



**Commercial Lease  
Specialists**

## INFORMATION SHEET

### When To Use a Guarantor

Legally Binding Documents

Reasonable Fixed Fees

Documents in 48 hours

Free Advisory Service

Rent Review Reminders

Extensions and Transfers

The first thing to understand is that if an individual is shown on a lease as the tenant then they are ultimately fully liable for the obligations to pay rent etc. This means that they are personally liable and their personal assets are on the line if they don't comply with the tenants obligations.

It goes without saying that there is no point in having the same individual named as tenant and also named as a guarantor as this is doubling up and doesn't give the landlord any more security than if the individual was only named as tenant.

If the tenant is a company then only the assets of the company are on the line if they default. Often these assets are not worth much which is why landlords often ask for the directors of the company to "go guarantor" (which means they are personally liable if things go wrong).

Sometimes another individual is prepared to guarantee the obligations of a tenant (whether a company or an individual) so in this case you could have the situation where one individual is named as the tenant and another named as guarantor.

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