



What is a Sublease?

The Executive Director of Township Leasing (Executive Director) signs a Township Lease or 'Head Lease' with Traditional Owners as one lease over the whole township area. A sublease is a different kind of lease that comes from the Head Lease. A sublease for each individual Lot in the township is then allocated by the Executive Director.

Every Occupier Should Have a Sublease

Through the Township Lease, the Executive Director endeavours to 'regularise' the land tenure arrangements in the township. This means the Executive Director works towards granting every occupier of land in the township (and the buildings on the land) an agreement covering their use of that land.

This agreement is called a sublease and the person or organisation that is granted the sublease is called the sublessee. A sublease sets out how the land and any improvements can be used. It is a legal agreement between the sublessee and the Executive Director.

The Executive Director must also grant subleases as per the rules of the Head Lease and on a commercial basis applying sound business principles. The Executive Director does this by collecting fair rent for all subleases on behalf of the Traditional Owners.

Certainty of Tenure

A sublease gives certainty to organisations and individuals. They know that they can operate their business or run their service for the years of their sublease and under agreed terms and conditions. With secure tenure businesses will be more willing to invest in the township and lending institutions like banks can provide loans to businesses. The long term lease also allows community members to buy or build their own homes.

Rent for Subleases

To work out a fair amount of rent for each sublease, the Executive Director asks a registered independent valuer to calculate the 'improved' and 'unimproved' value of each Lot of land in the township. The unimproved value is the value of the land and the improved value is for the buildings and services.

The Executive Director uses the unimproved value to calculate a fair amount of rent for each sublease.

Community Housing is Different

People living in community housing (or 'public' housing) will still pay rent to the NT Department of Housing. This is because the Executive Director has a different kind of sublease with Housing called a Housing Precinct Lease which is a simpler way for Housing to manage all the community houses in the township.

