



Landlord & Tenant

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Hart Reade's dedicated Landlord & Tenant Team have provided expert advice on residential and commercial leases for many years, building up specialist knowledge in this complex area of law. We can help with both the drafting and interpretation of leases and provide practical support in dealing with existing leases.

Key lease terms

Whilst each lease will be specific to the individual property, there are certain key topics that must always be considered:

- **Term** - Leases can be for any fixed period of time so both parties should consider how long they wish the arrangement to last. On an assignment of an existing Lease, you will inherit the remainder of the original term.
- Legislation provides security for business leases, however, landlords can remove this right before the lease is granted or they can object to the renewal or holding over if certain grounds can be shown.
- **Rent** - This is normally paid quarterly in advance at a predetermined level and is often subject to review after an agreed period.
- At the start of a new lease, it may be possible to negotiate a rent free period to cover the cost of fitting out works or repairs to the property.
- **Repair and condition** - Whether directly or via a service charge, tenants are almost inevitably responsible for the maintenance and upkeep of the property.
- It is important to note that this obligation applies regardless of the condition of the property at the start of the lease. If a tenant has concerns in this regard, it may be sensible to try to agree a Schedule of Condition with the landlord.
- **Alterations** - These are normally prohibited under standard lease conditions without the landlord's consent. The tenant should also be aware that they will have an obligation to reinstate the property at the end of the lease.

- **Service charge** - Many leases require the tenant to pay a service charge in relation to shared expenses for the building or the estate. Previous accounts may be available but enquiry should be made about the possibility of major works in the near future.
- **Legislation** - Commercial buildings are subject to much legislation and regulation. Notably, this relates to issues such as Asbestos; Fire Risk; Disability; Energy Performance. Compliance costs will likely pass to the tenant unless otherwise agreed.

Leasehold disputes

Over the term of the lease or when it is coming to an end, disputes may arise between the landlord and the tenant on a number of issues, for example:

- **Rent arrears** - Advice should be sought by landlords as soon as a breach occurs as their response to the breach can have a significant impact on their legal options.
- **Dilapidation claims** - Most commonly at the end of the lease, there is a dispute over the condition of the property. We can offer pragmatic advice at this stage to avoid unnecessary aggravation.
- **Other breaches of covenant** - Early advice, often in advance of an anticipated breach, can prove invaluable in ensuring that a simple breach does not get out of control.
- **Forfeiture and possession proceedings** - Where a dispute cannot be resolved, the landlord may seek to bring the lease to an early end. Both parties need accurate advice on how to proceed in this area to avoid making matters worse.

General lease issues

We can provide advice to both landlords and tenants on other leasehold issues such as:

- **Assignment** - When the tenant sells the lease onto another party, the consent of the landlord is inevitably required and a Licence, normally together with an authorised guarantee agreement, will need to be prepared.

Whether you are buying or selling the lease, or whether you are the landlord, we can act on your behalf to ensure matters are properly documented.

- **Sub-letting** - Any sub-letting will require a licence from the landlord and the terms of the sub-lease must be carefully considered to ensure compliance with the terms of the existing lease.
- **Rent deposits and personal guarantees** - If the landlord has any doubts about the ability of the tenant to pay the rent and otherwise comply with the lease, it is not uncommon to see these additional measures requested. They are particularly common with limited companies where directors are often asked to give guarantees.
- **Lease renewal** - At the end of a lease, both parties may wish to continue the arrangement. If the lease is a secure lease, the landlord may have little choice in the matter.
- **Rent review negotiations** - At predetermined intervals under the lease, the rent will be increased. This can be problematic and, in the event of dispute, we can assist.

Contact *Hart Reade*

If you wish to speak to any of the property law team, please call us on **01323 727321**, visit our website www.hartreade.co.uk or email us on info@hartreade.co.uk.

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This information sheet is intended to be a summary only and should not be treated as a comprehensive guide and should not be acted on without qualified legal advice. If you require further information, please do not hesitate to contact Hart Reade and we will be happy to assist.

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