

WBL Logbook Sheet Template

e.g. 1.1(1), 1.2(2), 1.2(1) 1.2(2) etc.	Page numbers from portfolio
1.1(1)	
Evidence provided and date of evidence	
e.g. Letter to client dated 01.01.2020 Telephone attendance note dated 01.01.2020	
Email to client dated 06.09.21	
Explain how the example meets the learning Outcome and how the evidence shows this	
<p>Applicable law:</p> <p>Part II of the Landlord and Tenant Act 1954 (“1954 Act”) which governs the rights and obligations of both landlords and tenants where premises are occupied for business purposes.</p> <p>How the law applies:</p> <p>The client’s tenant had a commercial lease which was within the protections afforded to business tenants under the 1954 Act (an automatic right of renewal, subject to a limited set of provisions).</p> <p>Applying the law to the matter:</p> <p>The client’s tenant had an ongoing ‘protected lease’ (a lease with an automatic right to renew under the 1954 Act). The lease had two years left to run and the client wanted to understand how the 1954 Act would apply in practice. This was because there had been pressure from the tenant to negotiate a new lease now, which would be outside of and prior to renewal. The tenant was suggesting terms that were unfavourable to the client, so the client wanted clarity on the ‘full picture’ in order to assess the most viable option.</p> <p>I wrote a note of advice to the client setting out the process involved with renewal of a lease under the 1954 Act and the specific requests and notices that would have to be served. This involved setting out the timelines and requirements under s.26 Landlord and Tenant Act 1954 (tenant) and s.25 Landlord and Tenant Act 1954 (landlord) and setting out their right to oppose the tenant’s statutory right to a lease renewal on any of the grounds set out in s.30(1) Landlord and Tenant Act 1954.</p> <p>I also set out some brief advice as to how the Courts would view a situation where the parties had not been able to agree terms and where either the landlord or tenant must apply to court, in order for the court to determine the terms of the new lease under sections 32 to 35 of the 1954 Act.</p>	

The client was very satisfied with the advice and decided to allow the statutory renewal process to take its course.

Reflection and evaluation

Describe what you learnt from the activity you undertook to meet the Learning Outcome. You may want to complete this section at a later date once you have had time to reflect on your practice and experience.

Protected commercial leases are not all that common and so this was an excellent opportunity for me to learn in more detail the specific steps that need to be taken in order to effect a renewal under the Act. This knowledge will stand me in good stead for future queries that involve this level of practical detail.

Supervisor's Name

Please print the full name of the supervisor that supervised the work referred to above within this logbook sheet and the supporting evidence.



[REDACTED]

Sent: 06 September 2021 13:55
To: [REDACTED]
Subject: RE [REDACTED] co-working

Hi [REDACTED]

All well here thank you and I hope you are too.

What the tenant is saying here is that, because the lease is within the statutory protections afforded to tenants under the Landlord and Tenant Act 1954, they are entitled to a renewal when the current lease ends. This allows them to renew their lease at the then market rent, but otherwise on terms to be agreed between yourselves. The maximum new term that they are entitled to under statute is 15 years, but longer periods can be agreed should you wish.

If they wish to renew, they must serve a "s.26 Request" (s.26 Landlord and Tenant Act 1954). They must give at least six (but no more than twelve) months' notice of their request for a new tenancy. This is what the tenant means when they say "*we are inclined not to pursue negotiations at all, and to wait until 1 year before our Lease Expiry when we will engage with you, on a Lease which is Inside the Landlord & Tenant Act*".

Equally, you can serve a s.25 Notice on the tenant terminating its lease (or initiating a renewal). You must do so in the same timeframe as above (i.e. between six and twelve months prior to expiry). You can also serve a 'hostile' counter notice to a tenant's s.26 Request, should you wish to refuse their request for a new lease. In either of these scenarios, if looking to terminate, a notice will only be valid and put forward for consideration if it is rooted in one of the following grounds:

1. The premises are in disrepair;
2. There are arrears of rent;
3. There are other breaches of covenant;
4. The landlord can provide suitable alternative accommodation;
5. The tenancy was created by a sub-letting;
6. It is the landlord's intention to redevelop; and/or
7. It is the landlord's intention to occupy.

Clearly, if the rental arrears and deposit withdrawal have at that point all been paid and up to date, and none of the other grounds apply, I suspect you would be minded to pursue the renewal cooperatively with the tenant. If, however, any of the grounds do apply, then it may be that you look to serve a 'hostile' notice. If that were the case then we could discuss in more detail at the relevant time.

As things stand right now, if they do not want to take you up on what was, I would say, a very generous offer (especially given the circumstances), then they will have to negotiate down the line (12 months prior to expiry – August next year). Apart from the market rent and the maximum statutory term (15 years) the baseline for any new lease will be on the terms of the existing lease and it will be up to the tenant in its s.26 Request to make a proposal on terms. You will then have two months to either refuse entirely or propose a negotiation. If you cannot reach an agreement as to the terms of the new lease, then the tenant can preserve their position by making an application to the Court to decide.

How the Court would approach its decision is difficult to say specifically but, as a general rule, the Court will apply a market rent based on expert evidence, together with terms that 'preserve the status-quo'. Generally, the onus will be on a party seeking to depart from the existing terms to prove that the changes should be made. It should probably then be noted then, that the original lease did not contain any rent free period or break right and therefore you could argue that the same should be the case this time around.

Please let me know if you would like to discuss any of this further.

Best wishes

[REDACTED]