



*Michael Diamond, Adv.*

מיכאל דיאמונד ע"ד

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## **Renting**

### **Off-the-shelf leases**

It's common in Israel for parties to a rental agreement to use an off-the-shelf agreement. This is not recommended. It is always best to have a lawyer go over the contract to tailor it to the specific requirements of the landlord, tenant and property. Clearly stating each party's rights and obligations helps avoid disputes and makes the contract easier to enforce should an issue be contested in court.

### **For Landlord**

Your property is a valuable asset and placing it in the hands of strangers is a risk. Your contract should incorporate specific clauses that properly describe the tenant's obligations. You have to be assured that the property is treated well, that rent will be paid on time, and your tenants will vacate the property on the due date.

### **Securities**

Securities may be in the form of the deposit of money with the Landlord or his/her lawyer. The deposit is often the equivalent of three months' rent. Other forms of security are a signed cheque, (or other promissory note) that need only be presented to the Execution Office of the Court for collection. They do not need a court judgement. Some landlords require tenants to find two guarantors - who can be sued if the tenant breaches the agreement.

### **Rent**

The landlord usually obtains post-dated rent cheques. If they are not honoured when presented to the bank, they can be presented to the Execution Office for collection without a court judgement.

In general, the Landlord is responsible for providing the Tenant with a property that's usable and in good condition. Thus, provided the Tenant has not misused the property or caused damage, it's the Landlord's obligation to effect repairs during the term of the lease. The Landlord should also insure the property against fire and water damage.

### **Utilities**

The tenant should transfer all municipal and utility payments on to his/her name for the duration of the lease.

### **For Tenants**

English-speaking tenants presented with a lease agreement in Hebrew are often uncertain - not just about the language, but about what's acceptable in Israeli rental contracts. For this reason, it's strongly recommended that a lawyer look over the contract, explain its terms, and help negotiate clear and comprehensive terms. Ambiguity about each party's responsibilities can be reduced, giving you peace of mind during the lease.

In general, the landlord should provide a property that is usable and in good condition. The landlord is responsible for insuring the building. The tenant is responsible for paying the rent on time, caring for the property, paying all utilities, insuring the contents, and vacating the property at the due date.

### **A warning to tenants about post-dated cheques**

Be aware that should a cheque not be honoured when presented to the bank, it can be taken to the Execution Office (hotza'ah lepoal הוצאה לפועל) for collection. This applies even if you believe you've "cancelled" the cheque with the bank as a remedy against a recalcitrant landlord. The tenant can request to contest the debt, but this is not always granted.

"Canceling" a cheque does not mean it can't be presented for collection at the Execution Office. Indeed, if you "cancelled" a cheque without legal justification, you may be committing a criminal offence. You may also have your "history" registered at the bank - perhaps affecting your future loan prospects.

The above applies to all cheques in Israel. Always be very careful about "cancelling" a cheque. It does not make the debt/obligation disappear.

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