

## TWO NEW SIGNINGS JOIN THE TEAM

We are delighted to announce that Trevor Clayden FRICS joined us on 1 June.

**T**revor has many years experience in the commercial property field, originally as a Partner with Sturt & Tivendale, subsequently to become Black Horse Agencies.

Since 1990 Trevor has been in Partnership with John Atkinson FRICS in Lancaster Road Enfield where they developed a thriving small mixed practice.

Trevor has decided that his future lies in developing a more specialised commercial agency role and therefore has amicably left his partnership with John, who will be continuing in practice on his own account from his present offices.

Trevor is joining us to expand and develop retail and office agency within Enfield, North London and surrounding areas and we are confident that his experience and expertise will help the practice better serve its present and future



**Trevor Clayden: considerable experience in retail and office market.**

clients in this direction.

We are also pleased that Sarah Davies, Trevor's personal assistant, has joined us. Sarah has worked in the surveying profession for a number of years including as secretary/PA to the managing partner of Healey & Baker, one of the largest international practices based in the West End.

Senior Partner John Bryce said: 'We are delighted that Trevor and Sarah have



**Sarah Davies: Trevor Clayden's P.A. joins with many years property experience.**

joined us. They will be great assets to our team and Trevor's market knowledge, professional expertise and experience will be invaluable in achieving our goal to provide the best possible advice and service to present and future clients.'

Ian Harding, our Associate Partner, will specialise in industrial and warehouse property and become more involved in new commercial development schemes.

## ALL CHANGE AT THE CHAMBER

Since our Newsletter in March there have been a number of changes within the Enfield Chamber of Commerce. Many in the area will know Miles Parker who has worked tirelessly over several years in bringing together manufacturing groups and industrialists in Enfield.

**H**e, and his team now under the guise of Enfield Chamber Regeneration Team, will continue to advise those on the Meridian Business Park, Angel Road Works, North Middlesex Trading Estate and New Southgate Trading Estate. As a recent press release says, "We are proving that this Private Sector lead action group can play a key role in focusing support for businesses in this vital economic region".

Miles himself has moved to Business Link North London to work as "Supplier Development Advisor", part of the North London Manufacturers Action Group.

Whilst Miles remains based at the Enfield Business Centre in Hertford Road his new role requires him to spend time in East London working with businesses and this may lead to an extension of the North London Manufacturers Action Group to encompass East London.

Miles can be contacted on his new telephone number 0181 350 5653.

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**BOWYER  
BRYCE**

CHOOSING  
THE RIGHT  
PROPERTY TEAM  
IS THE KEY  
TO ACHIEVING YOUR  
GOAL

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# P.A.C.T.

**'Professional Arbitration on Court Terms' (PACT) introduces some of the advantages of arbitration proceedings into uncontested business lease renewal applications under the Landlord & Tenant Act 1954.**

Robert Pearson of Curwens Solicitors offers some useful guidance on this new scheme

**M**any issues arising out of lease disputes are decided by arbitration, but until recently similar questions arising on a renewal of a business lease under the 1954 Act

have had to be dealt with by negotiations, or by a Judge in usually expensive Court proceedings. Since July 1997 however, there is an alternative - the joint Law Society and Royal Institution of Chartered Surveyors "P.A.C.T." scheme.

A formal application to the Court will still have to be initiated to preserve a tenant's right to renew the lease, but the P.A.C.T. scheme introduces the flexibility, speed and quality of decision of arbitration proceedings into uncontested lease renewals.

Perhaps the best example of how the P.A.C.T. scheme may be used is where the landlord and tenant cannot decide on the rent although they can agree that there should be a renewal of the lease and can agree the other terms, such as length of

term, rent review dates etc. The P.A.C.T. scheme enables the parties to agree all those terms and then get a consent order from the Court to appoint an independent surveyor, to act as an arbitrator or expert, to determine the rent.

It is anticipated that this relatively new procedure will over the next few years become more and more popular with both landlords and tenants as a flexible way of settling the terms for renewal of a business lease under the Landlord & Tenant Act 1954 at realistic cost and within a relatively short time frame.

**For further information contact Robert Pearson of Curwens Landlord & Tenant Litigation Department on 01992 631461 or Ray Arrowsmith, Professional partner of Bowyer Bryce.**

# DILAPIDATIONS

## A LANDLORDS LICENCE TO PRINT MONEY?

**Your lease comes to an end and you have not repaired the property as required by your lease and your landlord serves a Schedule of Dilapidations (a strange word that means a building is in disrepair). What do you do? Spend your hard earned money in repairing the building? Plead poverty and hope your landlord will let you off? Run away?**



**I**t may be that you have no alternative but to repair the building and spend that hard earned cash - but if your lease has expired you do not have that option, all you can do is pay the landlord damages for breach of covenant. But to what standard should you have to repair the building? And what if realistically no one wants the building after you have repaired it, and all it is fit for is redevelopment or conversion to another use?

Schedules of Dilapidations are complex issues these days and there are sometimes arguments you can use to your advantage to limit the financial impact, or avoid it altogether. What is

clear however is that professional advice should be sought at an early stage.

It must be remembered however that it is important to maintain your building both to limit any potential claim but also to avoid unnecessary interruption to your business.

From a Landlords point of view the initial approach to the problem of dilapidations also needs to be realistic otherwise the whole claim, and also his costs, could be at risk!

Bowyer Bryce have many years experience of handling complex claims and negotiations so contact Professional Partner Ray Arrowsmith.

## NEW MANAGEMENT SYSTEM GOES 'LIVE'

**O**ver the last couple of years we have been working in conjunction with MFT Computer Systems, one of the largest property software houses in the UK, to develop a new property management system which recently went 'live'.

Management Partner, Ray Arrowsmith, said: 'We looked at several 'off the peg' systems but found these lacked features which we believe to be essential for effective property management. Being able to work alongside MFT in the development stages of the new system has produced a first class package. Fortunately the system will not replace the need for professional expertise which is still the most important ingredient but it will improve our service charge and client accounting procedures thereby enabling us to concentrate more on maximising the value of property portfolios and minimising costs to clients and occupiers.'

# TO BREAK OR NOT TO BREAK

**D**uring the recessionary years of the early 1990's the power in negotiations as between landlords and tenants shifted, for perhaps the first time in most peoples memory, towards the tenant and as a consequence "tenant break clauses" became very much more common. Break clauses were of course to be found in older leases although quite often there was a particular reason for this or a particular relationship between landlord and tenant. Landlords of course are primarily concerned with long term income and clearly break clauses add uncertainty which in better times are resisted.

Tenant break clauses within a lease require close attention if a tenant is to take the opportunity of exercising that right. Firstly of course you have to remember the date on which you have a break clause but more particularly the date and manner in which it should be actioned. The lease document itself is paramount and it is crucial to comply exactly with the procedural requirements if the right to break is not to be lost. (The House of Lords recently allowed some minor latitude in dates - but don't rely on it). It is essential that when exercising the option you do so in writing to the landlord, most commonly at his address, and if there is a managing agent involved it is useful to send a copy of the notice to them for information. The notice should always be served by recorded delivery so that you have at least proof of posting if not proof of receipt. You should serve the notice in good time before the break to try and get acknowledgement of it before the final date for service of the notice.

Leases often contain "conditions precedent" upon exercising the break. The major condition is usually that the tenant has complied with all covenants of the lease. Outwardly

that might appear quite simple because you have paid all the rent when it was due and reimbursed insurance premiums and owe your landlord nothing in money terms. You may think therefore that you have complied with the terms of the lease. Beware however. Have you for example complied with the repairing covenants of the lease? There was a reported case a few years ago where a tenant sought to exercise a break and the property was generally in a good state of repair although a few slates were missing from the roof. The Court held that in those circumstances the tenant had not complied with the repairing covenant and therefore the condition precedent to comply with the terms of the lease and he could

not action the break. Other clauses within a lease need to be treated with similar caution such as carrying out unauthorised alterations etc.

As always proper advice from a solicitor or surveyor is essential if you wish to take advantage of a right that you have successfully negotiated at the outset of the lease.

## MARKET COMMENT: STRENGTH OF STERLING AND RISE IN STAMP DUTY HIT MARKET CONFIDENCE

**T**he Commercial Property Survey of England and Wales for the first quarter of 1998 published by the Royal Institution of Chartered Surveyors shows that a combination of a strong Pound and the recent rise in Stamp Duty is making property less attractive as an investment.

Stamp Duty was increased in the March Budget from 1% to 2% on sales between £250,001 and £500,000 and from 1% to 3% for sales over £500,000.

The Survey shows that confidence among chartered surveyors has fallen by an average of 12% compared with the end of 1997.

Whilst both industrial and retail property have suffered, principally due to the unfavourable rate of exchange and higher stamp duty, the office sector has remained reasonably steady.

Confidence in the industrial sector is now at its lowest since the end of 1995 chiefly due to the difficulties

experienced by export orientated businesses, again principally due to the unfavourable rate of exchange.

The retail market has also seen a fall in confidence due to High Street spending not meeting expectations over Christmas trading, particularly in Central London where the exchange rate has hit tourist spending.

Confidence has however remained steady in the office sector which is now seeing a shortage of good quality prime offices and there is evidence to show that this is generating better demand for second generation buildings which have been less attractive over recent years. Most encouraging of all is that the shortage of good quality space is encouraging new speculative developments.

Ian Harding, our Agency Partner, commented: "The irony is that although confidence may have slipped our experience of the market around London and the Home Counties is that there is still a strong demand in all sectors and the general shortage of new and good quality premises, particularly industrial property throughout North London and the Lea Valley, is causing rents and prices to continue to rise." This view is borne out by the findings of the RICS survey.



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