

Venue Hire agreement – Terms and Conditions

As a business seeking to rent out your venue for events or gatherings, a venue hire agreement is a crucial legal document that outlines the terms and conditions of the rental arrangement. This contract safeguards both parties to the agreement, including the venue owner and the hirer. In New Zealand, such contracts are essential to establish clear expectations and responsibilities throughout the rental process. This article provides an overview of a venue hire agreement and what to look out for from the point of view of a business looking to hire out their venue.

Venue Hire Agreement

A venue hire agreement is a contract between someone renting out their venue for another party to use it for purposes backed by the terms and conditions in the agreement. Venue hire agreements offer flexibility, encompassing various events such as:

- corporate events;
- celebrations and parties;
- weddings;
- film productions;
- sporting events; and
- music and entertainment.

A typical example would be someone who wants to hire your space for a party. This is where you want to implement those venue hire agreements to outline the specifics and ensure it goes smoothly

Key Terms in a Venue Hire Agreement

When drafting a venue hire agreement, ensuring protection for both parties and establishing clear expectations helps mitigate potential conflicts. This article will explore the key terms of a venue hire agreement below.

1. Introduction and Definitions

The beginning of your agreement should include the following:

- the venue owner (owner or lessor);
- individual or organisation hiring the venue (hirer or lessee); and
- definitions of key terms used.

Providing an introduction and definitions of key terms allows both parties to understand what the agreement entails.

2. Venue Details and Use

The agreement should describe the available facilities and excluded areas of the venue. Additionally, you should include details about the venue's permitted use, including any restrictions such as noise level. For example, the hirer may have access to the open kitchen and the lounge areas for an engagement party. However, they may be excluded from accessing the storage rooms within the venue.

3. Hiring Fees, Hiring Period and Payment Terms

The agreement should outline the hiring fee, required deposit amount, and payment schedule. You should consider including additional charges that cover additional services or amenities, such as equipment, and let the hirer know if there will be any penalties for late payments or cancellations. You should also specify whether the total venue hire price includes New Zealand's Goods and Services Tax (GST).

The agreement should also outline the event dates, start and finish times, set up and pack up times applicable.

4. Hirer Responsonbilitites

The agreement should clearly define the responsibilities of the owner and the hirer. This includes

- The owner's obligation to maintain the venue to a suitable condition of the standard the hirer; and
- The hirer's responsibilities include using the venue, identifying any potential damages, and leaving the venue in the condition it was initially in.

5. Cancellation of Hire

This clause is essential to keep in your agreement as it will provide the other party with conditions of terminating the contract through a method of your choosing. This can include a written cancellation notice or cancellation of the booking online if applicable

6. Liability and insurance

The agreement should address liability issues by including a term for who will be responsible in case of property damage or personal injury at the event space. The hirer may be required to hold appropriate public liability insurance.

When Do I Need a Venue Hire Agreement?

Having a venue hire agreement serves key purposes such as:

- minimising legal and financial risks by clearly defining expectations for both parties; and
- offering financial protection against losses due to property damage or cancelled bookings.

For instance, a company seeks to rent your venue for its annual business function. The venue hire agreement delineates responsibilities and liabilities for both parties. The hirer manages event promotion and catering while you ensure a clean venue, functional sound system, and equipped kitchen. Additionally, the agreement accommodates delays or rescheduling in case of conflicting bookings. Without this agreement, disputes might emerge over extra costs or rescheduling responsibilities.

However, by clearly outlining terms, both parties understood their obligations, averting potential disputes.

Key Takeaways

A venue hire agreement is a valuable legal document for businesses renting out their venues. It sets out the hiring arrangement's terms and conditions, protecting both the hirer and the venue owner. When both sides of the agreement understand each other's expectations and duties, it helps prevent misunderstandings and makes event operations much smoother.