

Commercial Lease Break Clauses

WHAT IS THE BREAK CLAUSE IN A COMMERCIAL LEASE?

A lease or contract provides a mechanism for one party to terminate or “break” the agreement before its specified end date.

FOR TENANTS: WHAT STEPS SHOULD I TAKE?

As a tenant, it is crucial to identify your landlord and the appropriate recipient for the break notice. To not serve the correct landlord can render the notice invalid.

Verifying ownership through HM Land Registry is advisable to ensure no changes have occurred since the lease was entered into.

When vacating the premises, you must adhere to conditions like providing vacant possession and meeting any stipulations regarding property condition or redecoration within the final months of occupancy. A failure to do so might render the break notice invalid, allowing the lease to continue.

FOR LANDLORDS: WHAT SHOULD I VERIFY?

Upon receiving a break notice, landlords must scrutinize whether the tenant has adhered to the break clause requirements regarding the service method and recipient.

Additionally, you should assess the condition of the property as soon as possible to agree any dilapidations and confirm that the tenant will be providing vacant possession while meeting lease terms regarding rent, repairs, and decoration.



CONTEMPLATING THE EXERCISE OF A BREAK CLAUSE?

If you are considering activating a break clause, initiate the process with ample time to fulfil all the requirements set out in the lease. Seeking professional advice before drafting and serving the break notice is crucial to navigating the complexities associated with exercising a break clause effectively.



For any advice related to commercial lease break clauses contact us on 0333 400 4499