Hicks Baker
COMMERCIAL PROPERTY

TOP TIPS

Commercial Leases – How to Negotiate the Best Outcome and Understand Your Options

A commercial lease is a serious legal commitment. To successfully achieve the best outcome of a rent review, lease renewal or re-gearing of an existing lease requires advisors with technical knowledge and the ability to negotiate on your behalf.

Rent Reviews

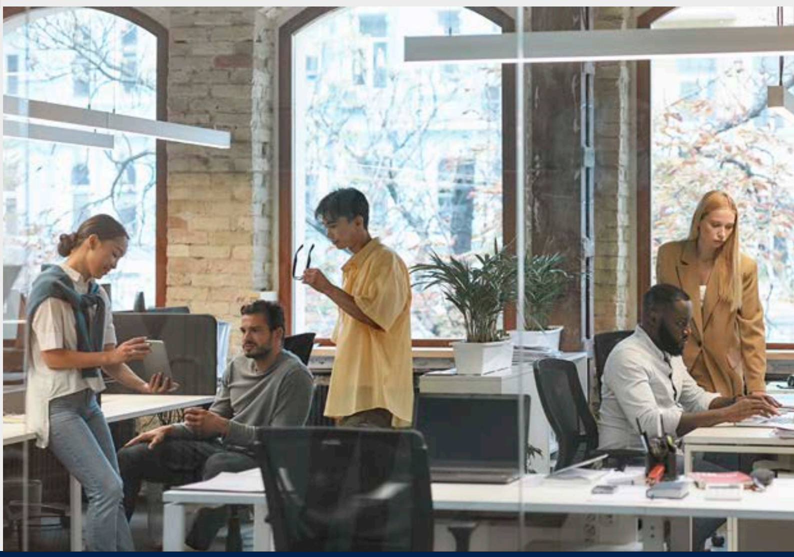
- The option to initiate a rent review may occur at fixed intervals in the lease term.
- In most cases, the rent will be aligned to rental levels achievable in the open market, based upon a range of assumptions and disregards. It is essential to know what rents businesses are paying for comparable premises.
- A commercial property specialist will know how to analyse the evidence and interpret leases and their impact on value against a backdrop of extensive case law and legislation.

Lease Expiries and Renewals

- Lease expiries can be tricky and expensive, so the best advice is to start planning for renewals as early as possible.
- Clients need to know whether their lease has statutory protection and to understand that rents can go down as well as up.

Lease Re-Gearing

- This is the process of renegotiation, through which landlords and tenants agree to vary the terms of the lease usually in exchange for an increase or reduction in rent.
- These can have unintended consequences and a specialist can help clients explore the ramifications of any agreement.



By engaging Hicks Baker to help you with your commercial lease, whether as a tenant or as a landlord, you can maximise on the opportunities presented by your lease to provide you with the best possible outcome.

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