

Rent Review and Lease Renewal

Two Virtual Seminars - 9 & 17 November 2021

£175 + VAT

Registration: 09.55 Finish: 13.30

7 Hours CPD

To book: <https://cptevents.co.uk/event/rent-review-and-lease-renewal-3>

The course will give an overview of 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 whether a 'headline rent' is effectively excluded. It will be presented in two virtual sessions of 3 hours.

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.

This virtual course is intended for surveyors, investors, occupiers and all those involved in rent review and lease renewal negotiations, or commercial property management generally.

By the end of the course you will be able to:

- Place the rent review process in the context of other variable rent mechanisms
- Appreciate the similarities and differences between the valuations carried out in rent reviews and in the lease renewal process
- Understand the choices of dispute resolution mechanism in both lease renewals and rent reviews
- Recognise the pitfalls of rent review notices and counter notices
- Evaluate the worth of evidence of comparable transactions

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 9 November

Rent Review - In Context

- Why make rent variable?
- Turnover rents, geared leases and index-linked rents
- OMV 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?

Valuation – Similarities and Differences

- Hypothetical lease
- Assumptions and disregards
- Statutory basis for rent assessment in lease renewals
- The 21 year rule

Session 2 - Wednesday 17 November

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

Rational and History

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

Some Practical Rent Review Issues

- Time limits, notices and counter notices
- The hierarchy of evidence
- Analysing, presenting and challenging comparables
- Fees, costs and Calderbanks