



Press Release

Re-negotiating your lease? Read this first...

by Sian Reynolds, solicitor specialising in commercial property

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“Re-negotiating a lease with your landlord can be a minefield, but it’s always legitimate to try” says Sian Reynolds, commercial property solicitor at Phillips, “so here are our top tips for making the process as easy as possible:

Be prepared: Research your local market current rents and think about the terms that you want to be included in the lease before you approach your landlord.

Rent: Does the current payment frequency suit you - would monthly rather than quarterly payments help with cash flow? See if your landlord would be open to an upwards/downwards rent review instead of the favoured upwards only. Try to negotiate a rent free period as a reward for not vacating the property; your landlord doesn’t want an empty property after all!

Break: The right for you to exit your lease prior to the end of the term using a break clause is invaluable and simpler than under letting or assigning the lease. Try to agree a number of break clauses at intervals or on a rolling basis.

Dealings: Limit the restrictions and conditions on your ability to assign, under-let or otherwise deal with the premises. Under-letting should be allowed at not less than market rent and on assignment only agree to enter into an authorised guarantee agreement if it is reasonable to do so.

‘Finally’, concludes Sian, ‘take professional advice **before** speaking to the landlord. Otherwise, your innocent enquiry or comment might damage your negotiation process.’

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