

Appendix B

Commercial Rent Regulations in Western Australia & New York City

Western Australia

The Government of Western Australia has a well-established Commercial Tenancy Act, which aims to regulate commercial tenancy agreements in relation to retail shop leases. In particular, it focuses on the transparency of information so as to establish a consistent and fair process for rent reviews. Under the Act, the Government's Small Business Commissioner can provide assistance to resolve disputes relating to retail shop leases.

The Western Australia also has an independent statutory authority namely, the Small Business Development Corporation, with an objective to give practical advices to small business owners, including commercial leasing guides. In one of its practical guides (Leasing Commercial Business), it has clearly outlined all the key factors and practical considerations of entering into a commercial lease. It also stated the best practice of compiling retail tenancy laws, including disclosure of important information, term of lease, rent reviews, and etc.

New York City

New York City once had a commercial rent statute from 1945 to 1963. However, since the law expired in 1963, there are only limited efforts to regulate the commercial rental market.

In July 2019, five bills have been passed in a bid to help small business. In order to gain a better understanding of retail store vacancies in New York, the City Council requires annual reporting on storefront vacancies, the business environment, and specific tracking of mom-and-pop shops. The bill requires building owners to register any of their vacancies on the public database in order to create a resource for business owners in search of new stores. On the other hand, the Department of Finance will gather information including, size, occupancy status and monthly rents if the property is being leased. In addition, the city's Department of Small Business

Services will provide small businesses with training on regulation compliance and marketing.

In fact, New York City has been considering a more aggressive policy proposed namely “Small Business Jobs Survival Act” over the years, which first initiated back in 1986. This bill would be in a way of commercial rent control and would apply to retail spaces of 10,000 square feet or less and to industrial and office spaces of 25,000 square feet or less and introduce a rent guidelines board to oversee allowable rent increases. It would also give tenants in these spaces an automatic 10-year lease renewal option and force both parties into arbitration if they cannot agree on the rent increase.

Source:

<https://www.smallbusiness.wa.gov.au/business-advice/leasing-business-premises/commercial-tenancy-act>

<https://www.smallbusiness.wa.gov.au/templates-guides-tools/commercial-leasing-guides>

<https://www.smallbusiness.wa.gov.au/sites/default/files/leasing-business-premises-edition4.pdf>

<https://gothamist.com/news/in-a-bid-to-help-small-businesses-new-york-city-will-start-tracking-retail-vacancies>

<https://commercialobserver.com/2019/12/the-threat-to-nycs-growth-affordability-and-quality-of-life/>