



## WOODFORD AND COMPANY FACTSHEET

### No. 2 **NEW LEASES**

#### HOW CAN A SURVEYOR HELP ME GET THE BEST DEAL OUT OF A NEW LEASE?

Whether you are a landlord or a tenant, employing a surveyor can help you get the best possible terms under a new lease. The negotiation of the terms requires sound judgement, knowledge and experience of the market, an understanding of the legal aspects and in particular, how specific terms affect the commercial nature of the lease. The more important issues include the following:

**Rent:** The rent payable should be agreed only after consideration of transaction evidence and market conditions. Once fixed, the rent will be payable until the rent is next reviewed or the lease expires.

**Rent Free Period:** What sort of rent holiday should you expect to receive, or give, if any?

**Term:** What sort of term do you require? How much flexibility or security do you need?

**Breaks:** Do you require a break during the course of the lease? Landlords may require a higher rent to reflect the increased risk. As a tenant, the inclusion of a break will give you a greater degree of flexibility.

**Security of Tenure:** Leases can include the provisions of the Landlord and Tenant Act 1954 (LTA 1954), or exclude them. Leases which exclude sections 24-28 of the LTA 1954, exclude the right to ask the Court for a new lease when your current one ends.

**Rent Review:** Taking care in drafting the rent review assumptions is particularly important. Certain assumptions can have a dramatic impact on the assessment of the rent to be paid at review and this will be important in future years.

**Use:** Depending on whether the user is flexible or rigid can make a difference to the rental value and the ability to assign or sublet an interest.

**Service Charges:** Service charges can be the source of considerable disagreements between landlord and tenant and it is important to ensure these provisions are fair and transparent.

**Repairing Obligations:** What are the obligations to repair? Do they include external repairs? Are the external repairs undertaken by the Landlord under the service charge?

**Insurance:** Who has responsibility to insure? Is it covered by the service charge?

**Transferring the Lease:** Most leases contain provision to assign or sublet to another party. However, it is important to consider the presence of any restrictions on those rights and whether they might adversely affect the ability to transfer.

If you would like to discuss these matters in more detail, Woodford & Company would be pleased to offer assistance.

Please contact: David Lyon – [dl@woodford.co.uk](mailto:dl@woodford.co.uk)