

# Real estate law week 9 individual work

Law



Lease refers to conveyance of a person's property for life or for a period of time, in return for some forms of consideration or recompense. These can either be in terms of rents, or some kinds of periodic compensations. A lessor is the person who conveys the property, while a lessee is the person to whom the property is conveyed to. A lease is always a contract, and must be made in writing. This contract is always under seal and involves two parties, namely the lessor, and the lessee (Stewart and Portman, 1998). The 2005 landmark case in Iowa involving Merchant Wholesalers against Nathan Lane associates created a precedent in which the Supreme Court ruled that it is the duty of a lessee to pay rent, or periodic compensations to the lessor. However if a landlord evicts a tenant from his property, that is the end of a lease, and the tenant is not obligated to pay any damages, or rent.

(2)

The following are the needed elements of a lease, description of the property, duration of the lease, terms of the renewal, rent and security payments, use and occupancy agreements, the lessor's right of entry and inspection. A lease agreement must give a vivid description of the property, and its area of location. This is for purposes of identification. It must also contain the time frame of the lease, from its beginning date, to the exact date that the lease period ends. It must also specify whether the tenant has an opportunity to renew the lease or not and also identify the use of the property under lease by the lessee (Brook, 2009). The agreement must also contain the rights of the landlord to enter the property, and inspect it.

(3)

Plain English requirement are applicable to leases because leasing is an investment decision to the tenant and the landlord. The process of leasing

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can be complex, and chances are that problems can occur which may result to a lessor losing his property, or revenue from the lease. On this note, plain English highlights issues that face landlords and tenants in a leasing situation, and what they ought to put in consideration while drafting a leasing agreement. A landlord needs to know what his rights are, and if the lease document meets his or her needs.

On this note therefore, the use of plain English will enable a lessor to know in a clear manner what these rights are (Brook, 2009). For a tenant, he needs to understand what the impacts of the lease are to his rights and obligations. For instance the location of a business premise is important for its survival; therefore it is important for the tenant to avoid a leasehold dispute.

(4)

Lease with an option to buy is an agreement between a tenant and a landlord on the option to purchase the property, once the lease period is over. This agreement deprives the landlord of his right to sell the property, so long as the option to buy agreement is in the contract. The reason as to a buyer will enter into an option to buy lease is because the buyer may not have enough money to make some down payments, and therefore this agreement is beneficial to him. Another reason is that the buyer might have some problems with his credit, and he would solve this problem during the period given to him by the contract (Brook, 2009). For a seller, the option to buy clause in the lease might enable him or her to sell a property that he or she could not sell.

(5)

The additional document required to protect the sellers interest is a disclosure form. The disclosure form has a list of all problems within a house, <https://assignbuster.com/real-estate-law-week-9-individual-work/>

and therefore notifying them to the potential buyer. It is essential for a seller to draft this form, keeping a copy to him and giving the other copy to a potential buyer (Stewart and Portman, 1998). This will make the buyer to make an informed decision on whether to buy the house or not, therefore protecting the integrity of the sale and the contract.

References:

- Brook, J. (2009). Sales and leases: examples & explanations (5th ed.). Austin: Wolters Kluwer Law & Business ;.
- Stewart, M., & Portman, J. (1998). Leases & rental agreements (2nd ed.). Berkeley: Nolo Press.