



### The Code for Leasing Business Premises in England and Wales 2007

The third edition of the Commercial Lease Code, now entitled "The Code for Leasing Business Premises in England and Wales 2007" was launched in March 2007. Intended to act as a checklist for the negotiation of both new leases and renewals, the aim was to promote efficiency and fairness in landlord and tenant relationships at all business levels.

Although compliance with the Code is voluntary, Wiggin have noticed an increasing use of references to the Code in transactions, and it would now seem appropriate to highlight the contents.

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### The Code for Leasing Business Premises in England And Wales 2007

The Code consists of three documents: the Landlord Code containing recommendations to landlords, the Occupier Guide advising tenants and a Model Heads of Terms setting out a checklist of terms to be considered during negotiation. The overall aim is to ensure that each party understands the commitments they are making by setting out the obligations in clear English, whilst promoting efficiency and fairness.

#### The Landlord Code

The landlord code makes recommendations to landlords on the following points:

- Lease Negotiations
- Rent Deposits and Guarantees
- Length of Term, Break Clauses, Renewal Rights
- Rent Review
- Assignment and Subletting
- Service Charges
- Repairs
- Alterations and Change of Use
- Insurance
- Ongoing Management

Each section sets out the requirements on landlords, promoting the provision of clear information to the tenant throughout.

#### The Occupier Guide

The Occupier Guide follows the same headings as the Landlord Code but is balanced in favour of the tenant, offering negotiating tips and clarifying the landlord's obligations. It does however stress that whilst the note is intended to assist it should not be used as a replacement for professional advice. Qualified surveyors and lawyers should still be consulted.

#### Model Heads of Terms

The Model Heads of Terms sets out a checklist for both landlord and tenant to follow in the course of negotiations and is a useful reminder to both parties of the elements for consideration.

### **Consequences of Non Compliance**

As stated above compliance is voluntary, and the entire document is worded in language that leaves considerable room for individual interpretation. Unsurprisingly therefore, the adoption rate appears to remain minimal. However, the government has made it clear that if the industry does not take this opportunity to self-regulate, legislative intervention may still be pursued. It is therefore in the interest of both landlords and tenants to be fully briefed, if not compliant.

### **Further information**

For further information please contact either Matt Bullock ([matt.bullock@wiggins.co.uk](mailto:matt.bullock@wiggins.co.uk) or 01242 631273) or Sophie Roberts ([sophie.roberts@wiggins.co.uk](mailto:sophie.roberts@wiggins.co.uk) or 01242 631370) at Wiggins. Alternatively, the official guide is available at <http://www.leasingbusinesspremises.co.uk>.