

CASE STUDY – RENT REVIEW

Maple Leaf were instructed by a national multiple occupier to deal with outstanding rent reviews on a premises in North London from 1994, 1998, 2002 and 2006. The rent payable was £15,000.00 pa with the landlord seeking increases for 1994 to £18,000.00, for 1998 to £26,000.00, for 2002 to £30,000.00 and for 2006 to £37,500.00.

1994 review

By the time of Maple Leaf's appointment this review was already approaching 12-years overdue and an Arbitrator had been appointed and on hold for over 10 years. After liaising with the client's solicitors advice was given to apply to the Arbitrator for the Arbitration to be Struck Out for inordinate and prejudicial delay. The client approved this course of action and in late 2006 submissions were made to the Arbitrator requesting that he Strike Out the Arbitration for inordinate delay. After exchange of representations the Arbitrator issued his award Striking Out the Arbitration as having been prejudiced by undue delay, effectively giving rise to a Nil Uplift rent review.

After further representations to the Arbitrator an award of costs against the landlord was made, securing reimbursement to our client of the Arbitrator's costs and of the majority of our own fees for pursuing this matter on their behalf.

1998/2002/2006 reviews

The landlord owned a considerable amount of property in the vicinity but was not divulging full information in respect of rent reviews or lettings that provided comparable evidence. With most of the premises in the area occupied by local tenants, it was not possible to secure this information from usual sources and so an application was made to the Arbitrator, successfully, for an Order of Disclosure to be issued against the landlord. This produced a considerable amount of information that had not been previously divulged, including a large number of transactions which the landlord had put forward as comparable evidence but which were in fact Deemed Rents under restrictive rent review provisions. These should not therefore have been afforded value as comparable evidence.

The landlord then tried to vary the terms of the lease by claiming rectification of a restrictive provision. After liaison with solicitors, a robust rejection of the claim was issued in open correspondence with a clear statement of intent to recover costs for dealing with such a frivolous claim. After further exchanges the landlord conceded the position and costs were recovered through the ongoing arbitration process.

On the basis of a now complete picture of evidence, offers to the landlord were made in order to protect our client against costs arising from the Arbitration and submissions for each of the three outstanding rent reviews were made to the Arbitrator.

Outcome

The Arbitrator issued his Award for each of the rent reviews at: -

- 1998 - £19,850
- 2002 - £23,540
- 2006 - £27,700

In this way we were able to save our client in excess of £100,000 over the relevant rent review periods.