Plunkett Foundation
MORE THAN A PUB
Tenancy Resources

**Template Heads of Terms for the Lease**

**This document is a template, for further information we recommend you seek professional advice.**

**Template document kindly supplied by MJD Hughes, a recommended** [**Plunkett Member**](https://plunkett.co.uk/become-a-member/) **supplier.**

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MJD HUGHES Ltd Registered in England & Wales No. 10385651

DATED 2020

**Community Group Name**

- to -

**Tenants name**

**HEADS OF TERMS for the L E A S E**

relating to

Pub Name

Address 1

Address 2

Address 3

Postcode

TERM COMMENCES : on or before (Date to be confirmed) 202?

LENGTH OF TERM : X years

TERM EXPIRES : on or before (Date to be confirmed) 202(?+X)

RENT : £XX,XXX per annum

HEADS OF TERMS

(*examples and information provided in this document in italics)*

1. **Property Address:** ADDRESS IN FULL AND IN UPPER CASE

1.1 **Landlord** ………………………………………………………….

Registered no. ………………………………………………………….

Registered office: ………………………………………………………….

Correspondence address: ………………………………………………………….

Contact name: ………………………………………………………….

E-mail: ………………………………………………………….

Telephone: ………………………………………………………….

Mobile: ………………………………………………………….

1.2.1 **Tenant**  ………………………………………………………….

Registered no. ………………………………………………………….

Registered office: ………………………………………………………….

Correspondence address: ………………………………………………………….

Contact name: ………………………………………………………….

E-mail: ………………………………………………………….

Telephone: ………………………………………………………….

Mobile: ………………………………………………………….

1.2.2 **Guarantor** NAME IN FULL

National Insurance number………………………………………………..

Address………………………………………………………………………

Email…………………………………………………………………………

Telephone ………..…………………………………………………………

Mobile………………………………………………………………………..

1.3 **Rent** £XX,XXX, (RENT IN WORDS), per annum exclusive of VAT

* *Payment dates are monthly by direct debit or by whichever method prescribed by the Landlord*
* VAT will be payable if the property is elected for VAT
  1. **Landlord's initial works**: (*Insert if this is applicable|)*
     1. The landlord will complete the following works during the term of the lease:

List of works: (to be scheduled and undertaken in agreement with the tenant)

* ***Restaurant Extension****: this is a proposed extension of the restaurant area, to extend outwards towards the car park for approximately one metre to the existing line of the posts, and to improve access; planning permission may be required*
* ***Roof repair****: this is non-structural and cosmetic in nature, identified during repair of the chimney; and*
* ***East wall maintenance****: re-pointing the eastern wall of the main building, cosmetic in nature.*

1.4.2 The landlord will provide a red line drawing as to the boundary of the commercial let.

* 1. **Tenant's initial works**: (*Insert if this is applicable)*
     1. The tenant will complete the following works during the term of the lease:

List of works: (to be scheduled and undertaken in agreement with the landlord)

* ***Restaurant Extension****: this is a proposed extension of the restaurant area, to extend outwards towards the car park for approximately one metre to the existing line of the posts, and to improve access; planning permission may be required*
* ***Roof repair****: this is non-structural and cosmetic in nature, identified during repair of the chimney; and*
* ***East wall maintenance****: re-pointing the eastern wall of the main building, cosmetic in nature*.

2 **Deposit:** £5,000 (*this should be a quarter year rent and to a minimum of £5,000*)

3 **Lease length, protection & rights:**

3.1 **Lease length and start date**: 5 years, [start date to be agreed];

3.2 **Landlord & Tenants Act 1954**: The lease will be opted (in/out) of the 1954 Act

3.3 **Rights**: Rights of access will be contained within the full lease (Example)

* The Landlord will reserve all rights of access to the Landlord’s retained land not forming part of the lease.
* There is an existing right of access to the property (field) at the North of the property, through the existing gate.

4 **Rent reviews**:

4.1 **Frequency:** The rent will be reviewed annually on the anniversary of the lease commencement date.

4.2 **Methodology:** Reviewed to reflect full market rent no lower than the starting rent at the time of the review**.**

4.3 **Alternative dispute resolution:** If the rent cannot be agreed between the Landlord and the Tenant at review, the rent will be decided by an arbitrator appointed by the President of the RICS

5 **Assignment and subletting**: Assignment of whole allowed with Landlord consent, which will not be unreasonably withheld. Subletting not allowed.

6 **Services and service charge**: No service charge, but the landlord has the right to pass on any charges relating to the property that become payable in the future. (*If a fee is to be charged it should be entered here together with the reasons for the charge*).

7 **Repairing obligations**

7.1 **Repair** The tenant will be responsible for the full repair of the property

8 **Alterations and use**

8.1 **Alterations:** No alterations without consent at Landlord's discretion. Tenant may attach internal fittings but must remove at the Lease end and make good any damage caused by such removal.

8.2 **Permitted use**: The premises can be used as a *public house, restaurant and hotel* and other associated use.

8.3 **Residence and long term let:** Only the tenant and immediate family can use the flat and private accommodation to the first floor of the main building. The hotel rooms can only be let out to guests and for a period that does not exceed 28 days

9 **Insurance**:

9.1 **Building insurance:** Landlord insures and re-charge the tenant for the part used

9.2  **Fixtures, fittings and other insurance:** Tenant responsible for their own insurance

10 **Lease management**

10.1 **Annual Property Inspection:** An inspection of the whole property (internal, external, and any grounds or outbuildings associated with the lease) can be undertaken by the landlord every 12 months, (*costs to be kept to a minimum and shared between the landlord and tenant).*

11 **Other conditions:**

11.1 **Rates and utilities**: Tenant is responsible. Tenant must check actual amount with Local

Authority and utility provider, and location of meters.

11.2 **Legal costs**: Each side will be responsible for their own initial legal costs with regards to the preparation of the lease. Subsequent legal costs for the lease will be the responsibility of the tenant.

11.3 **Outstanding** **conditions:**

11.3.1.Planning required before lease commences

11.3.2. Local authority consents including building regulations to be correctly applied for and received before lease commences.

11.3.3. Survey/Schedule of Condition to be completed and attached to the lease prior to signing

11.4 **Statutory requirements:**

11.4.1The landlord will provide the tenant with all statutory notices required by law at the start of the lease

11.4.2The tenant will fulfil all statutory requirements, including the need for electric, gas, and other reports needed for the safe and lawful continuation of trade during the whole term of the lease.

11.4.3. The lease will be subject to any restrictions on Landlord’s title.

11.5 **Additional information:**

11.5.1 A supplementary document is attached to these heads of terms that includes information agreed between the landlord and tenant. This information should be included as part of the lease

11.5.2 **Timing:** Lease completion is to be executed as soon as possible and to a date mutually agreed between landlord and tenant

11.5.3 **Contract:** These Heads of Terms are subject to contract.

11.5.4 ***Any other information:*** *This may include a method for dispute resolution*

12. **Contact details**

12.1 **Landlord's solicitors**

Company address: ………………………………………………………………………….

Contact name: ………………………………………………………………………….

E-mail: ………………………………………………………………………….

Telephone: ………………………………………………………………………….

12.2 **Tenant's solicitors**

Company address: ………………………………………………………………………….

Contact name: ………………………………………………………………………….

E-mail: ………………………………………………………………………….

Telephone: ………………………………………………………………………….

Mobile: ………………………………………………………………………….

12.3 **Landlord’s agent** (Name)

Correspondence address:…………………………………………………………………………

Contact name: ………………………………………………………………………….

E-mail: ………………………………………………………………………….

Telephone: ………………………………………………………………………….

Mobile: ………………………………………………………………………….

12.4 **Tenant’s agent** (Name)

Correspondence address:…………………………………………………………………………

Contact name: ………………………………………………………………………….

E-mail: ………………………………………………………………………….

Telephone: ………………………………………………………………………….

Mobile: ………………………………………………………………………….