

Moving Office 101

Tenancy Jargon

(frequently used words in a tenancy and what it means)

Square Feet (sq. ft.)

Most commonly used unit measurement of an area in Malaysia. The typical space allocation per staff is 70-150 sq. ft. (1 sq. m. = 10.764 sq. ft.)

Demised Premises

The parts of the property that the tenant is permitted to use.

Letter of Offer (LOO)

A letter stipulating the commercial terms of a tenancy between landlord and tenant. The premises is secured through payment of earnest deposit by the tenant.

Earnest Deposit/ Booking Fee/ Advanced Rental

A deposit issued by a prospective tenant to demonstrate sincerity to rent the premises. Typically treated as the first month's rental and only refundable in a limited set of circumstances. Equivalent to 1 month's rent

Tenancy Agreement (TA)

A legal covenant between landlord and tenant, outlining the duties and obligations of each party during the tenancy. It provides a detailed description of the subject property along with an inventory list, if applicable, of any furniture, fixture, and amenities. All the balance deposits are payable upon signing.

Security Deposit

Deposit collected by the landlord to protect against any damages that may be caused by the tenant. Refundable upon expiration of tenancy. Equivalent to 2-3 months' rent.

Utility Deposit

Deposit collected by the landlord to pay for any pending utility bills if the tenant fails to do so. Refundable upon expiration of tenancy. Equivalent to 1/2-1 month's rent.

Tenure

The duration of tenancy, typically 2 to 3 years with an option to renew for an additional term.

Option to Renew

Standard renewals usually extend for a further 1-3 years, the renewal rate shall be based on prevailing market rate and mutually agreed upon by both parties. To be clear, it is the TENANT's right to exercise this option!

Rent Free Period

The period within the tenancy in which rent is free of charge.