

AUSTRALIAN CAPITAL TERRITORY

CITY AREA LEASES ORDINANCE 1951

EXPLANATORY MEMORANDUM

No. 8 of 1951

One condition of the sale of Government owned houses in Canberra to existing tenants is that the right of the lessee to dispose of his interest in the lease is restricted for a period of five years. Private lenders of money are unwilling to make advances on the security of leases containing a covenant restricting the right to transfer the lease and a provision for determination of the lease in the event of a breach of the covenant.

The object of this amendment is to make the leases incapable of being transferred for the period, unless an offer of surrender to the Commonwealth has been refused. The covenant and provision for determination may then be omitted from the lease, thus enabling the proposed lessee, if he so desires, to obtain a loan, other than from the Government, to finance the purchase.