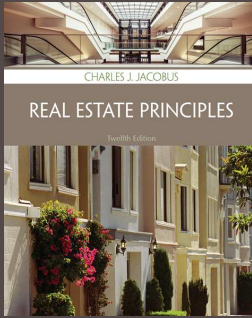


Chapter 17: Real Estate Leases



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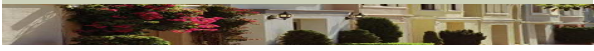
LEASEHOLD ESTATE

- A tenant's right to occupy land and/or buildings thereon.



- A Leasehold is a

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LEASEHOLD ESTATE

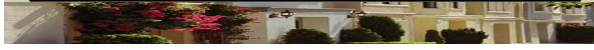
- Parties:
 - Lessee
 - Landlord (Owner)
- Reversion:
 - Right of Owner to at end of tenancy
- Historical/Legal Perspective:
 - Part
 - Part

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Character of Tenancy or Leasehold Estate

Tenancy at Will	Tenancy to continue until notice Notice or Death terminates
Tenancy at Sufferance	Holdover tenant, without consent of landlord
Tenancy for years	Definite period of time automatically <input style="width: 50px; height: 15px;" type="text"/>
Periodic Tenancy	Indefinite Period. Automatically <input style="width: 50px; height: 15px;" type="text"/> Notice of one period required to terminate.



Creating a Valid Lease (1)

Oral or Written

The lease agreement must

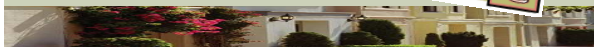
Describe the premises

Convey

(Words of conveyance let, rent, lease . . .)

Contract Elements (CLOaC)

Legal



Creating a Valid Lease (2)

Statute of Frauds:

Written if for year or more

Oral leases valid if less than one year

Signed by

Recorded with Register of Deed if two years or more

Date of agreement with starting date and duration (or ending date)

Other terms:

Option Clause

Assignment and Subletting

Ground lease or Vertical Lease

Default and Termination



Net Leases (Net Rent)

Single Net Lease

A form of pass through lease in which real property taxes associated with the property become the responsibility of the tenant instead of the landlord

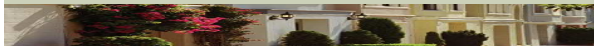
Double Net Lease

Tenant is responsible for both property taxes and premiums for insuring the building.

Triple Net Lease

May also be referred to as: "net, net, net lease" or "net, net, net rent"

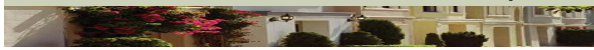
The structure of this type of lease requires the lessee to pay for net taxes, net insurance and net common area maintenance. Utilities, maintenance, upkeep and possibly including worker compensation insurance on maintenance staff.



LEASE TERMINATION

- Eviction
- Eminent Domain

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Discharge of the Lease

Agreement (notice, abandonment, surrender)

Eviction

Constructive Eviction

Actual Eviction

Partial Eviction (diminution of value)

Retaliatory

Eminent Domain



RENT CONTROL

- (1) to discourage the construction of new housing so that the resources could be channeled to war needs.
- (2) to set ceilings so that American households would not drive up prices by bidding against each other for available rental housing.

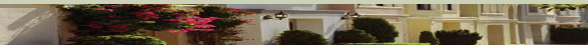
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PROPERTY MANAGEMENT

- Tenant selection
- Security deposit
- Tenant retention
- Collecting rents
- On-site management
- Off-site management

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PROPERTY MANAGEMENT

- Before Buying
- Advertising
- Tenant Selection
- Security Deposit

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PROPERTY MANAGEMENT

- Tenant Retention
- Leases
- Collecting Rent
- Eviction Problems

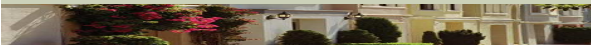
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ON-SITE MANAGEMENT

- a term that refers to property management duties that are performed on the premises.
- called a resident manager or superintendent.
- resident manager and management company are fiduciaries of the property owner.

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MANAGEMENT-UNIT RATIOS

- A rule of thumb in apartment management is that one on-site manager can handle 50 or 60 units alone.

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Key Terms

- Assignment
- CPM, RPA
- Gross lease
- Lessee
- Lessor
- Net lease
- Option clause
- Quiet enjoyment
- Reversion
- Sublessee
- Sublessor
- Sublet

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