTRACTION**

Applicants who will rely on the public to support their enterprise are required to clearly demonstrate how they will attract sufficient Precinct visitors to their business to ensure its future viability.

## **6. ACCEPTANCE OF PRECINCT RULES**

Applicants must agree to abide by and actively support the Precinct Rules at all times.

## **7. NO HARM**

Applicants must agree not to engage in any activity that is:

- Damaging to the physical infrastructure of the buildings or grounds

- Harmful to or disrupts the quiet enjoyment of other tenants
- Places other tenants or the public at risk
- Is harmful to the reputation of other tenants or the ACF

The above selection criteria will also apply to existing tenants seeking additional and/or alternative space. This is clearly in the interests of fairness and natural justice. *Where several applicants for a particular space have equally met the selection criteria applying to that space, preference may be given to an existing tenant.*

## **Existing or previous tenants seeking a new lease**

Existing tenants seeking a further term after expiry or previous tenants seeking a new lease are required to meet the Tenant Selection Criteria, including updating/resubmitting all information. In addition the following considerations will be taken into account.

### **LEASE HISTORY, INCLUDING BUT NOT LIMITED TO:**

- Rental, outgoings and other obligations payment record
- Adherence to permitted use
- Compliance with lease terms and conditions generally.
- Compliance with Precinct Rules and any rules applying to the specific areas e.g. Well Being.

### **STATUTORY COMPLIANCE, INCLUDING BUT NOT LIMITED TO;**

- Compliance with all relevant licences and permits

### **OTHER CONSIDERATIONS, INCLUDING BUT NOT LIMITED TO;**

- Contribution to the Precinct and general community
- Demonstrated community spirit, respect for others (including other site users) and willingness to contribute to the Convent community and its various activities
- Feedback from fellow tenants, local or statutory authorities or visitors
- Adherence to energy, waste management, universal access and Environmentally Sustainable Development (ESD) principles

Compatibility of the proposed or previous use with the Vision and usage of the specific building (whether building use is the same or otherwise to that at the outset of the original lease). Ability to pay rent at the rates applicable to any new lease.

Under no circumstances will a Lease be automatically rolled over.

Any new lease offered will be done so under the terms and conditions prevailing at the time of the new lease.

Any new lease offered will be at the prevailing market rental at the time of the new lease, with the previous lease rental having no relevance in the determination of the new lease rental.

Applications for new leases from an existing tenant will not be considered before the final one third of the current lease term or after the final two months of the current lease.