

Leasing and Letting

Leasing/letting

Reference no. T050

Description of competency in context of this sector

This competency is specifically in relation to the market for leasehold property and includes assignments. Candidates should be able to demonstrate an understanding and experience (if appropriate) of working for both landlord and tenant. The candidate should have a knowledge of the whole transactional market for property.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of how various types of property are let (or a similar interest is acquired for a client) and the different types of interests that may be placed on the market. Demonstrate an understanding of the economics of the market for such interests and the appropriate legal frameworks.

Level 2

Apply your knowledge and skills to the leasing/letting of all types of property and demonstrate practical experience of the associated decision-making process, marketing, reporting and completion of the transaction. Demonstrate knowledge and understanding of other forms of property transaction, and of the reasons supporting the decision to proceed along the chosen leasing or letting route.

Level 3

Provide evidence of reasoned advice and report to clients on all types of leasing or letting transactions. Demonstrate the ability to see complex cases through from start to finish with appropriate assistance. Be able to provide clients with a holistic view of the entire transactional market, and advise them clearly and appropriately, not only on the letting or leasing market, but also on other areas.

Main Lease Terms That May Effect Value

Length of the Lease

Rent

Break Option

Repairing Covenants (FRI/IRI)

Tenants Covenants

Rent Review Clause

Guarantee

Contents of Heads of Terms Document

Subject to Contract/Contract Denied

Landlord and Proposed Tenant

Demise / Size / Bikes / Car spaces

Rent

Term

Break Option

Rent Free

Condition/Spec on Handover

Alienation

Alterations

Insurance

Service Charge

Rates

Solicitor Details

Conditions

Main Contents of a Lease

Date	Parties Involved	Demise/Property	Term	Rent	Landlord & Tenant Covenants
Outgoings	Repairs	User Clause	Break Option	Definitions	Insurance
	Guarantee	Alienation	Map	Rent Review Clause	

Lease

V

Licence

- Tenant enjoys exclusive possession
- Capable of being assigned
- Binding against a party that buys the freehold interest from the landlord
- Can not be terminated until its term expires (Unless it contains an early termination period)

- Licence gives no interest in land, only allows use of land
- Licence is irrevocable at any time
- No statutory rights of renewal
- Licensee cannot transfer interest to a 3rd party

Main Tenant Covenants in a Lease

To Yield Up

To Repair & Decorate

To pay rent, rates and service charge

Alterations

To pay interest on arrears

To pay outgoings and taxes

User

Insurance

Main Landlord Covenants in a Lease

To Insure the Building

To provide the tenant with quiet enjoyment

To carry out repairs, service charge works etc

Denying a Tenant a New Lease

Non-Payment of Rent

Tenancy has been terminated by Notice to Quit or otherwise

Landlord has planning to pull down or reconstruct

Landlord is a local authority

The tenancy would not be consistent with good estate management

Additional Areas to Discuss



Yield Up/Dilapidations



Rent review Clause (L&T Amendment Act 1984)



PSRA Letter



Inspection



Measurement



Viewing Procedures