

1. Generally speaking, business tenants have a right to security of tenure, i.e. the right to remain in occupation of the premises when the lease expires and to apply to court for the grant of a new lease. However, this right of security of tenure should be excluded in certain circumstances.
2. Before 1 June 2004, a contract for a lease was offered to business tenants, a contract for a lease longer than 25 years, a step procedure must be followed. A failure to follow the step procedure will result in the tenant acquiring security of tenure. Below is a summary of the step procedure.
 3. **Step 1 – notice**
 - 3.1 The landlord must serve a "notice" to the proposed tenant. This notice contains a "health warning" which explains to the proposed tenant the effect of entering into a lease with security of tenure.
 - 3.2 The notice must be served on the proposed tenant before the lease is entered into or before the tenant becomes a party to the agreement for lease entered into. So, if there is to be an agreement for lease, the notice must be served before the agreement is entered into.
 - 3.3 The landlord should continue to negotiate the terms of the new lease with the proposed tenant until the notice is served and the lease is in its final form. If the notice is served before all the terms have been agreed, the notice may not be valid.
 4. **Step 2 – declaration (simple or statutory)**
 - 4.1 Once the landlord has served the notice on the proposed tenant, the landlord must require the proposed tenant to make a "simple" declaration or swear a statutory declaration.
 - 4.2 If the landlord's notice is served on or after 1 June 2004 (or, if applicable, before 1 June 2004), the tenant must sign the "tenant's simple declaration" 14 days before the lease is granted (or, if applicable, before the lease is entered into) the tenant must sign the "tenant's simple declaration" 14 days before the lease is granted (or, if applicable, before the lease is entered into) the tenant must sign the "tenant's simple declaration" before an independent solicitor, i.e. a solicitor who is not the landlord or the tenant in relation to the lease.
 - 4.3 If the landlord's notice is served on or after 1 June 2004 (or, if applicable, before 1 June 2004), the tenant must swear the "tenant's simple declaration" before an independent solicitor, i.e. a solicitor who is not the landlord or the tenant in relation to the lease.
 - 4.4 Both declarations are required and they both confirm that the tenant has received the notice containing the "health warning", that the tenant has read and understood the notice and that the tenant accepts the consequences of entering into a lease with security of tenure.
5. **Step 3 – reference in lease**
 - 5.1 The new lease must contain a reference to the landlord's notice, the simple declaration or statutory declaration made by the tenant and the parties' agreement to exclude the tenant's rights under sections 24 to 28 of the Act.
 - 5.2 It is good practice to include a reference to the landlord's notice and the tenant's simple declaration in the lease.