

SOP Template: Lease Agreement Preparation and Execution

This SOP details the process of **lease agreement preparation and execution**, including drafting clear and comprehensive lease terms, reviewing legal requirements, obtaining necessary approvals, verifying tenant and property details, facilitating negotiations between parties, ensuring proper signing and documentation, and maintaining records for future reference. The objective is to establish a legally binding and mutually agreeable lease contract that protects the interests of both landlords and tenants.

1. Purpose

To provide standardized procedures for preparing and executing lease agreements in compliance with applicable laws and organizational policies, ensuring clarity, legal enforceability, and protection for all parties involved.

2. Scope

This SOP applies to all staff responsible for preparing, reviewing, approving, and executing lease agreements for residential or commercial properties.

3. Responsibilities

Role	Responsibility
Property Manager / Leasing Officer	Drafts and reviews lease agreements, coordinates with legal and management, obtains approvals, and oversees execution.
Legal Team	Reviews legal compliance of lease terms and advises on risk mitigation.
Approving Authority	Grants final approval for lease agreement execution.
Tenants & Landlords	Provide necessary information and participate in negotiations and signing.

4. Procedure

- Initiation**
 - Receive lease request or notice of intent from tenant or landlord.
 - Collect preliminary information (tenant details, property details, lease duration, terms required).
- Drafting Lease Agreement**
 - Prepare lease agreement using organizational templates and customized terms as required.
 - Ensure inclusion of all essential clauses (rent, security deposit, utilities, maintenance, renewal, termination, dispute resolution, etc.).
- Legal Review**
 - Submit draft to the legal team for compliance and risk review.
 - Incorporate feedback and finalize the draft.
- Verification & Approvals**
 - Verify all details (tenant identity, ownership documents, property status).
 - Obtain necessary managerial and legal approvals as per internal policies.
- Negotiation & Revisions**
 - Facilitate negotiation meetings between both parties if needed.
 - Amend agreement to reflect mutually accepted terms.
- Execution (Signing)**
 - Arrange for all parties to sign the finalized lease agreement (wet ink or electronic, as allowed).
 - Witness or notarize the agreement if required by law.
- Distribution & Documentation**
 - Provide signed copies to all parties.
 - Record and archive the lease agreement in the official records system.

5. Documentation & Records

- Lease agreement drafts and final executed copies
- Approval records and legal review notes
- Identity and ownership verification documents
- Negotiation records/emails (if applicable)

6. Review and Revision

This SOP should be reviewed annually or upon changes in relevant laws/policies.