



Keeping you up to date - Commercial Property Newsletter

REMOVAL OF EMPTY RATES RELIEF - HOW DOES THIS AFFECT OWNER AND OCCUPIERS OF COMMERCIAL PROPERTIES?

- From the 1 April 2008 the government changed the level at which rates are to be charged on most vacant non-domestic properties.
- Exemption from empty rates for industrial and warehousing premises has ceased, empty rates will be charged at 100% after an initial 6 month period of vacation, rather than the previous indefinite exemption.
- Tenants should ensure they have flexibility under any lease to assign or underlet the premises without unreasonable restriction allowing them to mitigate the increased costs they will incur if the premises become surplus to requirements.
- Owners of investment properties should consider this issue when agreeing the terms of any lettings so it is clear who is expected to bear the costs of any period during which the property is vacant.

LEASE RENEWAL - ARE YOU A SECURE TENANT?

- If you lease the premises from which you run your business you are a business tenant and the Landlord and Tenant Act 1954 gives you important legal protection, unless the Act has been excluded from the terms of your lease. The legislation gives you rights of security of tenure:
 - the right to remain in the premises after the expiry of the term of the lease until either a new lease is granted or the Landlord is able to sufficiently evidence one of the limited statutory grounds for termination
 - the right to require a new lease on substantially the same terms as the expired lease but at market rent with the Court determining any disputed terms
- Strict notice procedures and time limits apply and all rights can be lost if those procedures are not adhered to.
- This is a very specialised area and landlords and tenants should seek professional advice in property dealings to avoid being caught out.

DO ENERGY PERFORMANCE CERTIFICATES AFFECT COMMERCIAL PROPERTY?

- The requirements of energy performance certificates are widely misunderstood. From the 1 October 2008 on the sale or letting of almost all commercial buildings the seller or landlord must provide any prospective buyer or tenant with a valid energy performance certificate (EPC), free of charge. The EPC must be produced by a qualified energy assessor.
- The cost of the certificate will vary according to the size and type of building and the pricing policies of the providers. Prices will not be guided by the government, so it will be important to shop around for the best deals.
- In the short term, it seems that the owners and landlords will have to pay for the EPC with the owners and landlord looking to recover the costs from their buyers or tenants. All sale contracts and leases will need clear and unequivocal wording requiring one or other of the parties to be responsible for these costs.

Commercial Property Team

Pardoes Commercial Property Team forms part of the firm's Business Services Group which offers a complete package of commercial services to our business clients. Our Commercial Property Team aims to understand your business and work with you so all your business requirements are satisfied. The team has strong links with agents, surveyors, energy performance assessors, accountants and bankers. We specialise in sale, purchase and leasing of business property, business sales, landlord and tenant matters, mortgages and remortgages, construction, planning, non contentious environmental issues, agricultural and rural business and tax.

Please contact a member of the Commercial Property Team at

West Quay House
Northgate
Bridgwater
TA6 3EU

T: 01278 457891
F: 01278 429249

Motivo House
Alvington
Yeovil
BA20 2GF

T: 01935 382680
F: 01935 476150

Chandos House
Heron Gate
Taunton
TA1 2LR

T: 01823 446200
F: 01823 444614