



LEASE RENEWALS IN A CHANGING WORLD

Despite the current lockdown, we at FHP Property Consultants have been extremely busy since the start of the year on both the agency and lease consultancy sides of the business, with certain sectors being more active than others. The pandemic has affected businesses in different ways, some positively, some adversely but a common theme is that tenants are looking much more closely at their property requirements when leases come up for renewal.

The landlord's position is generally, albeit not always, to keep the tenant in situ on a new lease for as long as possible and at the best rent given the market evidence. On the other hand, tenants may seek more flexibility and wish to minimise costs. The outcome will depend upon the status of the market in that particular sector in terms of supply, demand and rental levels. With proper representation the vast majority of lease renewals are agreed amicably and in addition to the existing statutory Landlord and Tenant measures, the Government have introduced a Code of Practice for commercial property relationships during the Covid-19 pandemic and the RICS have also introduced additional guidance and services.

The last few months have seen an accelerated period of change. There is no doubt that space planning and property commitments are coming under more scrutiny than ever. Equally, landlords are running their own businesses and have financial commitments to meet. You don't need to wait until the end of the lease to explore renewal options. Regearing a lease can give certainty to both parties in terms of rental commitments and security for a longer term, which can be useful when a tenant intends to invest in fit-out or machinery, or build in flexibility.

FHP Property Consultants have a team of experienced professional lease consultancy and rent review surveyors and can call upon our extensive in-house market data which enables us to achieve the best results for our clients. If your lease is approaching its end date, no longer suits your needs, or you have a rent review coming up and would like some initial advice, then please do get in touch with myself or one of the team.

For further information, please contact Tim Richardson BSc MRICS at FHP Property Consultants on 07876 396007 or email timr@fhp.co.uk.

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Nottingham | **Birmingham** | **Derby**
0115 950 7577 | **0121 752 5500** | **01332 343 222**

Nottingham Office
10 Oxford Street | Nottingham | NG1 5BG

Birmingham Office
122-124 Colmore Row | Birmingham | B3 3BD

Derby Office
North Point | Cardinal Square |
10 Nottingham Road | Derby | DE1 3QT