

Lease Negotiations

Common lease pitfalls to avoid

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The Form and Content of the Lease

- Agreement between the parties and respective bargaining strengths.
- Premises.



Demise

CEILING

EXTERNAL
WALLS

WALL



FOUNDATIONS

Repair

- “making good defects in the physical condition of the subject matter of the demise”.
- Landlord – self help.
- Insured and uninsured risks.
- Inherent defects.

Permitted Use

Tenant

- Estate management vs rent review;
- Reputation; and
- Value of the landlord's interest in the premises.

Landlord

- Tenant's needs;
- Change of use; and
- Assignment.

Alterations

Tenant:

- Immediate fitting out works;
- Signage;
- Future changes;
- Reinstatement obligations.

Landlord:

- Physical state of the premises;
- Reputation;
- Rental value.

Insurance

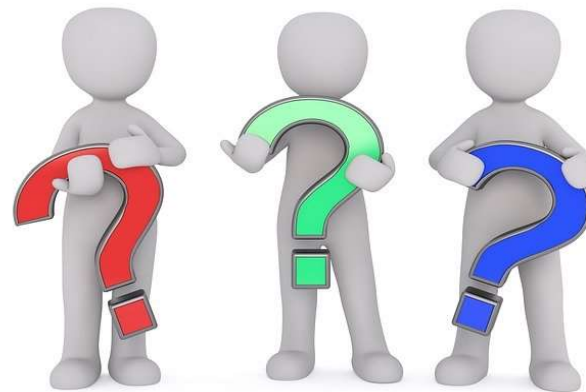


Break Clauses

- A provision entitling either the landlord or the tenant to determine the lease term earlier.
- The following issues are of importance:
 - Who can exercise the break;
 - Timing;
 - Manner of exercise;
 - Circumstances of exercise.



Any questions?



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