

Property Advice Factsheet

How to engage in discussions with your landlord

This advice factsheet has been prepared in the light of the COVID-19 outbreak. It has been prepared to help micro and small businesses. The retail, leisure and hospitality industries have been particularly badly affected. If you rent your premises from a landlord, and your business has been affected by the COVID-19 outbreak, or you are concerned that it will be, then:

The current outbreak is unprecedented in living memory. But the basics of the landlord and tenant relationship remain the same. Your landlord is likely to be worried or concerned about these issues:

- Talk to or communicate with your landlord or their representative (who may be a surveyor). Most landlords and surveyors are sensible and reasonable people who will be more interested in solving problems than creating conflict. Always be calm, reasonable and professional even in these difficult times.
- Consider getting legal or other professional advice and help from any tenant association or business association. If there is no tenant association, think about starting one.
- Talk to or communicate with other tenants who may be in a similar situation. Together you may have interests in common or collective bargaining power.
- When dealing with any landlord, remember that it is a legal relationship and a business relationship:
 - Do keep notes and records of meetings and copies of letters, notices, and emails.
 - But don't secretly videotape or tape record anybody and don't ever tape phone calls without permission!
- If you want to keep discussions "off the record" or unofficial then make sure you say they are "without prejudice save as to costs" discussions. Label any correspondence accordingly. Consult a lawyer about how those legal rules work if in doubt.
- You can have formal and informal discussions going on at the same time.
- If you receive any formal legal notices in the course of the discussions with your landlord make sure you get legal advice. Get legal advice BEFORE any deadlines run out, and not AFTER they run out.
- Your landlord may be under pressure, too, just like you. They might have a head landlord that they pay rent to, or a mortgage lender. If the landlord and those other people all know what is going on, then they are more likely to be patient and agree a rent holiday or payment plan. As we have seen in this crisis, people really don't like uncertainty. The landlord may be under pressure to take action due to their own headlease, their insurance policy, or other pressures like their mortgage lender or even company policies. Find out what these issues are and how you can try to deal with them to everyone's benefit.
- Landlords know that if they lose their tenant, they will have a rent void (that is, a period with no tenant and no rent). If they have an empty property, they may also get squatters. Most landlords would prefer to avoid this.
- If you have to temporarily close your business due to the outbreak, perhaps because of health reasons, or to look after someone else who is sick, then let the landlord know. Otherwise they may think you have abandoned the property. In that case they might change the locks or take other security measures. But if the landlord knows you intend to come back, then they can hopefully avoid taking any drastic steps.

- Talk to your landlord about any health protection measures that you have put in place, or that they want you to put in place. They may want to carry out a deep clean or have a waste removal plan, for example. The landlord may need your help and cooperation, even if it is just to give them access. By working together and communicating with each other, you may be able to solve these problems.
- If things get really bad, consider getting a mediator or arbitrator involved to help solve the dispute. Mediators and arbitrators can work over the phone or by video conference, which may be necessary during the present crisis.

UPDATE 1 April 2020: Coronavirus Act 2020 – Business Tenancies

From 26 March 2020 to 30 June 2020 a landlord's right of re-entry or forfeiture arising from non-payment of rent cannot be enforced. No order for possession can be enforced and any order for possession made during that period must take effect after 30 June 2020. This period may be extended by the Government later but has not been as at 1 April 2020. Please note that rent and other sums due under a lease are still payable during this period and this new law does not stop rent reviews or lease renewals from taking place. The guidance in this note is therefore not affected by this change to the law, but we hope you find this information useful.

This factsheet is for general guidance only and should not be relied on as specific legal or professional advice. If in any doubt you should always seek your own independent legal or other professional advice.

The situation is constantly changing. You should continue to seek information from the Government and from the GLA. Measures to assist businesses of all sizes are likely to be announced soon.

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