

ABSTRACT

This study is about the complexity of lease agreements, it seeks to establish why lease negotiations have become have become complex leading to slower turnaround time of finalizing the lease agreement. A survey approach was adopted and data was collected through questionnaires and interviews from landlords, managing agents of listed property funds and national tenants in the commercial retail property industry in Gauteng. The findings indicate that the turn-around time of finalising lease agreements is affected by complicated negotiations that are a result of both parties to a negotiation having a standard lease agreement, lease agreements that come in a large variety, lease clauses that cannot be reduced to a monetary value and factors affecting the property market.

I therefore recommended that to improve the turn-around time of lease negotiations by setting aside our standard lease documents and negotiating a new lease, negotiating upfront all terms and conditions to be included in the lease, understanding the market conditions prevailing at the time of negotiation is pertinent and pricing lease clauses should become an industry norm. It was further identified that research should be conducted on the use of lease agreements, pricing of lease clauses and identifying when standard lease agreements are use full, which were outside the scope of this study but are essential to fully understanding the complexity of lease negotiations in commercial properties.