

Legal Responsibilities of Tenants

Introduction

If you are a tenant of a commercial property, you have a duty to make sure the business premises are well maintained and is a safe, healthy place for people to work. Whether the landlord or a tenant is responsible for a particular part of the commercial property, or a particular service, is usually set out in your lease. However, there will be other legal responsibilities in the general law (in legislation or regulations) that will apply to you both. Your lease is also likely to have a clause in it that says that you must “comply with statute”, or words to that effect.

It is important to be aware of your legal rights and responsibilities. Here is a summary. It is not intended to be a substitute for individual legal advice, but it will give you a general idea:

“Covenants”

Your lease will contain various promises or clauses called “covenants” that you have to carry out. These will include:

- To pay rent at the times set out in the lease, whether demanded or not
- To pay services charges, taxes (ie business rates), insurance, and other charges
- To repair (see also our How to Guide “Dilapidations”)
- There may be a covenant against carrying out alterations without consent (see our How to Guide “Commercial Lease Overview of the Terms Covered By a Lease Agreement”)
- There may be a covenant against assignment and sub-letting, either at all or without consent (see our How To Guide “Assignment and Sub-Letting”)
- To allow the landlord access to inspect or carry out repairs
- To comply with statute, as explained above, including Health and Safety.

Health and Safety

Business owners who rent property for commercial reasons must carry out regular health and safety risk assessments in the work environment and make sure there are no hazards as far as possible. It is likely that you will be responsible for:

- Fire safety within the property that you rent
- Safety of electrical equipment
- Gas safety: tenants must make sure that all the equipment in the property is maintained according to the manufacturer’s instructions. An annual inspection by a gas safety engineer or energy supplier should be carried out. If there are a number of units in the building and there is a communal boiler, or other communal appliances, then this is likely to be the landlords’ responsibility. Check your lease. If so, make sure that you ask for copies of gas safety certificates and service records
- Safety of lifts, air conditioning, or other mechanical equipment and plant: again, if there are a number of units in the building, then this is likely to be the landlord’s responsibility. Check your lease. If so, make sure that you ask for copies of safety certificates and service records.
- Managing asbestos: as a tenant it is usually your responsibility to complete and keep an asbestos register of your unit or property
- A proper temperature – this would be 13°C for manual work or 16°C for non-manual work: it is your responsibility to provide this for your employees, so if the landlord is failing to keep communal air conditioning or heating working properly, you need to take it up with them
- Enough space, ventilation and lighting
- Toilets and washing facilities
- Drinking water.

Who is responsible for repairs and maintenance depends on your lease. If there are communal areas or common parts in a building with several units, for example stairways, entrance halls, basements, car parks, gardens, etc, then the landlord is usually responsible for those common areas. If the landlord is responsible for carrying out any repairs and maintenance to the common parts or to the property, such as the plumbing and heating, as tenants you must still:

- Report any repairs needed to your landlord as soon as possible
- Carry out minor maintenance (such as check smoke alarms are working, change light bulbs)
- Dispose of all rubbish and waste properly.

Repairs and maintenance

Under a commercial lease, 'maintenance' relates to the actions that the tenant is expected to take to avoid deterioration of the premises and its systems. It can include painting, cleaning, servicing and lubricating equipment. On the other hand, a 'repair' relates to anything that the tenant must do to fix anything damaged or broken by himself or his staff, customers, or visitors.

Usually the lease outlines who is responsible for repairs and maintenance of the commercial property. In many leases the tenant will have full responsibility for repairs and maintenance if the building is an independent structure and not part of a larger construction. This is called a "full repairing and insuring lease" or an "FRI lease". An exception to this is that the tenant's obligations may be restricted in respect of reasonable wear and tear.

Moving out

The lease may refer to moving out as "yielding up" the property. When you are moving out, you may have to pay for particular repairs. Additionally, tenants are expected to return the property to the state it was in at the start of the lease. The repairs tenants have to make are called 'dilapidations' and should be included in the lease. See the How To Guide "Dilapidations" for further information.

The dilapidations clauses in commercial leases set out your responsibilities as the tenant for repairs, maintenance, decoration, and complying with statutes.

A word on disputes

There can be disputes between the landlord and the tenant if one of the parties doesn't comply with their duties, or if they disagree about what those duties are.

Remember that one of your "covenants" (or promises or obligations) under the lease is to pay rent. So, if there is a dispute between you and your landlord don't be tempted to stop paying your rent. Otherwise, the landlord has a legal right to evict you or "forfeit" (terminate) the lease. Instead, it is recommended that you should talk to your landlord as soon possible regarding any delayed rent. Whether the issue is caused by a change of circumstances or a budgeting difficulty, tenants can seek legal and financial advice and support to avoid eviction.

Summary

Once your business signs a lease with a landlord to rent a property, you become a tenant who has rights as well as responsibilities.

It is vital to keep the property well maintained and pay the rent on time in order to avoid disputes or eviction.

Also, you should notify the landlord about any repair works needed whose costs would be covered by the landlord or which are the landlord's responsibility.

Further support

The London Growth Hub has published this series of 'how-to' guides to help commercial tenants understand their legal responsibilities. [This flowchart](#) will help you identify the most relevant 'how-to' guides for your business



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