



**LANDLORD & TENANT BULLETIN**  
(Summer 2015)

**TO SERVE OR NOT TO SERVE**

*“To serve or not to serve that is the question  
Whether tis nobler in the mind to suffer  
The risks and uncertainties of a 54 Act continuation tenancy  
Or to take arms against the prospect of the renewal  
And by serving notice, to crystallise the rent, the term?  
No more, and by this notice, to say we end  
The heart-ache and the uncertainties of commercial lease expiry”*

As we continue to experience difficult conditions within the South West commercial property market, the decision over what action to take, if any, on a contractual lease expiry, remains subject to some debate. There is no “one size fits all” solution as the best course of action depends on the individual circumstances, location specific market conditions, and the terms of the expiring lease.

It is critically important to give detailed consideration to the options available and the likely consequences, whether you are a landlord or a tenant.

Please see the table on the following page which details the reasons for and against service of notice to terminate the lease by either landlord or tenant.

In a strong market with good demand, where rental levels are likely to be maintained or increasing, the landlord should consider serving notice. In a weak market with poor demand where rental levels are likely to fall, the tenant should consider serving notice.

In all cases, the parties should be alive to the possible consequences listed.

In considering what action to take, both landlords and tenants should always take proper professional advice from a suitably qualified and experienced landlord and tenant surveyor who can advise on market conditions and recommend the appropriate course of action.

With our experience, expertise and in-depth market knowledge, we are ideally placed to ensure you achieve the right result.



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David has over 30 years' experience advising landlords and tenants throughout the South West region on rental values and lease negotiation.

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**CONTRACTUAL LEASE EXPIRY – LANDLORD & TENANT ACT 1954 – NOTICES “TO SERVE OR NOT TO SERVE”**

LANDLORD		TENANT	
FOR <input checked="" type="checkbox"/>	AGAINST <input checked="" type="checkbox"/>	FOR <input checked="" type="checkbox"/>	AGAINST <input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>• Increase term</li> <li>• Certainty</li> <li>• Renegotiate rent (increase)</li> <li>• Good estate management</li> <li>• Obtain better lease terms</li> <li>• Offer incentives to counter threat of vacation</li> <li>• Remove threat of s27 notice to quit</li> <li>• Landlord &amp; tenant relationship</li> <li>• Improve investment profile</li> <li>• Take back underused parts for redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>• Promote vacation</li> <li>• Renegotiate rent (decrease)</li> <li>• Landlord &amp; tenant relationship</li> <li>• Seen as aggressive</li> <li>• Incurs costs</li> <li>• Commences procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to renegotiate</li> <li>• Renegotiate rent (decrease)</li> <li>• Obtain better lease terms</li> <li>• Capitalise on depressed market conditions</li> <li>• Negotiate incentives</li> <li>• Increase certainty</li> <li>• Removes threat of landlord seeking possession</li> <li>• Surrender unused parts</li> </ul>	<ul style="list-style-type: none"> <li>• Renegotiate rent (increase)</li> <li>• Continued uncertainty</li> <li>• Brings forward threat of landlord seeking possession</li> <li>• Removes flexibility of vacating on three months notice</li> <li>• Detrimental to landlord &amp; tenant relationship</li> <li>• Incurs cost</li> <li>• Commences procedures</li> </ul>

