

Rent Review and Lease Renewal

Two Virtual Seminars - Tuesday 16 & Thursday 18 April 2024

£195 + VAT

Registration: 09.55 Finish: 12.55

6 Hours CPD

To book: <https://cptevents.co.uk/event/rent-review-and-lease-renewal-7>

The course will give an overview of the two procedures and look at recurrent issues such as whether the hypothetical lease should include a break option, what should be the assumed length of term, and how rent-free periods are taken into account in valuation. It will survey the dispute resolution options, with particular reference to the increasingly well-used PACT scheme, and consider what changes might usefully be made in the Law Commission's current review of the 1954 Act. This course is intended for surveyors, investors, occupiers and all those involved in rent review and lease renewal negotiations or commercial property management generally.

Does rent review have any relevance in a world of five-year lease terms? Longer terms remain prevalent in the leisure and industrial sectors, to name but two, and there are still plenty of longer leases around. Commercial rents are once more on the rise, and there can be few topics of more vital importance for both landlords and tenants than the amount of the rent.

At the same time, tenants continue to renew their leases under the Landlord and Tenant Act 1954, requiring application of the skill of open market rental valuation in a different context. It would be easy to assume that arriving at the rent in either type of procedure would be the same exercise, but there are important differences of process and valuation. Simply trying to export the approach used in one to the other is a recipe for disaster.

Speaker:

Mark Shelton

Commercial Property Management Law Trainer, CPM Law Training Limited and Author of 'A Practical Guide to the Law of Dilapidations' and 'A Practical Guide to Applications for Landlords' Consent and Variation of Leases'

Programme:

Session 1 - Tuesday 16 April 2024

Rent Review - In Context

- Why make rent variable?
- Turnover rents, geared leases and index-linked rents
- Open Market Value rent review
- Components of a rent review clause

Lease Renewal - Overview and Renewal Terms

- Overview of Landlord and Tenant Act 1954 and renewal procedure
- What property?
- What length of term?
- What other terms?
- Recent caselaw

Valuation - Similarities and Differences

- Hypothetical lease
- Assumptions and disregards
- Statutory basis for rent assessment in lease renewals
- Treatment of rent-free periods

Session 2 - Thursday 18 April 2024

Expert v Arbitrator

- The key differences
- What if they under perform?
- Can their decision be appealed or challenged?
- Which is appropriate for a specific review?

Lease Renewal - The PACT Scheme

- Rationale and history
- How does it work?
- Why should I opt for PACT?
- Practical tips and issues

Lease Renewal - in the First-Tier Tribunal

- Why transfer to first-tier tribunal?
- What is the procedure?
- What is the experience of the scheme to date?

Some Practical Rent Review and Lease Renewal Issues

- Disposing of over-rented premises
- Review dates
- Time limits, notices and counternotices
- The hierarchy of evidence
- Fees, costs and Calderbanks