



PROPERTY SERVICES DIVISION

# **TERMS OF OCCUPANCY – UNIVERSITY GROUPS OCCUPYING UNIVERSITY BUILDINGS**

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## **1 Interpretation**

- 1.1 These Terms of Occupancy should be read in conjunction with the Agreement to Occupy applicable to the relevant tenancy. Agreements to Occupy are maintained by Property Services Division, and are available on request. They specify, among other things, the Occupier, the Premises, a summary of the space occupied, and the Internal Rent.
- 1.2 The terms of occupancy may be varied to suit particular Occupiers, but this is expected to be a rare occurrence.

## **2 Definitions**

- 2.1 Internal Rent – the annual rental payable by University of Otago groups for space occupied within University buildings. Different rental rates apply depending on the room classification. The rental comprises budgeted operating costs of the University’s land and buildings, including depreciation, rates, insurance, Campus Watch (applies to Dunedin Campus only), rents payable for property leased from external landlords, repairs and maintenance, and overheads of the Property Services Division. Effective from 1 January 2017, it will also include an allowance for the cost of rooms that may become vacant during the year, and credits for car parking income and rents payable by external tenants.
- 2.2 Assignable Area (or Usable Area) – the floor area measured from the inside surface of walls, and deducting all common use areas (corridors etc) and non-habitable areas (lifts, stairs, service ducts etc).
- 2.3 Room Classification – all assignable space is classified according to the type of room. Categories are office space; seminar and lecture space; libraries and museums; laboratory space; highly serviced laboratories and rooms; storage and warehouse; plant rooms; residential; and outbuildings.

### **3 Internal Rent**

- 3.1 Occupiers shall pay the Internal Rent applicable to the space occupied.
- 3.2 The Internal Rent shall be calculated based on the rental rates per square metre that are applicable in the current year. The rental applies only to the assignable areas occupied.
- 3.3 The Occupier shall pay the internal rent by equal monthly payments, which shall be debited to ledger account(s) nominated by the Occupier.
- 3.4 The Internal Rent for the first month and the final month of the tenancy shall be calculated pro-rata based on the number of days occupied.
- 3.5 Where an Occupier utilises space for a use other than the designed use, or where works result in a change in the nature of the space, the room classification for rental charging purposes shall be the higher of the designed use or the actual use.
- 3.6 Where an Occupier considers a change in room use classification is justified, a written application noting the reasons shall be supplied to Property Services by the Divisional Head. Where agreement is reached that a change of room use classification will result in a rental rate that differs from that currently paid, the new rate shall apply immediately.
- 3.7 Occupiers shall continue to pay internal rent for spaces that are temporarily unavailable due to repairs, maintenance, upgrading or refurbishment.

### **4 Rent Review**

- 4.1 The Internal Rent shall be reviewed each year as part of the University of Otago's budgeting process.

### **5 Energy and Cleaning Costs**

- 5.1 In addition to the Internal Rent the Occupier shall pay costs of energy and cleaning.
- 5.2 Property Services will charge Occupiers for energy and cleaning. Where such costs are not separately assessed or levied, then the Occupier shall pay such proportion as determined by Property Services.
- 5.3 Property Services may vary the proportion of energy or cleaning payable to ensure that the Occupier pays a fair proportion of the outgoings.
- 5.4 Energy and cleaning for the first and final months of the tenancy shall be calculated pro-rata based on the number of days occupied.

## **6 Maintenance and Care of Premises - Occupier's Obligation**

### **6.1 The Occupier shall:**

- 6.1.1 Endeavour to keep in a tidy order the interior of the premises, including fixtures and fittings.
- 6.1.2 Be responsible for all repairs and maintenance not specified in Clause 7 and for damage caused by staff and or students of the Occupier. The Occupier shall not be liable for fair wear and tear arising from reasonable use of the premises.
- 6.1.3 Allow Property Services, or its employees and contractors at all reasonable times to carry out repairs and maintenance to the premises or adjacent premises and to install, inspect, repair, renew or replace services where the same are not the responsibility of the Occupier. All such repairs, inspections and work are to be carried out with the least possible inconvenience to the Occupier.
- 6.1.4 Not carry out, or arrange for contractors to carry out any repairs or maintenance without the written approval of the Director of Property Services. All repairs and maintenance are to be arranged by Property Services.
- 6.1.5 Ensure that the premises are left in a secure condition outside of normal working hours
- 6.1.6 Not allow bicycles or animals in buildings without written approval from the Director of Property Services.

## **7 Maintenance – Property Services' Obligations**

### **7.1 Property Services shall maintain the interior of buildings to the standard specified in the prevailing Property Services Service Level Agreement, and the exterior of buildings, including roof, guttering, downpipes and exterior walls, in a watertight condition, and shall keep all building services in good order and repair but Property Services shall not be liable for:**

- 7.1.1 Repair or maintenance which the Occupier is responsible to undertake; or
- 7.1.2 Repair or maintenance which is not reasonably necessary for the Occupier's use and enjoyment of the premises; or
- 7.1.3 Want of repair, or defect in respect of building services; or
- 7.1.4 Any loss suffered by the Occupier arising from any want of repair or response by Property Services; or
- 7.1.5 Repairs to or maintenance of hard-wired or wireless data networks.

### **7.2 Property Services shall keep and maintain necessary service contracts at its discretion, unless it is the obligation of the Occupier to maintain such contracts.**

## **8 Cleaning**

### **8.1 Property Services shall clean the premises, and remove rubbish. The extent of these services shall depend upon the use to which the space is put, and shall be subject to the prevailing Service Level Agreement.**

## **9 Security**

### **9.1 Building security services for Dunedin properties are provided by the University Proctor. Security at other locations is to be arranged by Property Services.**

## **10 Space Utilisation Surveys**

10.1 The Occupier shall allow Property Services, or its employees and contractors at all reasonable times to survey the utilisation of rooms. Property Services will endeavour to minimise any disruption to Occupiers' quiet enjoyment.

## **11 Fire Evacuations and Electrical Testing**

11.1 Under the Fire and Emergency Evacuation Regulations 2006, the University is required to have an evacuation procedure for most buildings, or an approved evacuation scheme. It is the responsibility of building occupants to ensure compliance with these regulations. This requires a Building Emergency Warden and Area or Floor Wardens to be appointed. They are responsible for clearing the building and liaising with the Fire Service in the event of an emergency. The Building Warden will also organise Fire Drills at the necessary intervals. Details of the requirements are available at: <http://www.otago.ac.nz/humanresources/health-and-safety/hazards/emergency-management/fire/>.

11.2 Building occupants shall comply with the University's Testing of Portable Electrical Equipment Health & Safety Policy and related guidelines. For more detail refer to:

- Testing of Portable Electrical Equipment Health & Safety Policy - <http://www.otago.ac.nz/administration/policies/otago056863.html>
- Testing of Portable Electrical Equipment (Non-specialised) Guidelines - <http://www.otago.ac.nz/administration/policies/otago057118.html>

## **12 Business Use**

12.1 The Occupier shall not without the prior written consent of Property Services use or permit the whole or any part of the premises to be used for any use other than that approved by Property Services at the commencement of the tenancy. Property Services' consent shall not be unreasonably or arbitrarily withheld in respect of any proposed use that:

12.1.1 Is reasonably suitable for the premises; and

12.1.2 Complies with all regulations, statutes and other legal requirements.

## **13 Compliance with Statutes and Regulations**

13.1 The Occupier shall comply with all statutes, ordinances, regulations, bylaws and University policies in any way relating to or affecting the premises or the use of the premises, and will also comply with any notices issued, made or given by Property Services or any competent authority in respect of the premises or their use.

13.2 The Occupier shall have in place and maintain an approved fire evacuation programme.

## **14 Signage**

14.1 The Occupier shall not affix paint or exhibit or permit to be affixed painted or exhibited any name sign, nameplate or advertisement of any description onto the exterior or

interior of the building or appurtenances without the prior written approval of Property Services.

## **15 Additions and Alterations**

15.1 The Occupier shall neither make nor allow to be made any alterations or additions to any part of the premises without the written approval of Property Services.

15.2 Any alterations or additions if not funded by Property Services shall be completed or arranged by Property Services at the Occupier's cost.

## **16 Occupancy of Premises Only**

16.1 The tenancy shall relate only to the Premises and Property Services shall at all times be entitled to use occupy and deal with the remainder of the property, subject to any direction by the Planning and Space Committee.

## **17 Relocation**

17.1 Where Property Services requires space to be vacated for any reason whatsoever the Occupier will vacate the premises within the timeframe negotiated. Property Services will make every effort to relocate the Occupier to alternative space which is deemed reasonably suitable for the Occupier's use.

## **18 Renewal of Term**

18.1 The term of occupancy shall, at its expiry roll over on the same terms and conditions except for any amendment resulting from change(s) in the amount of space occupied pursuant to Clause 19.

## **19 Changes to the Amount of Space Occupied**

19.1 Occupiers are encouraged to relinquish spaces that are surplus to requirements. The process for relinquishing space is to advise the Property Management Unit, which will record the space on a Vacant Space Report, to be provided to each meeting of the Planning and Planning and Space Committee. The Committee will consider requests, a key consideration being whether there is practical alternative use for the space, and if approved the obligation to pay the Internal Rent for the space will transfer to the Property Management Unit effective from the date of the decision.

19.2 Planning and Space Committee.

19.3 Space occupied by the Occupier in excess of the University space guidelines, shall, if required by the University's Planning and Space Committee, be relinquished with an appropriate adjustment being made to charges for Internal Rent, energy and cleaning.

## **20 Leasing of Property**

20.1 Property Services shall organise and negotiate all leasing or sub-leasing requirements relating to University-owned properties or externally-owned property, on behalf of the Occupier.

20.2 Should the Occupier require the leasing of externally-owned property, and that Occupier is deemed, as per University space guidelines to already have sufficient space, all costs associated with this space shall be payable by the Occupier.

## **21 Assignment or Subletting**

- 21.1 The Occupier shall not assign sublet or otherwise part with possession of the premises or any part thereof without first obtaining the written consent of Property Services or the Planning and Space Committee.
- 21.2 The Occupier shall be responsible for the Internal Rent, energy and cleaning of the premises in the event of default, or vacating of the space by the assignee or sub-lessee.

## **22 Removal of Occupier's Fixtures**

- 22.1 The Occupier will if required by Property Services at the end or earlier termination of the term remove all the Occupier's fixtures and fittings and make good at the Occupier's expense.

## **23 Dispute Resolution**

- 23.1 Should Property Services and the Occupier fail to agree on any matter relevant to these terms of occupancy, the matter shall be submitted by the affected Divisional Head(s) to the Vice-Chancellor or his/her delegate whose decision shall be final.