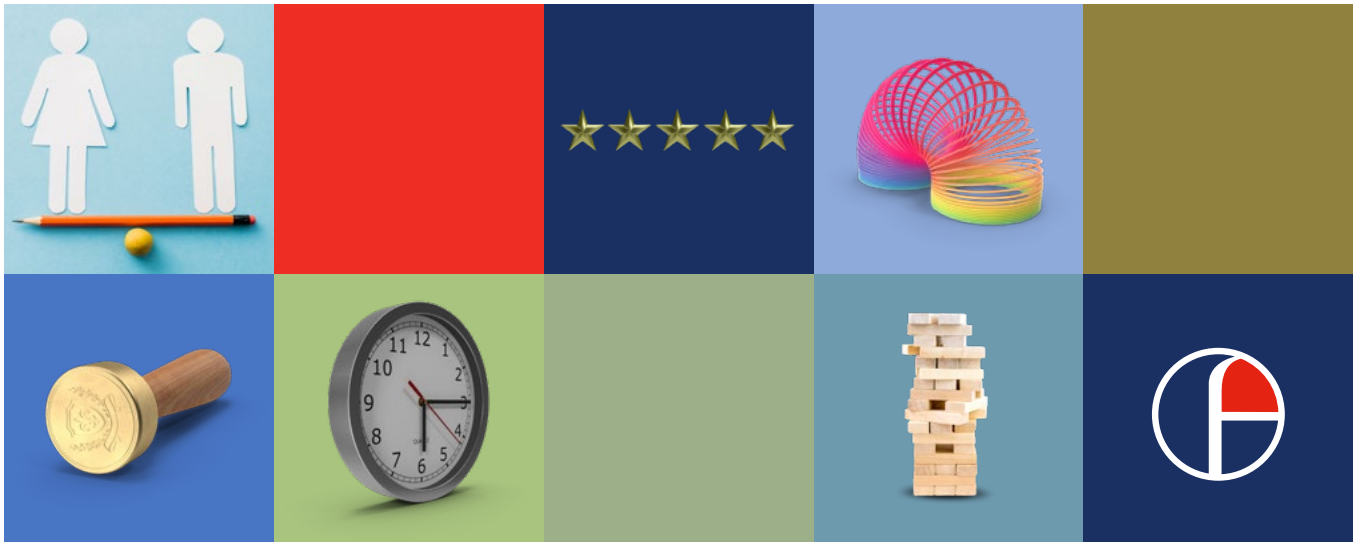


Lease Advisory

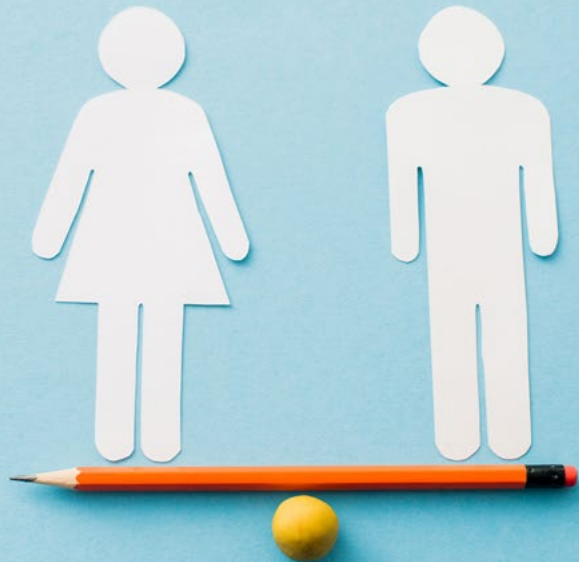


Lease Advisory

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The Landlord - Tenant Relationship



We Know How To Handle It

Enlightened landlords know that their tenants' occupational requirements change – and never more so than in this post-pandemic era.

Today, tenants seek safe environments to work in, premises which reflect their brand and corporate personalities, high spec facilities and a fair and equitable commercial relationship. That's why landlord-tenant relationships are now shaped by informed market intel, shrewd but honest negotiations and deep understanding of legislation – on both sides.

We have been providing a Lease Advisory service for almost 160 years, which is why we know we will secure the optimum result for you, without compromising your relationship.

Where 'smart' and 'tough' combine

Rent Reviews



Let Us Negotiate For You

Rent Reviews are an intrinsic part of renting a workplace – whether you're a landlord or a tenant.

Occurring every three or five years, if conducted professionally, it can be an equitable and beneficial exercise for both parties as the focus is on agreeing a rate which is a fair reflection of current market rates.

The process is defined in the contract and is usually based on either:

- **Retail Price Index (RPI):** the rate is adjusted to reflect current inflation rates
- **Rental Market:** indexed against similar local properties.

Every Review is usually triggered by a written notification from the landlord – then the negotiations begin and continue until agreement is reached.

If agreement cannot be reached, then the Dispute Resolution clauses in the contract are evoked – usually referred to a third party or, on very rare occasions, the matter is settled in court.

Successfully negotiating Rent Reviews is what we do.

We can be your smart iron fist, in a velvet glove

The Legal Bit



The Landlord and Tenant Act (1954)

provides business tenants the right to security of tenure

'Inside the Act'

At the end of the contractual term, the tenant has the right to a new lease on the same terms as the old one – subject to 'reasonable' updating and at a current market rate.

***It is important to note the following Notices in relation to the Act
(which must be served in a prescribed format)***

- **Section 25:** the information a landlord has to provide the tenant in order to end the tenancy
- **Section 26:** the information the tenant must provide the landlord, to terminate the lease

'Outside the Act'

The lease will end when it expires ie the tenant has no right to remain in the property and can only do so by signing a new lease.

Control your financial destiny

Lease Renewal



We Have The Time And The Knowledge

If you like your workplace and location, why move.

If you have the right to renew the lease (not all tenants do) and you chose to do so, start the process 12-15 months before the lease expires and consider the following:

- What will the rent be
- When will the new lease end
- Are there any onerous new terms in the existing contract – perhaps relating to repair, upgrading the facilities, etc

Above all, ensure the new lease is ratified before the lease expiry date.

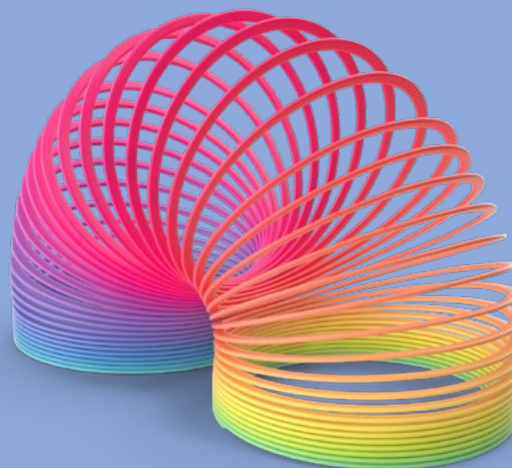
If negotiating '**Inside the Act**' the negotiations timetable has to be adhered to. A protected lease can only be renewed if the tenant remains in occupation and intends to renew the lease.

If negotiating '**Outside the Act**' options are limited as you have no rights to remain in the property, so a new lease has to be negotiated or you will have to move out.

This is a complex area – professional advice from a RICS qualified surveyor is strongly recommended.

Knowledge is key

Lease Extension



If You Don't Want To Move

If your lease is **Inside the Act**, you have a statutory right to extend the term of your lease – *this will remove one financial headache*.

Your lease will only end if the termination provisions within **Part II of 'The Act'** have been followed. Therefore when your lease expires, apart from the rent, you will be able to renew your lease on the same terms as specified in the original one until either you or your landlord wishes to terminate the tenancy.

If you serve the landlord with a **Section 26 Notice*** - between 6-12 months before the lease expires - you can choose to negotiate on the terms of a new lease.

However, the landlord could serve you with a **Section 25 Notice*** in order to terminate the lease, or trigger negotiations about new terms.

In either instance, we strongly recommend seeking professional advice to ensure you're fully aware of your legal rights, your negotiating position and that your relationship with your landlord remains equitable and is not compromised.

*see 'the legal bit' for definitions

These quicksands definitely need a guide

Lease Restructure



Building The Perfect Solution

Any change in circumstances (such as the recent pandemic) is a catalyst for landlords or tenants to seek a change in the terms of a lease.

The 'restructure' could apply to rent, varying the demise, removing break option clauses, capping/controlling service charges, etc.

Therefore if you're considering a lease restructure, be clear what you want to achieve before you commence negotiating. When an agreement has been reached and the Heads of Terms signed, a Deed of Variation to the original lease will have to be drawn up.

In an uncertain market, restructuring a lease allows tenants to:

- Recalibrate their property strategy for the medium/long term
- Enhance their bargaining position as landlords are reluctant to incur the expense and time to find a new tenant – they would rather negotiate changes to retain an existing one.

A successful lease restructure requires good (market) comparable intel, proven (property) negotiating skills and a deep understanding of the process. It's best left to professionals whose day job it is.

When speed, knowledge and expertise are critical

Expert Witness



When You Really Need An 'Expert'

Leases can be contentious and disputes prove expensive.

Our team of Expert Witnesses have a reputation for providing expert or technical opinions, which help courts and judges reach a decision.

Our evidence is always independent, objective and unbiased.

Whether providing a written report or oral evidence, our team of Expert Witnesses always focus on:

- Facts
- Technical reasoning
- Honest opinion
- Comprehensive commentary on relevant matters.

If you are faced with, or the prospect of legal action, talk to us.

We can help.

Marrying experience and technical knowledge



Our Promise

Leases are complex documents, steeped in legal precedents, which is why making lease related negotiations is an area best left to proven professionals. Our objective is simple: secure the best terms for you, in a timely manner, without compromising your landlord-tenant relationship. If you have an impending lease related issue, call us.

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