

Leasing-In Procedure

1. Purpose

The *Leasing-In Procedure* (the Procedure) is mandatory pursuant to the *Land and Property Management Policy*. The Procedure sets the process for Health Service Providers when leasing or licencing properties from government agencies, non-profit organisations or the private sector to provide public health or health related services.

This Procedure does not apply to staff accommodation. For WACHS staff leasing in staff accommodation from the private sector is to be undertaken according to the WA Country Health Service (WACHS) Staff Residential Accommodation Policy and the WACHS Authorisations Schedule.

2. Requirements

Leasing or licensing space within a facility that is not owned by the Health Ministerial Body or the Health Service Provider, including negotiation of rental/fees, is the responsibility of the respective Health Service Provider and requires formal documentation. All such proposals must be approved by the Health Service Provider in accordance with the relevant Health Service Provider Authorisations and Delegations Schedule.

There are two (2) categories of Leasing-In which require different processes:

1. Office Accommodation

It is a whole of Government requirement that Health Service Providers procure, fit-out and manage office accommodation in accordance with the [Premier's Circular 2018/01 Government Office Accommodation](#). The leasing of office accommodation by a Health Service Provider should be formalised in accordance with the GOA Policy requirements.

2. Clinical/Operational Accommodation

Health Service Providers (as Lessee or Licensee) are responsible for negotiating and executing formal legal agreements with the prospective Lessor/Licensor. All legal documentation needs to be executed on behalf of, and in the name of, the Health Service Provider. The proposed arrangement should be negotiated based on rental valuation advice obtained by the Health Service Provider from Landgate Valuation Services or a private licenced valuer.

All costs associated with any accommodation procurement (including private lease consultant charges for negotiating, arranging a lease of premises and fit out costs) are the responsibility of the Health Service Providers.

2.1 Leasing-In Process for Clinical/Operational Accommodation

When a Health Service Provider negotiates a lease or a licence of premises the following procedures must be complied with:

- 1) Obtain all relevant Health Service Provider approvals in accordance with the relevant Health Service Provider Authorisations and Delegations Schedule.
- 2) Obtain a market rental assessment/valuation from Landgate Valuation Services or a private valuer engaged by the Health Service Provider.

- 3) Request a Certificate of Title search of the property from the [Department of Health, Infrastructure Unit](#) to confirm the ownership of the property and to identify any caveats and encumbrances that may be an impediment to leasing in the property.
- 4) Ensure that the proposed use of the premises complies with relevant Local Government Authority zoning. Specific approval from the relevant Local Government Authority must be obtained by the Health Service Provider if required.
- 5) Ensure that the proposed premises will meet the requirements contained in the [Disability Services Commission - State Government Access Guidelines](#). Such consideration includes the following:
 - wheelchair access
 - close proximity to public transport
 - special toilet facilities
 - prominent signage
 - easy access to lift controls.

This is to ensure that Government buildings are accessible for both employees and clients with disabilities.

- 6) The Chief Executive (or delegated officer as per Health Service Provider Authorisation and Delegations Schedule) or an appointed leasing consultant is to prepare a formal letter of offer to lease/licence accommodation to the owner or owner's agent. The letter of offer must state details of the premises sought (ie. lot number, street number, address); floor space (m²); tenancy outgoings; term of lease/licence sought (eg. 5 years); option for renewal if required; and any conditions relating to the offer (eg: local authority approval for proposed use of premises). The offer of rental is to be based on or below the valuation recommendation provided by Landgate Valuation Services or private licensed valuer.
- 7) If the rental offer is acceptable to the owner (Lessor/Licensor), then the Health Service Provider must obtain the acceptance in writing from the owner. If a real estate agent is acting on behalf of an owner, the Health Service Provider must seek confirmation that the agent has the power to accept the offer on the owner's behalf, and that acceptance of the Health Service Provider's offer constitutes the basis of an agreement to lease/licence pending execution of a formal agreement.

2.2 Conveyancing and Recording

On completing all the above steps, the Health Service Provider or appointed leasing consultant would now be in a position to arrange conveyancing as follows:

- The Lessor/Licensor is responsible for preparing and providing to the Health Service Provider a draft lease/licence based on the negotiated terms.
- Request the Conveyancing Section of the State Solicitor's Office or the [Department of Health's Legal and Legislative Services](#) to act on its behalf to check that the draft lease/licence is in order and conveys the terms negotiated.
- Further negotiation of the terms may be required if the legal consultant acting on behalf of the Health Service Provider recommends further terms or conditions or removal of some items from the lease/licence document.

- When the documents are deemed to be in order by the Health Service Provider's legal consultant, execution by the authorised officer in accordance with the relevant Health Service Provider Authorisations and Delegations Instrument and the [MP 0022/16 Legal Arrangements Policy](#) can occur.
- Forward the Health Service Provider executed documents to the Lessor/Licensors (owner) for execution.
- The Lessor/Licensors will return a copy of the fully executed lease/licence for retention by the Health Service Provider so that the terms can then be managed.
- Health Service Provider should arrange via the State Solicitor's Office to have the lease/licence assessed and stamped for Stamp Duty (if applicable).
- Health Service Provider should arrange via the State Solicitor's Office to have a caveat lodged against the property to register its interest over that property (as applicable).
- Health Service Provider is to directly update the WA health system's online [Land and Property Information System \(LAPIS\)](#) with the lease/licence details.

2.3 Option Renewal for Existing Leases/Licences

If a lease/licence agreement includes an option to renew, and the Health Service Provider (as Lessee/Licensee) is simply taking up that option, then the process of renewal is as follows:

- Health Service Provider (relevant officer in accordance with the Health Service Providers Authorisation Schedule) is to notify Lessor/Licensors of intention to take up the option period within the prescribed timeframe provided in the formal agreement.
- It is the Health Service Provider's right to exercise this option subject to the Health Service Provider not being in default of the terms of the existing agreement.
- A Health Service Provider may formalise the lease/licence option renewal simply by an exchange of letters with the Lessor/Licensors as opposed to executing a formal "Deed of Extension" to negate the need for additional legal costs if agreed by the Lessor/Licensors.

2.4 Rent Reviews

Health Service Providers are to manage its responsibilities for rent/licence fee reviews for all leasing/licensing arrangements.

Formal agreements will detail procedures for management of rental reviews. Reviews are usually conducted annually or biannually and may also be required at the time of taking up a lease/licence option.

3. Definitions

Leasing-In	Defines the procurement of property by lease or licence.
Landgate Valuation Services	WA Government Valuer
Office Accommodation	As defined by the Department of Finance: (Building) space that is predominantly used to accommodate staff that deliver services for government by performing functions classified as executive, administrative or clerical.
Clinical/Operational Accommodation	Space that is predominantly used to accommodate staff performing patient / client related activities such as medical treatment / consulting.

Leasing-In Process

