



Landlord disputes commercial lease case study

Landlord disputes, the parties argued over a lease concerning commercial premises the property had fallen into disrepair, the tenant asserted the landlord was obligated to make the repairs relying on the lease, the landlord said the tenant was obliged to make the repairs under the repair and decoration clause in the lease which clearly stated he was responsible for maintenance and servicing.

This went on for some time, whereby there was talk of a statutory demand being issued against the claimant which never was, subsequently solicitors were instructed, by this time the tenant had withheld rent totalling some £60,000 leading to the landlord instigating proceedings.

The lease was perhaps not the best legally worded document and interpretation played a very big part, reinforcing both the landlords and tenants entrenched positions.

Although both parties denied liability for certain aspects of this dispute, both agreed upon their liabilities and where they had failed to perform those, namely being the landlord had not undertaken some maintenance and servicing due to the rent withdrawal, the tenant had not kept up some of his repair and decoration obligations due to servicing and maintenance not being carried out.

To move this matter forward a joint meeting following a series of private meetings was used to establish what both parties were in agreement with, after a list of 'I will perform my obligation if he does the same was drawn up', tough negotiations ensued over the issues in disagreement.

The parties both made suggestions on how the lease could be made clearer and protect them both, the wording which took some time to agree was to be inserted in a new lease which was renewable shortly, the landlord wanted his rent arrears, but understood he could have prevented some of this from occurring, both parties agreed to perform their certain obligations which just left the rent arrears, to which the landlord agreed could be paid by an initial lump sum payment and then instalments over 6 months with no interest.

Facts & figures

- **The mediation took 1 day compared to the 8 months this landlord dispute had already gone on.**
- **The mediation cost each party £650.00 each compared to the thousands they had already spent on legal fees and the thousands they would have had to spend had they continued with Court action.**