

BUSINESS TENANCIES: AN OUTLINE GUIDE TO RENEWING OR ENDING A TENANCY

The Landlord and Tenant Act 1954 gives business tenants security of tenure – in other words, the right to renew the tenancy when it comes to an end.

If the landlord and tenant agree that there should be a new tenancy, they are often able to negotiate the new rent and other terms. If they cannot agree, they may be able to agree to appoint an arbitrator.

Otherwise, either of them could apply to the court for a new tenancy. The court would then settle the rent and other terms.

If the tenant wants a new tenancy, but the landlord refuses to grant one, the tenant can apply to the court. Again, the court would settle the rent and other terms of the new tenancy.

Landlords can succeed in opposing renewal of the tenancy for certain limited, specific reasons. Some are to do with the tenant's behaviour – for example, failure to pay rent. Others are to do with the landlord's needs – for example, where the landlord wants to redevelop the premises or get them back for his or her own use.

Landlords wishing to end the tenancy without renewal can either apply to court themselves or oppose the tenant's application for renewal.

The court would decide whether the landlord has grounds for opposing renewal, and so whether or not to order a new tenancy. If it orders a new tenancy, it will settle the rent and the other terms. If the court does not order a new tenancy, the tenant may be entitled to compensation.

The flowcharts in this leaflet give a broad summary of what tenants and landlords need to do to renew or end a business tenancy.

This leaflet is only a guide.

You should get professional advice before renewing or ending a business tenancy.

Further copies of this leaflet are available from:

ODPM Free Literature
PO Box 236
Wetherby
West Yorkshire
LS23 7NB
Tel: 0870 1226 236
Fax: 0870 1226 237
Textphone: 0870 1207 405
E-mail: odpm@twoten.press.net

Published by the Office of the Deputy Prime Minister.
© Crown Copyright 2004. Printed in the UK, March 2004
on material containing 75% post-consumer waste and
25% ECF pulp.

Product code: 04UPU01889

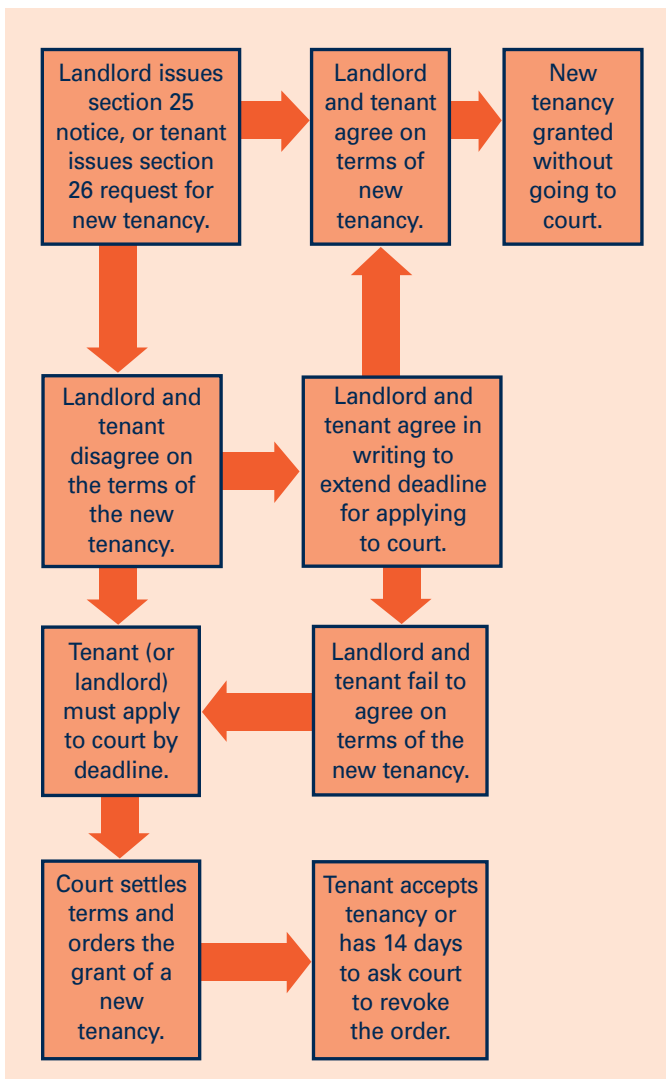


Office of the
Deputy Prime Minister
Creating sustainable communities

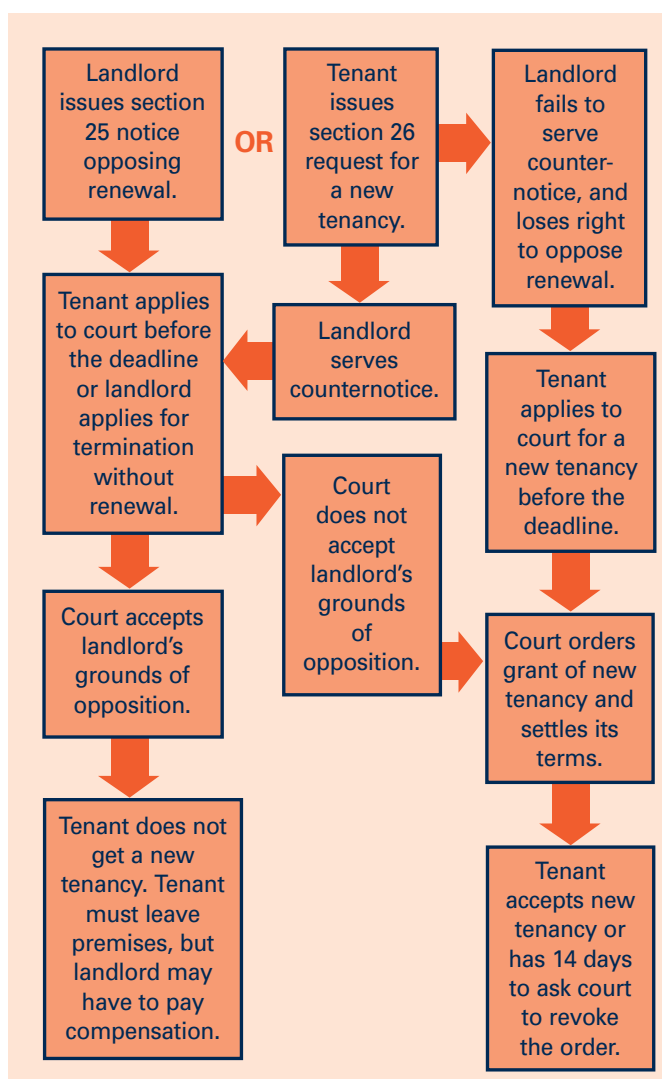
Business Tenancies

**An outline guide
to renewing or
ending a tenancy**

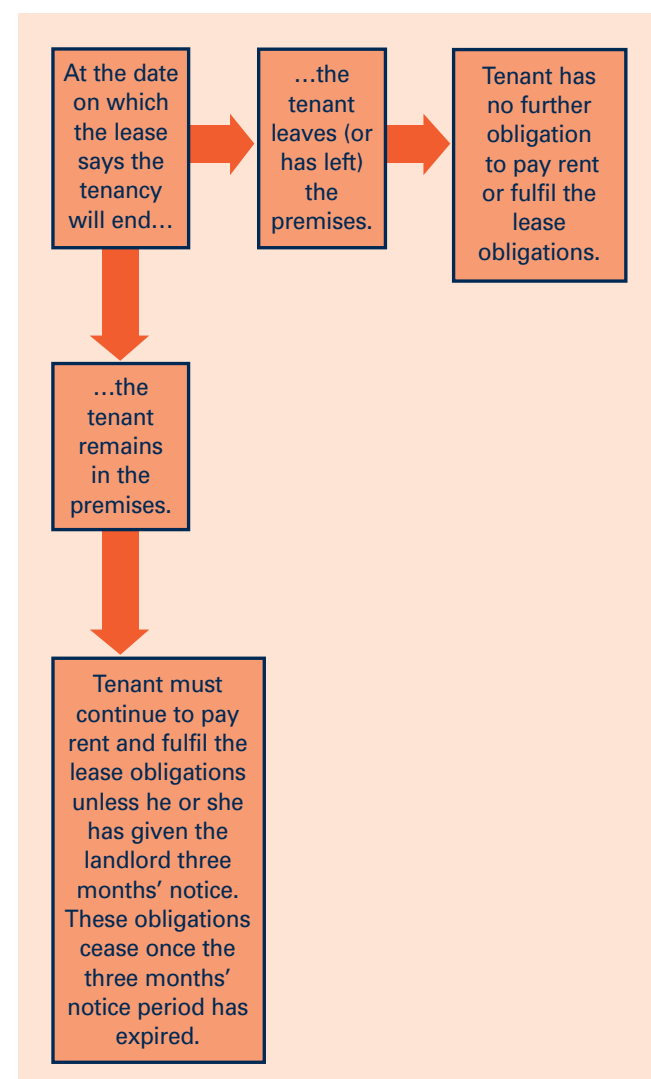
Tenant wants a new tenancy, and landlord does not oppose renewal



Tenant wants a new tenancy but landlord opposes renewal



Tenant does not want to renew the tenancy



Please note: This is a simplified guide to the main steps when a tenant wants to renew a tenancy and the landlord opposes renewal. Only the courts can provide a complete interpretation of the law. You should seek further information about your rights from a professional adviser.