

Commercial Property Lease Renewal

We would suggest that both Landlords and Tenants should consider seeking legal advice at least 9-12 months before the Lease is due to expire, where the Tenants have security of tenure. Under the Landlord and Tenant Act 1954, if the Landlord wishes the lease to end at the expiration of the fixed term, he must give between 6 and 12 months' notice in a prescribed form to the Tenants. There are practical considerations as to when the notice should be served. Tenants can also serve notices on their Landlord.

The procedure set down in the Landlord and Tenant Act 1954 must be followed exactly by both the Landlord and the Tenants and so it is important that you consult us before serving notices and as soon as any notices are received by you. We can then advise on the appropriate steps to take to ensure that you achieve the right outcome for you and your business.

If no notice is served by the Landlord or the Tenants, the lease will continue until either the Landlord or the Tenant takes some action to either terminate the lease or commence the renewal procedure. This period of time is known as "holding over". Both parties must continue to observe their obligations under the lease during this time.

On a lease renewal the new rent is generally agreed by negotiation between the parties or valuers but if this cannot be agreed or any other terms of the new lease cannot be agreed, it will be determined by the court. Generally the Tenants will be entitled to a renewal of the lease on its existing terms, subject to a maximum term of 14 years and a new rent. The court does, however, allow the terms of the new lease to be modernised where appropriate.



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