

TIPS AND TRICKS IN LEASING HOUSE, FLAT OR BUSINESS PREMISES

CORPORATE LAW
**TRANSACTIONS
& INVESTMENTS**
REAL ESTATE
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HOW DOES IT WORK

Even though advertising on social networks, which is usually free, is a popular option to find a flat or house to lease, visiting a real estate agency or watching their website is still the best solution for quick way to a leased home.

If you are looking for a property with a real estate agent, be careful to negotiate a reasonable commission – it is likely that you will be offered a brokerage / reservation agreement, even if you are interested in particular property. Always make sure that the reservation agreement is concluded with the property owner, i.e. trilateral. In today's market, it is still discussed who should pay the commission, but shifting a part of it to the owner is always a good idea.

● ESSENTIALS

Always check whether the landlord is actually the owner of the property. You can check it online on the Cadastral Register. Difference between lease and sublease can cost you money and cause some sleepless nights. Lease of flat / house is an agreement where the law protects the lessee in many ways as opposed to the sublease.

The lease agreement needs to define the object of the lease and the rental payment. The rental payment usually does not include payment for services and energies, which you need in the property. Always ask for detailed explanation of what and when is charged beside the rent and how is the calculation made – do not agree to any unspecified "services" charged for managing the property.

Take care when checking sanctions and penalties. Sanctions are common for late payment of rent, but the penalty should be proportionate. Ask your professional real estate agent about the amount

of sanctions – you will see for whom he works. Beware of the arrangements for automatic rent increases, if you plan to lease property for longer period.

● PERIOD OF CONTRACT

The lease may be concluded for a definite or indefinite period of time. An automatic extension of the lease is often also negotiated. Check these provisions carefully and always note the moment of prolongation or termination of the contract.

● BEWARE OF SUBLEASE

The sublease contract is concluded by the lessee with the sublessee. Naturally, this contract requires that the lessee has a contract with the lessor (landlord) and obtains his approval to sublease the property. When the landlord terminates the lessee's contract, it automatically means that you must vacate the property because the sublease ends with the lease.

● BUSINESS PREMISES

Lease of business premises is normal business agreement with no added protection of a lessee. Try to negotiate a grace period before you can actually move in and start your business. Some lessors will contribute to fit-outs for your particular use or even reconstruct the premises to get longer lease periods. Always check your business plans, so that you do not outgrow your premises before the end of the lease. In this city of lucky start-ups, it happens too much often :-).