

Maintenance Update: Model Commercial Leases – Version 1.8

Introduction

Following the publication of version 1.8 of the Model Commercial Lease, we have received a number of comments on the terms of the leases, including some requests for minor changes. Normally, these would be addressed in the next version of the leases as they do not affect the terms of the leases. However, as there are couple of more significant points to address, we have decided to make an interim maintenance release with changes set out below. The version number has been updated to 1.8a.

We have also been asked about rationale for the changes we made to the insurance provisions in the leases. A separate note has been published giving details of why the changes have been made.

Main changes to the leases

- In the leases of whole, we have deleted paragraphs 2.6 and 2.7 of Schedule 6 (Sustainability) as these were not relevant to leases of whole.
- In the leases of part, in paragraph 2.7 of Schedule 7 (Sustainability), the final line of the paragraph referred to “Building” even where the lease was a lease in an estate or centre. This has been updated to refer to “Building”, “Centre” or “Estate” as appropriate to the lease in question.
- In the leases of a unit or part of building on an estate, repairing and maintaining common facilities was included both as a “Estate Service” to be provided the landlord and an “Additional Service” that the landlord had a discretion to provide. We have retained it as an Estate Service and removed it as an Additional Service.

Minor changes to the leases

- A rogue reference to Part 2A of the Building Regulations 2010 in the table of contents has been removed.
- In the leases of part of a building on an Estate for retail and food and drink use, the definition of “Estate Service Costs” has been updated to remove the “)” at the end of paragraph (a); to add an “and” at the end of paragraph (a) and to add a semicolon at the end of the definition.
- In all leases, the definition of “Greenhouse Gas Emissions” has been updated to refer to “gases” rather than “gasses”.
- In the definition of “Improving Environmental Performance”, an “and” has been added at the end of paragraph (d).
- In the leases of whole, the definition of “Premises” has been updated to remove the “and” at the end of paragraph (b) and to replace the full stop at the end of the definition with a semicolon.
- In all leases, the references to limited liability partnerships have been removed from clauses 6.1.2(d) (forfeiture) and 6.4.2 (notices) as the revised definition of company included in version 1.8 includes limited liability partnerships.
- In the leases for the whole of a building on an estate, paragraph 10 in Part 3 (Estate Services) of Schedule 3 (Services) has been updated to refer to “the Services” rather than “the Services and the Additional Services” as the definition of “Services” includes the “Additional Services”.
- In leases of part of a building on an estate, in paragraph 3.1.2 of Part 8 (Estate Service Charge Exclusions) of Schedule 3 (Services), the words “may to take” have been changed to “may take”.

- In leases of part of a building on an estate, the wording in paragraph 3 of Part 6 (Additional Services) of Schedule 3 (Services) has been made consistent with the corresponding wording in paragraph 5 of Part 5 (Additional Building Services) so that both refer to “Employing or procuring **such** agents...”
- In leases of part of a building on an estate in paragraph 3.1.4 of Part 8 (Estate Service Charge Exclusions) of Schedule 3 (Services), the words at the end of the paragraph have been made consistent with the words in paragraph 3.1.4 of Part 7 (Building Service Charge Exclusions) and the use of square brackets across the two paragraphs made the same.
- In leases of part of a building on an estate in paragraph 4 of Part 8 (Estate Service Charge Exclusions) of Schedule 3 (Services), the words “in including” have been changed to “including”.
- In the leases of part, paragraph 2.1.1(b) of Schedule 4 (Insurance) has been updated to make “service charge” “Service Charge”.
- In Schedule 3 (Insurance) for leases of whole and Schedule 4 (Insurance) for leases of part, paragraph 5.3 has been updated to add a “the” at the end of the first line so that it reads “...sufficiently so that **the** Premises...”
- In Schedule 5 (Works) for leases of whole and Schedule 6 (Works) for leases of part, paragraph 2.6.7 has been updated to refer to “specifications” rather than “specification”.