# LANDLORD’S NOTICE ENDING A BUSINESS TENANCY

## (Section 25 of the Landlord and Tenant Act 1954)

**IMPORTANT NOTE FOR THE LANDLORD**

If you are willing to grant a new tenancy, complete this form and send it to the tenant. If you wish to oppose the grant of a

new tenancy, use this form and select accordingly. All of this can also be found on the government website, under form 2 in Schedule 2

to the Landlord and Tenant Act 1954, Part 2 (Notices)

Regulations 2004 or, where the tenant may be entitled to

acquire the freehold or an extended lease, form 7 in that Schedule, instead of this form.

**IMPORTANT NOTE FOR TENANT**

**Landlord grants new tenancy**

This Notice is intended to bring your tenancy to an end. If you want to continue to occupy your property after the date specified in paragraph 2 you must act quickly. If you are in any doubt about the action that you should take, get advice immediately from a solicitor or a surveyor.

The landlord is prepared to offer you a new tenancy and has set out proposed terms in the Schedule to this notice. You are not bound to accept these terms. They are merely suggestions as a basis for negotiation. In the event of disagreement, ultimately the court would settle the terms of the new tenancy.

It would be wise to seek professional advice before agreeing to accept the landlord's terms or putting forward your own proposals.

**Landlord refuses to grant new tenancy**

This notice is intended to bring your tenancy to an end on the date specified in paragraph 2. Your landlord is not prepared to offer you a new tenancy. You will not get a new tenancy unless you successfully challenge in court the grounds on which your landlord opposes the grant of a new tenancy.

If you want to continue to occupy your property, you must act quickly. The notes below should help you to decide what action you now need to take. If you want to challenge your landlord's refusal to renew your tenancy, get advice immediately from a solicitor or a surveyor.

Date: [insert date]

From: [insert individual representative's name for landlord]

[insert owner/landlord’s business name]

[insert owner/landlord’s address]

To: [insert individual representative’s name for tenant] [insert tenant's business address]

[insert tenant’s address]

## Notice applicable to [address] and [description of property]

[We are] OR [I am] giving you, [insert tenant’s name], this notice relating to the above property under Section 25 of the Landlord and Tenant Act 1954 (the Act), which applies to our tenancy agreement.

As you know from the terms of our tenancy agreement dated [date], your tenancy is due to expire on [date].

[The notice informs you that [we are] OR [I am] not opposed to granting you a new tenancy. You will find [our] OR [my] proposals for the new tenancy, which we can discuss, in the annex to this notice, along with relevant explanations which by law you are entitled to receive from [us] OR [me].

If we cannot agree on all the terms of a new tenancy, either of us may ask the court to order the grant of a new tenancy and settle the terms on which we cannot agree.

If you wish to ask the court for a new tenancy, you must do so by [date] unless [we] OR [I] agree in writing to a later date and do so before the date in paragraph.]

OR

[The notice informs you that [We are] OR [I am] opposed to the grant of a new tenancy with you for the following reason[s]:

[insert reason or reasons – you may want to use a listed format]

If you want to renew the tenancy and you consider that [our] OR [my] reasons are not justifiable, you may ask the court to order the grant of a new tenancy.

If you decide to ask the court to do this, you can expect [us] OR [me] to oppose your application on the ground[s] mentioned above, which [is a permitted reason] OR [are permitted reasons] under the Act (at Section 30(1)).

[We] OR [I] draw your attention to the table in the notes in the annex, which sets out all the grounds of opposition that landlords are entitled to use. As you will see, [we are] OR [I am] relying on [insert letter(s) of the paragraph(s) relied on] for my opposition.

If you decide to ask the court for a new tenancy, you must do so by the expiry date of our tenancy agreement, being [date], unless before that date [we] OR [I] agree in writing to a later date.

[We] OR [I] can ask the court to order the ending of your tenancy without granting you a new tenancy.

[We] OR [I] acknowledge that [We] OR [I] may have to pay you compensation if [We] OR [I] have relied only on one or more of the grounds mentioned in paragraphs (e), (f) and (g) of the Section 30(1) categories listed in the annexed table.

[We] OR [I] must inform you also that if [We] OR [I] ask the court to end your tenancy, you can challenge my application.]

Please send all correspondence about this notice to [specify the name and contact details of intended contact].

Yours [sincerely] OR [faithfully]

………………………………………

[name of landlord]

[title – if relevant]

# Annex

[Ending of tenancy and granting a new tenancy

As your landlord, [We are] OR [I am] prepared to offer you a new tenancy on the following basis:

* [set out your proposals, in your preferred format, for the new tenancy]

NOTES

The sections mentioned below are sections of the Landlord and Tenant Act 1954, as amended, (most recently by the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003)

Ending of tenancy and grant of new tenancy

This notice is intended to bring your tenancy to an end on the date given in paragraph 2. Section 25 contains rules about the date that the landlord can put in that paragraph.

However, your landlord is prepared to offer you a new tenancy and has set out proposals for it in the Schedule to this notice (section 25(8)). You are not obliged to accept these proposals and may put forward your own.

If you and your landlord are unable to agree terms, either one of you may apply to the court. You may not apply to the court if your landlord has already done so (section 24(2A)). If you wish to apply to the court you must do so by the date given in paragraph 2 of this notice, unless you and your landlord have agreed in writing to extend the deadline (sections 29A and 29B).

The court will settle the rent and other terms of the new tenancy or those on which you and your landlord cannot agree (sections 34 and 35). If you apply to the court your tenancy will continue after the date shown in paragraph 2 of this notice while your application is being considered (section 24).

If you are in any doubt about what action you should take, get advice immediately from a solicitor or a surveyor.

Negotiating a new tenancy

Most tenancies are renewed by negotiation. You and your landlord may agree in writing to extend the deadline for making an application to the court while negotiations continue. Either you or your landlord can ask the court to fix the rent that you will have to pay while the tenancy continues (sections 24A to 24D).

You may only stay in the property after the date in paragraph 2 (or if we have agreed in writing to a later date, that date), if by then you or the landlord have asked the court to order the grant of a new tenancy that your present tenancy will not continue after the date in paragraph 2 of this notice without the agreement in writing mentioned above, unless you have applied to the court or your landlord has done so, and that you will lose your right to apply to the court once the deadline in paragraph 2 of this notice has passed, unless there is a written agreement extending the deadline.]

OR

[Ending of current tenancy, no new tenancy proposed

As your landlord [We] OR [I] do not intend to offer you a new tenancy for the property.

If you disagree with [our] OR [my decision], you can apply to the court for a new tenancy of the property.

The only legal grounds on which [We are] OR [I am] entitled to oppose a new tenancy of the property by you are contained in the table below.

The statutory notes to this Section 25 Notice are set out below. These contain the full details of our rights and obligations to each other in the event that [We] OR [I] do not continue a tenancy arrangement.

NOTES

The sections mentioned below are sections of the Landlord and Tenant Act 1954, as amended, (most recently by the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003)

Grounds

If you are in any doubt what action you should take, get advice immediately from a solicitor or a surveyor.

Landlord's opposition to new tenancy

This notice is intended to bring your tenancy to an end on the date given in paragraph 2. Section 25 contains rules about the date that the landlord can put in that paragraph.

Ending of your tenancy

Your landlord is not prepared to offer you a new tenancy. If you want a new tenancy, you will need to apply to the court for a new tenancy and successfully challenge the landlord's grounds for opposition (see the section below headed "Landlord's opposition to new tenancy"). If you wish to apply to the court, you must do so before the date given in paragraph 2 of this notice, unless you and your landlord have agreed in writing, before that date, to extend the deadline (sections 29A and 29B).

If you apply to the court, your tenancy will continue after the date given in paragraph 2 of this notice while your application is being considered (section 24). You may not apply to the court if your landlord has already done so (section 24(2A) and (2B)).

You may only stay in the property after the date given in paragraph 2 (or such later date as you and the landlord may have agreed in writing) if before that date you have asked the court to order the grant of a new tenancy or the landlord has asked the court to order the ending of your tenancy without granting you a new one.

If you are in any doubt what action you should take, get advice immediately from a solicitor or a surveyor.

Landlord's opposition to a new tenancy

If you apply to the court for a new tenancy, the landlord can only oppose your application on one or more of the grounds set out in section 30(1). If you match the letter(s) specified in paragraph 4 of this notice with those in the first column in the Table below, you can see from the second column the ground(s) on which the landlord relies.

|  |  |
| --- | --- |
| Paragraph number | Permitted reason |
| a) | Where under the current tenancy the tenant has any obligations as respects the repair and maintenance of the holding, that the tenant ought not to be granted a new tenancy in view of the state of repair of the holding, being a state resulting from the tenant's failure to comply with the said obligations. |
| b) | That the tenant ought not to be granted a new tenancy, in view of their persistent delay in paying rent which has become due. |
| c) | That the tenant ought not to be granted a new tenancy in view of other substantial breaches by him or her of his obligations under the current tenancy, or for any other reason connected with the tenant's use or management of the holding. |
| d) | That the landlord has offered and is willing to provide or secure the provision of alternative accommodation for the tenant, that the terms on which the alternative accommodation is available are reasonable having regard to the terms of the current tenancy and to all other relevant circumstances, and that the accommodation and the time at which it will be available are suitable for the tenant's requirements (including the requirement to preserve goodwill) having regard to the nature and class of his or her business and to the situation and extent of, and facilities afforded by, the holding. |
| e) | Where the current tenancy was created by the sub-letting of part only of the property comprised in a superior tenancy and the landlord is the owner of an interest in reversion expectant on the termination of that superior tenancy, that the aggregate of the rents reasonably obtainable on separate lettings of the holding and the remainder of that property would be substantially less than the rent reasonably obtainable on a letting of that property as a whole, that on the termination of the current tenancy the landlord requires possession of the holding for the purposes of letting or otherwise disposing of the said property as a whole, and that in view thereof the tenant ought not to be granted a new tenancy. |
| f) | That on the termination of the current tenancy the landlord intends to demolish or reconstruct the premises comprised in the holding or a substantial part of those premises or to carry out substantial work of construction on the holding or part thereof and that he or she could not reasonably do so without obtaining possession of the holding. |
| g) | On the termination of the current tenancy the landlord intends to occupy the holding for the purposes, or partly for the purposes, of a business to be carried on by him or her therein, or as his or her residence. |

In this Table "the holding" means the property that is the subject of the tenancy.

In ground (e), "the landlord is the owner of an interest in reversion expectant on the termination of that superior tenancy" means that the landlord has an interest in the property that will entitle him or her, when your immediate landlord's tenancy comes to an end, to exercise certain rights and obligations in relation to the property that are currently exercisable by your immediate landlord.

If the landlord relies on ground (f), the court can sometimes still grant a new tenancy if certain conditions set out in section 31A are met.

If the landlord relies on ground (g), please note that "the landlord" may have an extended meaning. Where a landlord has a controlling interest in a company then either the landlord or the company can rely on ground (g). Where the landlord is a company and a person has a controlling interest in that company then either of them can rely on ground (g) (section 30(1A) and (1B)). A person has a "controlling interest" in a company if, had he or she been a company, the other company would have been its subsidiary (section 46(2)).

The landlord must normally have been the landlord for at least five years before he or she can rely on ground (g).

Compensation

If you cannot get a new tenancy solely because one or more of grounds (e), (f) and (g) applies, you may be entitled to compensation under section 37. If your landlord has opposed your application on any of the other grounds as well as (e), (f) or (g), you can only get compensation if the court's refusal to grant a new tenancy is based solely on one or more of grounds (e), (f) and (g). In other words, you cannot get compensation under section 37 if the court has refused your tenancy on other grounds, even if one or more of grounds (e), (f) and (g) also applies.

If your landlord is an authority possessing compulsory purchase powers (such as a local authority) you may be entitled to a disturbance payment under Part 3 of the Land Compensation Act 1973.

Validity of this notice

The landlord who has given you this notice may not be the landlord to whom you pay your rent (sections 44 and 67). This does not necessarily mean that the notice is invalid.

If you have any doubts about whether this notice is valid, get advice immediately from a solicitor or a surveyor.]

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