Law Commission consultation on Business Tenancies: the Right to renew – England and Wales

Response from Propertymark

August 2026

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 19,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents, and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.[1]

Introduction

2. This is the Law Commission's second consultation which builds on their first consultation paper, published in November 2024, in which they considered whether major structural reform of the Landlord and Tenant Act 1954 ("1954 Act") was needed. In June 2025, they published an interim statement explaining their provisional conclusions that the current contracting-out model for security of tenure should remain, and that the threshold for excluding tenancies from the scope of the 1954 Act based on the tenancy's duration should be increased. This second consultation paper takes those conclusions as its starting point and considers the detail of how the 1954 Act should operate in practice. In this paper, the Law Commission are consulting on provisional proposals and questions aimed at modernising the 1954 Act so that it is clear, efficient and works effectively for landlords and tenants.

Propertymark response - summary

3. Our response to the Law Commission's second consultation focuses on modernising the Landlord and Tenant Act 1954 to create a clearer, more efficient, and commercially realistic leasing framework. Overall, we support reforms that eliminate technical traps and align the law with the day-to-day practices of our members, provided that a fair balance is struck between landlord flexibility and appropriate protections for business tenants.

4. We strongly favour Option B, which means introducing a one-year duration threshold alongside the abolition of the chaining provision to provide maximum legal certainty and simplicity. We also welcome the proposal to replace outdated and cumbersome contracting out procedures with an integrated process featuring clear warnings and declarations housed directly inside outlined boxes within the lease. Furthermore, we advocate for allowing all written tenancies to be capable of contracting out, which will successfully eliminate historical anomalies such as the Thomas van Staden trap.

[1] https://www.propertymark.co.uk/

5. While we welcome most of the proposed modernisations, including validating agreements to surrender part of a premises and streamlining rules for future leases, we have highlighted important caveats where caution is needed. Specifically, we disagree with allowing tenants to enter into agreements to surrender with prospective landlords due to the high risk of disputes, and we emphasise that any changes regarding unauthorised subleases must carefully safeguard subtenants who have acted in good faith. We look forward to continuing our engagement with the Law Commission to ensure the final framework works effectively for landlords, tenants, and property professionals alike.

Questions – Propertymark response

Question 1: We provisionally propose that periodic tenancies (both express and implied) granted to new tenants be excluded from the scope of the 1954 Act. Do consultees agree? Please explain why.

6. Propertymark broadly agrees with the provisional proposal to exclude both express and implied periodic tenancies granted to new tenants from the scope of the Landlord and Tenant Act 1954, provided that this change forms part of a wider package of reforms that improves clarity, consistency and accessibility within the commercial leasehold framework. We think this for two reasons:
   - Firstly, periodic tenancies are commonly used as flexible, short-term arrangements where neither party necessarily expects the tenant to acquire statutory security of tenure. Excluding these tenancies from the Act would therefore better reflect the practical realities of the market and align the legal position with the expectations of many landlords and tenants. It would also create greater consistency alongside any increase in the minimum duration required for fixed-term tenancies to qualify for protection, reducing the anomalies that exist under the current regime.
   - Secondly, the proposal is also likely to provide greater legal certainty by reducing the scope for disputes over whether a periodic tenancy has inadvertently become protected. This should make the law easier to understand and administer for landlords, tenants and professional advisers alike.

7. However, the reduction in statutory protection for some business tenants should not be overlooked. Small businesses and new enterprises frequently begin trading under periodic arrangements before committing to a longer-term lease. These occupiers may be more vulnerable to losing premises at short notice and may have limited bargaining power when negotiating terms. It is therefore important that any reform strikes an appropriate balance between increasing flexibility and maintaining confidence for business tenants.

8. However, we do not think that excluding periodic tenancies is likely to lead to a significant shift towards landlords deliberately granting periodic tenancies to avoid security of tenure. In practice, both landlords and tenants generally value certainty regarding the duration of occupation. If the contracting-out procedure is also simplified, landlords who wish to exclude security of tenure are more likely to continue granting fixed-term leases that are contracted out, rather than relying on periodic arrangements.

9. Overall, We support the provisional proposal because it would improve consistency and better reflect the nature of periodic tenancies. Nevertheless, any change should be accompanied by clear guidance to ensure that landlords and tenants understand the implications of periodic occupation and are able to make informed decisions about the form of tenancy that best meets their needs.

Question 2. If express written periodic tenancies continue to be within the scope of the 1954 Act (contrary to our provisional proposal in Consultation Question 1 above), we provisionally propose that it should be possible for the parties to contract out. Do consultees agree? Please explain why.

10. We agree. If express written periodic tenancies remain within the scope of the Landlord and Tenant Act 1954, Propertymark agrees that the parties should be able to contract out of the security of tenure provisions. We think this would create a more consistent approach across commercial tenancies, allowing landlords and tenants to agree and negotiate arrangements that reflect their commercial intentions rather than the form of the tenancy. As express written periodic tenancies are entered into deliberately and their terms are clearly recorded, it is appropriate that the parties should also have the option to contract out, provided the necessary safeguards remain in place.

11. Allowing contracting out would also reduce the inconsistency between fixed-term tenancies, which can be contracted out, and express written periodic tenancies, which currently cannot. This would improve legal certainty while maintaining flexibility for both parties. We also think that any extension of the contracting-out regime should be accompanied by a process that is simple, proportionate and supported by clear guidance so that landlords and tenants fully understand the implications of their decision.

Question 3: We provisionally propose that any fixed-term tenancy, or express periodic tenancy (whether written or oral), granted to an existing protected tenant should be within the scope of the 1954 Act. Do consultees agree? Please explain why.

12. We agree with the provisional proposal that any fixed-term tenancy or express periodic tenancy granted to an existing protected tenant should remain within the scope of the Landlord and Tenant Act 1954. This approach helps ensure that tenants do not unintentionally lose their statutory security of tenure when entering into a renewal tenancy. It also reduces the risk of disputes arising where the parties did not intend to alter the tenant's protected status.

13. However, this protection should be accompanied by clear guidance and a straightforward contracting-out process where both parties genuinely intend the renewal tenancy to be outside the scope of the Act. Propertymark also encourages the Law Commission to ensure that the proposal does not introduce unnecessary complexity or uncertainty for landlords and prospective purchasers when establishing whether a tenancy benefits from statutory protection.

Question 4: For any such fixed-term or express written periodic tenancy that is within the scope of the 1954 Act, we provisionally propose that it should be possible for the parties to contract out. Do consultees agree? Please explain why.

14. We agree with the provisional proposal that fixed-term and express written periodic tenancies granted to existing protected tenants should be capable of being contracted out. This would preserve flexibility for landlords and tenants who wish to agree that a renewal tenancy should not benefit from security of tenure, while ensuring that any loss of statutory protection results from an informed and transparent decision rather than occurring inadvertently. It also provides a consistent approach across commercial tenancies and supports greater certainty within the leasing framework.

15. As we have stated previously, any contracting-out process should be simple and proportionate. Propertymark would be pleased to engage further with the Law Commission on the design of any accompanying guidance to help ensure that landlords and tenants understand the implications of contracting out and can make informed decisions.

Question 5 (2.158) If the chaining provision is retained, we provisionally propose that its trigger point should match the duration threshold (which we provisionally propose should be 1 or 2 years). Do consultees agree? Please explain why.

16. We agree that matching the trigger point to the same 1–2 year duration threshold would provide clarity, improve consistency, and make the provision easier to understand and apply.

Question 5 (2.159) If the chaining provision is retained, we provisionally propose that it should be triggered if the tenant will have been in occupation for the specified period by the expiry of that tenancy (rather than at the commencement of the tenancy). Do consultees agree? Please explain why.

17. We agree that if the chaining provision is retained, it should be triggered by the tenant's period of occupation at the expiry of the tenancy rather than at its commencement.This approach provides a clearer and more consistent outcome, ensuring that tenants do not avoid protection simply because the required period is reached during the term of the tenancy. It also aligns the treatment of a series of shorter tenancies with that of a single tenancy that exceeds the relevant threshold.

Question 5 (2.160) If the chaining provision is retained, we provisionally propose that only occupation by the tenant should be taken into account, and occupation by the tenant's predecessor should be irrelevant. Do consultees agree? Please explain why.

18. We agree that if the chaining provision is retained, only the current tenant's period of occupation should be taken into account. This would provide greater certainty for landlords and tenants by avoiding the need to investigate historic occupation by previous tenants. The status of a tenancy should be based on the current parties' relationship rather than the actions of a predecessor who is no longer involved. We think this approach would simplify

transactions while still providing protection where the current tenant has built up a sufficient period of occupation.

Question 6: We provisionally propose that all express and implied periodic tenancies granted to existing (unprotected) tenants and other occupiers should be excluded from the scope of the 1954 Act. Do consultees agree? Please explain why.

19. We agree with the proposal that express and implied periodic tenancies granted to existing unprotected tenants and other occupiers should be excluded from the scope of the 1954 Act. This would provide greater certainty for landlords and avoid situations where security of tenure arises unintentionally through informal arrangements or the continued acceptance of rent. It would also ensure that periodic occupation remains consistent with its flexible and temporary nature.

Question 7. We provisionally propose that the duration threshold and chaining provision be reformed as follows.

Either: (1) the duration threshold should be set at 2 years and the chaining provision should be retained ("Option A");

or (2) the duration threshold should be set at 1 year and the chaining provision should be abolished ("Option B"). We invite consultees to tell us which option they prefer and the reasons for their choice.

20. We favour option B, which would introduce a 1-year duration threshold and abolish the chaining provision. This approach would provide greater clarity and certainty for landlords and tenants by creating a simpler framework where the protection of a tenancy can be determined more easily from the terms of the agreement. Removing the chaining provision would also reduce the risk of unintended security of tenure arising from a series of short-term arrangements.

21. While we recognise the importance of protecting established occupiers, we consider that a clear threshold, combined with the ability to contract out where appropriate, provides a more balanced and workable approach for the commercial property market. We also think that option B strokes the right balance in fairness between both landlords and tenants.

Consultation Question 8 (3.102) We provisionally propose that the current contracting-out procedure should be replaced with a new process, whereby contracting out would take place within the lease. A contracted-out lease would need to contain:

(1) a prescribed warning indicating that the parties agree the lease is contracted out and explaining to the tenant (in similar terms to the current warning notice) the implications of doing so;

(2) and (2) a prescribed declaration signed by the tenant on executing the lease, confirming that they have read and understood the terms of the warning. Do consultees agree? Please explain why.

22. We agree with the proposal to replace the current contracting-out procedure with a process contained within the lease. The current procedure can be time-consuming and creates additional administrative requirements for landlords and tenants. Incorporating the warning and declaration directly into the lease would provide a simpler and more efficient process, while maintaining transparency and ensuring that tenants understand the consequences of contracting out. We also think that the prescribed wording should be clear and proportionate, and would welcome further engagement with the Law Commission on the design of the process and supporting guidance.

Question 8 (3.103) In order that the prescribed warning and declaration are prominently displayed within the lease:

(1) we provisionally propose that the prescribed warning and declaration should be included in outlined text box(es) in the lease. Do consultees agree?

(2) we invite the views of consultees as to whether the prescribed warning and declaration should be displayed in a particular position within the lease (for example, at the start of the lease, or at the end of the lease by the signature block). If so, where should they be displayed?

(3)we invite the views of consultees as to whether there are any other ways in which the prescribed warning and declaration could be displayed in the lease to ensure tenants are aware of them and their importance.

23. We agree that the prescribed warning and declaration should be clearly displayed within the lease, including through the use of outlined text boxes or other prominent formatting. The provisions should be positioned where tenants are most likely to consider them, such as at the beginning of the lease or immediately before the signature block. We also think that guidance should set out the expected format and placement and provide clarity on practical issues such as electronic leases and the effect of minor procedural errors. Ultimately, we think that clear presentation and consistent guidance will help ensure tenants understand the consequences of contracting out while providing greater certainty for landlords. We would be happy to discuss this further with the Law Commission and how we could promote this further with members.

Consultation Question 9. 3.105 We provisionally propose that the following contracting-out process should apply to agreements to enter into a lease in the future (such as agreements for lease, options to renew and guarantees).

(1) The future lease would be contracted out by undertaking the same process as set out in Consultation Question 8 – that is, via the inclusion of a prescribed warning and declaration in the lease.

(2) Prescribed wording should also be included in the agreement itself, explaining that the future lease would be contracted out. Doing so would impose a contractual obligation on all parties requiring them to contract out the future lease, if and when it comes to be completed. The obligation would bind any successors in title to the original parties to the agreement.

(3) Failing to include the prescribed wording in the agreement would not prevent the future lease from being contracted out. Instead, it would mean that no party could require the future lease to be contracted out. Do consultees agree? Please explain why.

24. We broadly agree with the proposed process for agreements to enter into future leases, as it provides greater certainty that the parties' intention to contract out is identified at an early stage. However, further clarity may be needed regarding the effect of obligations binding successors in title and the practical consequences where the prescribed wording is not included in the agreement. Guidance should set out the responsibilities of the parties and ensure that the process does not create unnecessary uncertainty in future transactions. Overall, we support a clear and consistent approach that provides certainty for landlords and tenants while avoiding unintended technical difficulties.

Question 9 (3.106) In order that the prescribed wording is prominently displayed within the agreement:

(1) we provisionally propose that the prescribed wording should be included in outlined text box(es) in the agreement. Do consultees agree?

(2) we invite the views of consultees as to whether the prescribed wording should be displayed in a particular position within the agreement (for example, at the start of the agreement, or at the end of the agreement by the signature block). If so, where should it be displayed?

(3)we invite the views of consultees as to whether there are any other ways in which the prescribed wording could be displayed in the agreement to ensure tenants are aware of it and its importance.

25. We agree that the prescribed wording should be clearly displayed, including through the use of outlined text boxes or other prominent formatting. While placing the wording near the signature block may ensure it is seen before execution, care should be taken not to overload this section with too many key notices. The wording may be more effective if highlighted near the beginning of the agreement, with a clear heading and acknowledgement from the tenant with a brief reminder at the signature stage. We also think that guidance should provide a consistent format and practical examples to ensure the importance of the contracting-out provisions is understood by tenants.

26. Again, as with our response to question 8, we would be happy to engage further with the Law Commission to engage with our membership to ensure they understand this area of legislation.

Question 10 We provisionally propose that it should be possible to contract out all written tenancies within the scope of the 1954 Act, not just fixed-term tenancies. Do consultees agree? Please explain why.

27. We agree that all written tenancies within the scope of the 1954 Act should be capable of being contracted out, rather than limiting this option only to fixed-term tenancies. We think the current approach creates unnecessary complexity and leaves room for technical drafting issues, as demonstrated by the Thomas van Staden trap, where the parties' clear intention was defeated by wording rather than substance.

28. A written tenancy should allow informed parties to make a clear choice about whether statutory protection applies. The focus should be on ensuring that the contracting-out process is properly understood and completed, rather than relying on a technical distinction about the length or structure of the tenancy. Fundamentally, we think that reform in this area would provide greater certainty for landlords and tenants and reduce avoidable disputes. Overall, we think that leases should be clear and ovoid confusing outcomes and that clarity should be the cornerstone of commercial property agreements.

Consultation Question 11. 3.143 Under the current law, it is possible for an unauthorised sublease to have security of tenure where the unauthorised sublease is granted out of an unprotected headlease. We invite the views of consultees, together with reasons, as to:
(1) whether the law should be changed; and

(3) if so, how broad the change should be. For example, should it apply only where the headlease is contracted out or should it apply when the headlease is unprotected for other reasons?

29. We recognise that the current position can create difficulties for landlords. It is concerning that a tenant who has granted an unauthorised sublease in breach of the headlease can potentially give the subtenant security of tenure under the 1954 Act, even where the headlease itself has been contracted out. This can undermine the original agreement between the landlord and tenant. However, we also consider that any change must take account of the position of subtenants. In some cases, a subtenant may have entered into the arrangement without knowing that the tenant did not have permission to sublet. We think automatically removing their protection could therefore result in unfair outcomes.

30. If reform is introduced, we think that it should be limited to cases where the headlease has been deliberately contracted out of the 1954 Act. Where the landlord and tenant have followed the contracting-out process, it is reasonable that an unauthorised sublease should not be able to provide a route back into statutory protection. However, we do not support extending the change to all unprotected headleases. There are many reasons why a tenancy may fall outside the protection of the Act, and applying the same rule in every situation could create further uncertainty and complexity. Above all, we think a targeted approach would

provide greater certainty for landlords while still recognising the need to protect subtenants who may have acted in good faith.

Question 12 We provisionally propose that, if a validation process is retained for agreements to surrender, it should mirror the new process we have provisionally proposed for contracting out (see Consultation Question 8). An agreement to surrender would need to contain the following two elements (together referred to as "the prescribed wording"):

(1) a prescribed warning explaining to the tenant (in similar terms to the current warning notice) that they are agreeing to surrender a protected tenancy and the implications of doing so; and

(2) a prescribed declaration signed by the tenant on signing the agreement, confirming that they have read and understood the terms of the warning. Provided the agreement to surrender contained the prescribed wording, it would be valid, even where the identity of the landlord and/or the tenant changed (because their interest was transferred to a successor in title) between the agreement being entered into and the surrender taking effect.

Do consultees agree?

Please explain why. 4.52 In order that the prescribed wording is prominently displayed within the agreement to surrender:

1. **we provisionally propose that the prescribed wording should be included in outlined text box(es) in the lease.**
2. **Do consultees agree?**
3. **(2) we invite the views of consultees as to whether prescribed wording should be displayed in a particular position within the agreement to surrender (for example, at the start of the agreement, or at the end of the agreement by the signature block). If so, where should it be displayed?**
4. **(3) we invite the views of consultees as to whether there are any other ways in which the prescribed wording could be displayed in the agreement to surrender to ensure tenants are aware of it and its importance.**

31. We agree. We think that if the validation process is retained, it should be aligned with the proposed new contracting-out process. We think that by using a consistent approach for both procedures would make the system easier for landlords, tenants and property professionals to understand and follow. The current validation process can create unnecessary complexity, particularly where parties intend to surrender a tenancy but fail to complete the required steps correctly. Incorporating the prescribed warning and declaration directly into the agreement would provide greater certainty and reduce the risk of agreements becoming invalid due to procedural errors.

32. We agree and support the proposal that the agreement should remain valid where the landlord's or tenant's interest changes before the surrender takes effect. This reflects the practical reality of commercial property transactions, where ownership or leasehold interests may transfer during the period between agreement and completion. However, we also think

that the prescribed wording should be clear, proportionate and easy to incorporate into commercial agreements. The process should protect tenants by ensuring they understand that they are giving up statutory renewal rights, while avoiding unnecessary administrative burdens that could delay legitimate commercial arrangements.

33. We also agree that the prescribed wording should be displayed prominently within the agreement to surrender. Including the wording in outlined text boxes would help distinguish the warning from the wider contractual terms and ensure that tenants are more likely to notice and consider its significance. Furthermore, we think that the prescribed wording should appear near the beginning of the agreement, before the tenant is committed to the terms of surrender. Placing the warning only at the signature stage may be less effective, as tenants may not properly engage with important information at that point. The wording should also be located close to the tenant's declaration and signature so that it is clear that the tenant is acknowledging and accepting the consequences of surrender. In addition to using a separate text box, we recommend that the prescribed wording should use clear and accessible language, with an appropriate heading to draw attention to the fact that the tenant is giving up statutory renewal rights. The aim should be to ensure genuine understanding rather than simply meeting a procedural requirement.

34. Overall we think that a clear and consistent presentation of the prescribed wording would help reduce disputes and provide confidence that tenants have made an informed decision when agreeing to surrender a protected tenancy.

Question 13 If a validation process is retained for agreements to surrender, and reformed as set out in Consultation Question 12, we provisionally propose that it should be possible for tenants to enter into such agreements with prospective landlords, provided that the validation process is complied with. Do consultees agree? Please explain why.

35. We disagree and do not support this proposal in its current form. While it recognises the practical issues that can arise during property transactions, allowing tenants to enter into agreements to surrender with prospective landlords could create additional uncertainty around the tenant's existing rights and the enforceability of such arrangements. The relationship between landlord and tenant is based on an existing legal agreement, and we think that agreements affecting a tenant's statutory security of tenure should generally be made with the current landlord who holds the legal interest at the time. Allowing a prospective landlord, who may never complete the purchase, to enter into arrangements affecting a tenant's protected tenancy could create complications and potential disputes.

36. We also think that the proposed safeguards may not fully address the practical risks. Although prescribed wording would help ensure tenants understand the consequences of surrendering their rights, it does not remove the possibility of tenants being encouraged to agree to arrangements before the future ownership position is certain. If reform is considered necessary, we would prefer a more limited approach that ensures any agreement to surrender only becomes effective once the prospective landlord has acquired the legal interest in the

property. This would provide greater certainty for all parties while still allowing flexibility in commercial transactions.

Question 14 If a validation process is retained for agreements to surrender, we provisionally propose that the law should be clarified to ensure that it is possible to enter into a valid agreement to surrender part of the demised premises (provided the validation process is undertaken). Do consultees agree? Please explain why.

37. We agree. We think that the law should be clarified to confirm that landlords and tenants can enter into a valid agreement to surrender part of the demised premises, provided the validation process is followed. In practice, businesses' needs change over time, and tenants may find that they no longer require all of the space they originally took on. Allowing a tenant to surrender part of the premises provides a practical solution that benefits both parties. It can help tenants manage their occupation more effectively while allowing landlords to make better use of the space returned to them.

38. The current uncertainty creates unnecessary complications, with parties sometimes having to rely on more complicated arrangements to achieve what they intended. A clear legal position would make transactions simpler and provide greater confidence for landlords, tenants and property professionals. We also think that the existing safeguards should remain. Tenants should still receive the appropriate warning and confirm that they understand the implications of surrendering part of their premises. This would ensure that flexibility is balanced with proper protection for tenants.

Consultation Question 15.

4.71 We invite the views of consultees as to: (1) (2) whether the decision in the case of Allnatt London Properties Ltd v Newton [1984] 1 All ER 423 causes problems in practice today for landlords and/or tenants; and if so,

(a) what changes to the 1954 Act could be made to address the problem; and

(b) whether our proposed reforms to the validation process, which we set out in Consultation Question 12 above, would improve the current position. Please explain why.

39. We are not currently aware of the extent to which the decision in Allnatt London Properties Ltd v Newton continues to cause practical difficulties for landlords, tenants or property professionals. While the issue is understood in principle, we do not have sufficient evidence at this stage to determine whether it remains a significant problem in practice. However, we would welcome the opportunity to gather further feedback from our members who advise on commercial lettings and lease transactions. We would be happy to undertake member engagement or support the Law Commission in obtaining views from practitioners with relevant experience.

Consultation Question 16.

4.87 We have provisionally proposed that, if the validation process is retained for agreements to surrender, it should be reformed (see Consultation Questions 12 to 14). In light of these provisional proposals, do consultees think that the validation process should be retained or abolished for agreements to surrender?

If consultees think that the validation process should be retained for agreements to surrender, should it also apply to express written surrenders of protected tenancies? Please explain why.

40. We support retaining a validation process for agreements to surrender, as it provides an important safeguard by ensuring that tenants understand the consequences of giving up a protected tenancy and their statutory right to renewal. This is particularly important for smaller businesses that may not always have access to specialist legal advice. However, the current process can be unnecessarily complex and create avoidable delays. We therefore support a simplified process that provides clarity for all parties while reducing the risk of technical errors invalidating otherwise agreed commercial arrangements.

41. With regards to extending the validation process to express written surrenders of protected tenancies, we are in favour. The current distinction between agreements to surrender and immediate written surrenders creates an inconsistency, as the tenant is giving up the same statutory renewal rights in both situations. We think a clear and proportionate warning process would help ensure tenants understand the consequences of surrendering their tenancy, while also providing certainty for landlords that the surrender has been entered into knowingly and voluntarily. However, the process should be straightforward and should not introduce unnecessary delays or additional administrative burdens where both parties have reached a clear agreement. A consistent approach across all forms of surrender would provide greater clarity for landlords, tenants and their professional advisers.

Consultation Question 17. 4.93

We invite the views of consultees on the following questions, relating to section 28 of the 1954 Act.
(1) What purpose, if any, does section 28 serve and/or what benefits,

(2) if any, does section 28 bring?

(3) What problems, if any, does section 28 cause? Should section 28 be reformed or repealed? If it is considered that section 28 should be reformed, what reforms are required? (

(4) 4) Would the answer to question (3) above change if: (a) (b) the validation process is retained but reformed (as set out in Consultation Questions 12 to 14); or the validation process is abolished (so that all agreements to surrender are permitted under the 1954 Act without any need to undertake any validation process)?

42. We think that section 28 continues to serve a useful purpose by allowing landlords and tenants to agree future tenancy arrangements with greater certainty and flexibility. In a commercial context, parties often need to plan ahead, and the ability to agree the terms of a future

tenancy can assist with effective property management and business planning. However, the current wording of section 28 does create uncertainty, particularly regarding how it interacts with the contracting-out and validation processes. This lack of clarity can lead to unintended consequences, including tenants inadvertently losing security of tenure.

43. We would therefore support reform to clarify the operation of section 28 rather than its removal. We also think that any changes should preserve the ability for landlords and tenants to agree future arrangements while ensuring that tenants are properly informed of the implications of those agreements Fundamentally, a simpler and clearer framework would benefit all parties by reducing disputes and providing greater certainty in commercial property transactions.

Consultation Question 18. Our provisional conclusion is that the test used by courts to decide the "other terms" of a renewal tenancy (which is, essentially, that set out in section 35 of the 1954 Act and interpreted in the case of O'May) should be retained. Do consultees agree? Please explain why.

44. We agree that the current test under section 35 of the 1954 Act, as interpreted in O'May, should be retained. The current approach provides a reasonable balance by allowing courts to consider whether changes to the terms of a renewal tenancy are fair, while recognising the terms that were originally agreed between the landlord and tenant. We think introducing a different approach could create uncertainty for both parties and make it harder to predict the outcome of renewal negotiations. The flexibility provided by the current system allows the courts to consider changing commercial circumstances without removing the importance of the original lease agreement. However, we do recognise that concerns raised by stakeholders regarding uncertainty and would support any measures that improve clarity and consistency in how the O'May test is applied, rather than replacing the existing framework entirely.

Consultation Question 19. 6.137 As explained in Consultation Question 18, our provisional conclusion is that the test used by courts to decide the "other terms" of a renewal tenancy should be retained. Notwithstanding that provisional conclusion, we invite consultees' views on a guided approach to resolving disputes where the other term(s) in dispute relate to environmental matters. The approach would cause environmental matters to be a "relevant circumstance" for the court to consider when applying the existing law. 6.138

The scope of the "relevant circumstance" that the court should consider could be "narrow" (limited to the MEES Regime and its underlying policy of bringing buildings up to certain minimum standards) or "wide" (concerned more generally with environmental and sustainability concerns).

6.139 It would be possible to incorporate additional "relevant circumstances". For example, the nature and extent of environmental terms being agreed in other units in the same building; and/or any benefit to, or adverse impact on, the landlord and tenant of including or not including the term(s) sought.

6.140 We invite consultees' views on the possibility of reform outlined above, together with any evidence to support any view expressed.

45. We support environmental matters being considered as a relevant circumstance when courts apply the existing section 35 test. However, this should be approached cautiously and focus on clear legal requirements, such as MEES, rather than wider sustainability objectives which may create uncertainty. Any changes should maintain a fair balance between landlords and tenants and avoid imposing unreasonable costs or obligations.

Consultation Question 20.

7.42 We invite the views of consultees as to whether the rent under a renewal tenancy should, or should not, include the equivalent of a rent-free fit-out period that would be given to a hypothetical new tenant of the premises in the open market.

7.43 If the 1954 Act is reformed to permit the tenant on renewal to obtain the equivalent of a rent-free fit-out period, we invite the views of consultees as to how that objective should be achieved.

7.44 If the 1954 Act is reformed to prevent the tenant on renewal obtaining the equivalent of a rent-free fit-out period, we invite the views of consultees as to how that objective should be achieved, in particular whether an additional valuation assumption should be introduced, and if so what that assumption should be.

46. We do not support the automatic inclusion of a rent-free fit-out period within renewal rent calculations. Such incentives are generally provided to new tenants to reflect the costs and risks associated with taking on new premises, which do not apply in the same way to an existing tenant renewing their lease. We think that by introducing this requirement could distort open market valuations and create an unfair impact on landlords. The valuation process should continue to consider the individual circumstances of the property and the market, rather than applying a fixed assumption that may not reflect the reality of the transaction.

Consultation Question 21. 7.69 Where the original tenancy includes a turnover rental model, we provisionally propose that the court should be capable of ordering the model be carried forward into the renewal tenancy. Do consultees agree? Please explain why.

47. We disagree. We are concerned about giving the court a general power to carry forward turnover rental models into renewal tenancies. We think turnover rents are usually the result of a specific commercial agreement between the landlord and tenant and may not remain appropriate or reflect the circumstances of the property or the market at the point of renewal.

48. While there may be circumstances where continuing a turnover rent arrangement is beneficial for both parties, we consider that this should be determined through negotiation rather than imposed by the court. Landlords should retain flexibility to agree appropriate rental structures based on current market conditions and the individual circumstances of the tenancy. If the

court is given power to continue turnover rents, this should only be exercised where there is clear evidence that doing so is fair and commercially justified in the circumstances. Any reform should avoid creating uncertainty or limiting the ability of landlords and tenants to agree terms that best reflect their respective interests.

Consultation Question 22. 7.74 We invite the views of consultees as to whether the court should be capable of ordering that the rental model in the renewal tenancy shall be different from the rental model in the original tenancy (by changing from a rack rent to a turnover rent, or vice versa).

49. We disagree. We have concerns about allowing the court to impose a different rental model on renewal. We think that the choice between a rack rent and a turnover rent is a significant commercial decision that should normally be agreed between the landlord and tenant. Giving the court this power could create uncertainty and interfere with the parties' ability to negotiate terms that reflect current market conditions.

Consultation Question 23. 7.82 If the court is empowered to order a turnover rent in a renewal tenancy, we provisionally propose that the court should decide on the rental model: (1) (2) based on what model a hypothetical landlord and tenant would agree for a renewal tenancy, where the tenant is operating the same business as the sitting tenant; and having regard to any potential detriment to one or other party from a change of model and any consequential changes to the "linked other terms". Do consultees agree? Please explain why.

50. We somewhat disagree. We have concerns about giving the court responsibility for determining the appropriate rental model for a renewal tenancy. The choice of rental model is a significant commercial matter and should primarily be agreed between the landlord and tenant. While we recognise the need for the court to consider the impact of any change, we are concerned that this approach could create uncertainty and may not fully reflect the commercial factors that influence rental negotiations. Any decision to change the rental model should be approached cautiously and should only occur where there is clear evidence that it is appropriate in the circumstances.

Consultation Question 24.

7.91 If the rental model in a renewal tenancy changes from the model under the original tenancy, we invite the views of consultees as to how the court should decide disputes about the introduction or removal of "bespoke turnover provisions", and consequential changes to "linked other terms".

7.92 In particular, should the court decide disputes by considering what "other terms" are agreed in the current open market for tenancies which adopt that rental model?

51. We recognise that where the rental model changes on the renewal of a business tenancy, it may be necessary to introduce, remove or amend lease provisions that are intrinsically linked to that model. For example, a turnover rent will generally require provisions relating to turnover reporting, audit rights and trading obligations, while such provisions may be unnecessary where a lease reverts to a traditional rack rent. We therefore agree that disputes

concerning bespoke turnover provisions and consequential changes to linked lease terms should not be determined solely by reference to the existing statutory test under section 35 of the Landlord and Tenant Act 1954. That test was developed on the basis that the existing lease forms the starting point for renewal and is not well suited to situations where the parties are adopting a fundamentally different rental structure.

52. Firstly, we would support an approach that enables the court to consider the terms commonly agreed in the current open market for leases adopting the relevant rental model. This would help ensure that renewal leases reflect contemporary commercial practice and that neither party is unfairly advantaged or disadvantaged by retaining provisions designed for a different method of calculating rent. However, we have reservations about an approach that relies heavily on expert evidence in every disputed case. Increased reliance on valuers, surveyors or specialist legal experts could lead to greater costs, longer proceedings and less certainty for both landlords and tenants, particularly for small businesses and independent property owners. Any reform should therefore seek to minimise unnecessary litigation and provide a clear framework for determining what constitutes market-standard provisions. Secondly, we also recommend that, where possible, statutory guidance or recognised industry standards should be developed to assist courts in identifying the lease provisions that are typically associated with different rental models. Such guidance would improve consistency of decision-making, reduce reliance on competing expert evidence and provide greater confidence for parties negotiating lease renewals.

53. Overall, we support a market-based approach to determining bespoke turnover provisions and genuinely linked lease terms where the rental model changes. However, this should remain confined to those provisions that are directly connected to the operation of the new rental model and should not become a mechanism for reopening wider commercial negotiations on unrelated lease terms. Any reforms should promote fairness, commercial certainty and proportionality while avoiding unnecessary complexity and cost.

Consultation Question 25.

7.100 When a turnover rent model has been agreed or determined, we invite the views of consultees as to how the court should determine (a) the base rent, (b) the turnover percentage, and (c) the turnover threshold (which collectively we refer to as the "turnover components").

7.101 In particular, can the valuation assumptions and disregards be changed so that the sitting tenant's actual business model (and potentially the sitting tenant's actual turnover) are taken into account, but the sitting tenant's goodwill and existing occupation of the premises are disregarded?

54. Firstly, we agree that where a turnover rent is adopted on renewal, the base rent, turnover percentage and turnover threshold should be determined by reference to current market evidence rather than the terms of the existing lease. We recognise that the current valuation assumptions under section 34 of the Landlord and Tenant Act 1954 were designed for traditional fixed-rent leases and may not be appropriate for turnover rent arrangements. A

purely hypothetical tenant may not reflect the commercial realities of the business operating from the premises.

55. Therefore, we support allowing the court to take account of the sitting tenant's business model where this assists in determining a fair turnover rent. However, the statutory principle that the tenant's goodwill, existing occupation and improvements should be disregarded must be maintained to ensure landlords do not benefit from the tenant's commercial success. While the sitting tenant's actual turnover may provide useful evidence, it should not be the sole basis for determining the turnover components. Courts should continue to rely primarily on market evidence and comparable transactions. Furthermore, we think that any revised valuation methodology should be supported by clear guidance to promote consistency, reduce disputes and provide greater certainty for landlords and tenants.

Consultation Question 26.

7.106 If the 1954 Act is reformed pursuant to Consultation Questions 21 to 23 above to cater better for turnover rents, we invite the views of consultees as to whether those reforms should apply equally to any rental model.

7.107 We provisionally propose that the Secretary of State be given a power to make regulations in respect of renewal tenancies which contain alternative rental models, to provide for different valuation assumptions and identifying "other terms". Do consultees agree? Please explain why.

56. We agree with the proposal to give the Secretary of State the power to make regulations in respect of alternative rental models. The Landlord and Tenant Act 1954 has stood the test of time by providing a robust framework for business tenancy renewals. However, the commercial property market has evolved significantly since the Act was introduced and must continue to adapt to changing business practices. Trends such as increased home and flexible working, the growth of online sales, and the transition towards decarbonisation have all influenced how commercial premises are occupied and how rents are structured.

57. We think providing a power to make regulations would enable the legislative framework to evolve alongside future developments in the commercial property market without requiring primary legislation each time new rental models emerge. This would improve flexibility, ensure the Act remains relevant, and provide greater certainty for landlords and tenants. We also think that any exercise of this power should be subject to meaningful consultation with relevant stakeholders, including commercial property agents, landlords, tenants and professional bodies. Those operating within the market are best placed to advise on emerging practices and ensure that any new valuation assumptions or approaches to determining lease terms are practical, proportionate and reflective of real-world commercial conditions. In essence, a flexible regulatory approach, supported by appropriate consultation, would help ensure that the 1954 Act continues to provide an effective framework for business tenancies while remaining capable of adapting to future changes in the commercial property sector.

Consultation Question 27.

7.193 We provisionally propose that the commencement date of the renewal tenancy, and interim rent provisions, be reformed as follows.

Either: (1) the valuation and commencement date for the renewal tenancy would be fixed at a date that is specifically linked to the section 25 or 26 notice (on which, see Consultation Question 28 below), largely removing the need for interim rent provisions ("Option A");

or (2) the existing valuation and commencement date of the renewal tenancy would be retained, and the existing interim rent provisions would be retained but simplified by setting out one basis of assessment ("Option B").

We invite consultees to tell us which option they prefer and the reasons for their choice.

7.194 If consultees do not agree with either Option A or Option B, we invite consultees to explain what reforms to the renewal tenancy commencement date and the interim rent provisions they would prefer (if any) and their reasons.

58. Our preference would be option A. We think that by linking the renewal tenancy commencement date and valuation date to the section 25 or section 26 notice would provide greater certainty and reduce the complexity associated with interim rent provisions.
    We also think that the current system can create unnecessary delays, costs and disputes, particularly where renewal negotiations or court proceedings take time to conclude. Removing the need for separate interim rent assessments would make the renewal process more efficient and predictable for both landlords and tenants. However, we also recognise that safeguards may be required where delays occur outside the control of either party, to ensure that neither landlord nor tenant is unfairly disadvantaged. Overall while Option B would simplify the existing arrangements, we think that Option A provides a clearer and more effective framework for modern commercial lease renewals.

Consultation Question 28. 7.195 Under Option A, we invite the views of consultees as to whether the valuation date should be (a) the 6-month-expiry-date, or (b) the expiry date specified in the section 25 or 26 notice. (See paragraph 7.160.)

59. We support the use of the 6-month-expiry-date as the valuation date. We think that this provides a clear and consistent reference point and avoids the risk of either party using the timing of a section 25 or section 26 notice tactically to influence the valuation date. Furthermore, a fixed valuation date would provide greater certainty, reduce disputes and support a more efficient renewal process for both landlords and tenants.

Consultation Question 29. 7.196 Under Option A, where the demise and/or the "other terms" of the renewal tenancy are different from the continuation tenancy, giving rise to a significant difference in the level of rent, we provisionally propose that the rent payable during the continuation period should be adjusted accordingly.

Do consultees agree? Please explain why. (See paragraphs 7.162 to 7.168.)

60. We disagree. Propertymark does not support introducing a separate mechanism to reassess rent during the continuation period where no renewal tenancy is ultimately granted. While we recognise the importance of ensuring rents reflect market conditions, allowing retrospective adjustments could create uncertainty, additional costs and potential disputes for both landlords and tenants. Ultimately, we think that the continuation period should provide stability while the renewal process is ongoing, with the existing contractual rent providing a clear and predictable basis. Introducing a separate valuation exercise risks adding unnecessary complexity to cases where no renewal tenancy is concluded. We consider that any reform should prioritise certainty and simplicity for both parties.

Consultation Question 30.

7.197 Under Option A, where a renewal tenancy is not executed, we provisionally propose that the interim rent should be assessed as the open market rent for a hypothetical tenancy with the same provisions as the continuation tenancy.

Do consultees agree? Please explain why.

7.198 We invite the views of consultees as to whether the assumed duration of that hypothetical tenancy should be:
(1) the actual duration of the continuation tenancy;
(2) the duration that would have been granted had a renewal claim completed; or
(3) a yearly tenancy, on the assumption that the premises are already fitted out. (See paragraphs 7.169 to 7.171.)

61. We agree that where no renewal tenancy is ultimately completed, interim rent should reflect current market conditions rather than automatically continuing at the level of the previous tenancy. However, the approach must remain simple, predictable and proportionate. A valuation based on a hypothetical tenancy with the same provisions as the continuation tenancy may create additional complexity and uncertainty.

62. We also think that the assumed duration of the hypothetical tenancy should be based on the duration that would most likely have been granted had the renewal completed, as this is likely to provide the closest reflection of the commercial agreement the parties were seeking to achieve. Finally, we recommend that clear guidance will have to be issued to ensure consistency and avoid unnecessary disputes and costs.

Consultation Question 31.

7.199 Under Option B, we provisionally propose that the interim rent should be assessed as the open market rent for a hypothetical tenancy with the same provisions as the continuation tenancy.

Do consultees agree? Please explain why.

7.200 We invite the views of consultees as to whether the assumed duration of that hypothetical tenancy should be:
(1) the actual duration of the continuation tenancy;
(2) the duration of the tenancy that was granted or, if no renewal tenancy was in fact granted, the duration of the tenancy that would have been granted had a renewal claim completed; or
(3) a yearly tenancy, on the assumption that the premises are already fitted out. (See paragraph 7.175.)

63. As we have already stated, our preferred approach remains Option A, as it provides greater certainty and simplicity in determining renewal rents. However, if Option B is taken forward, we agree that interim rent should be assessed by reference to the open market rent for a hypothetical tenancy reflecting the provisions of the continuation tenancy.

64. Of the proposed approaches for the assumed duration of the hypothetical tenancy, we think that the duration of the tenancy that was granted, or would have been granted had the renewal completed, is likely to provide the fairest reflection of the commercial agreement between the parties. Secondly, a yearly tenancy approach risks producing an artificial outcome, while relying on the actual duration of the continuation tenancy may create uncertainty because the length of that period is only known retrospectively.

Consultation Question 32.

7.201 In cases where the rental model is changing in the renewal tenancy, we provisionally propose that:
(1) under Option A, the court should be able to make an appropriate adjustment to the provisions of the renewal tenancy to facilitate the transition to a new rental model if backdating the new rental model would otherwise cause practical difficulties;

and (2) under Option B, the assessment of interim rent should always be based on the same rental model as the original tenancy. Do consultees agree?

Please explain why.

7.202 In cases where no renewal tenancy is executed, under both Options A and B, we provisionally propose that the assessment of interim rent should always be based on the same rental model as the original tenancy.

Do consultees agree? Please explain why. (See paragraphs 7.185 to 7.191.)

65. We agree. Where a renewal tenancy introduces a different rental model, the court should have discretion to make appropriate adjustments when applying the new model retrospectively would create practical difficulties. This is particularly relevant where a

turnover rent is introduced and the necessary information or records may not be available for earlier periods. However, where no renewal tenancy is ultimately executed, we also agree that interim rent should be assessed using the same rental model as the original tenancy. We think that this provides certainty and reflects the reality that the existing tenancy has continued pending resolution.

Consultation Question 33.

7.210 We invite the views of consultees as to whether a procedure should be created allowing the parties to apply for an interim adjustment of the rent, pending the agreement or determination of the renewal rent and interim rent.
7.211 If consultees consider that such a procedure should be created, we invite: (1)
(2) evidence as to the negative impacts of the current absence of such a procedure;

and views as to how the practical difficulties of creating such a procedure can be overcome.

66. We do not support the introduction of a separate procedure for interim rent adjustments. While on the one hand, there may be circumstances where either party experiences financial pressure while awaiting determination of the renewal rent, creating an additional court process risks increasing costs, delays and complexity. We think a procedure for interim adjustments could result in a further dispute requiring valuation evidence before the main rent issue has been resolved. This risks diverting resources away from reaching a final determination. Ultimately, we think that the focus should instead be on ensuring the renewal process is resolved as efficiently as possible, providing certainty for both landlords and tenants.

Consultation Question 34.

7.214 We invite the views of consultees as to whether balancing payments in respect of interim rent should be recoverable as standard judgment debts, or whether such payments should instead be enforceable (by the landlord, the tenant, or both) as if they amounted to rent payable under the terms of the tenancy.

67. We recognise the need for an effective mechanism to recover balancing payments arising from interim rent determinations. However, treating these payments as rent for all purposes could lead to disproportionate consequences, particularly where a tenant is faced with an unexpected liability following a lengthy renewal process.

68. We consider that balancing payments should generally continue to be treated as judgment debts. This provides a fair and proportionate approach while avoiding the risk of forfeiture proceedings being used in circumstances where the dispute relates to the valuation of rent rather than a failure to pay agreed rent. However, it is important that tenants are also protected where genuine overpayments have been made. Consideration should be given to allowing appropriate recovery or offsetting of such payments to ensure fairness between the

parties. Overall, the approach should provide certainty for both landlords and tenants while maintaining a balanced and proportionate enforcement framework.

Consultation Question 35. 8.55 We invite consultees' views about their experience of Grounds A to E, and in particular whether there are problems with their operation in practice that we should address in our final recommendations for reform.

69. We are content with this position.

Consultation Question 36.

8.178 There are three requirements that a landlord must satisfy in order to rely on Ground F:
(1) the landlord must hold an intention;
(2) to carry out redevelopment work on the termination of the tenant's tenancy;
and (3) the landlord could not reasonably undertake the work without obtaining possession.

8.179 We make no proposals to reform the first and third requirement. In relation to the second requirement, we invite consultees' views on whether the existing list of works that can be relied on by a landlord to satisfy Ground F – demolition, reconstruction and substantial construction – is sufficient. 8.180 We also invite consultees' views on three options to reform the list of works:

(1) Option 1 – expanding the categories of works that can satisfy Ground F and including a purpose/motive filter (paragraph 8.141 and following).

(2) Option 2 – expanding the categories of works that can satisfy Ground F with no purpose/motive filter (paragraph 8.156 and following).

(3) Option 3 – replacing the categories of works that can satisfy Ground F with a general test based on whether substantial works are intended (paragraph 8.160 and following).

70. We support reform of Ground F to ensure that landlords are able to undertake genuine redevelopment, modernisation and improvement works where these cannot reasonably be carried out without obtaining possession of the premises. We think that the existing categories of demolition, reconstruction and substantial construction are too restrictive and do not adequately reflect modern construction methods or the changing regulatory environment. Commercial buildings increasingly need to be adapted to meet sustainability objectives, energy efficiency standards and evolving occupier expectations.

71. Of the options proposed, we would favour Option 3, replacing the existing categories with a general test based on whether substantial works are intended. This would provide greater certainty for landlords and avoid unnecessary disputes over whether particular works fall within a prescribed category. It would also ensure that Ground F remains capable of applying to future forms of redevelopment and improvement works.

72. This flexibility is particularly important given the direction of government policy on improving the energy performance of commercial buildings. Whilst the future application of MEES requirements will depend on the characteristics of individual properties and any applicable thresholds or exemptions, landlords will increasingly need to undertake works to improve the efficiency and sustainability of their portfolios. Ground F should not prevent landlords from carrying out these necessary works where vacant possession is genuinely required.

73. We also think that the existing safeguards remain important. The requirement for a genuine intention to carry out the works, together with the requirement that the works cannot reasonably be undertaken without possession, provides an appropriate balance between protecting tenants and allowing landlords to maintain, improve and redevelop their assets.

Consultation Question 37.
8.181 We invite consultees' views as to: (
1) (2) whether the options to reform Ground F set out in Consultation Question 36 would enable landlords (if they wish to do so) to bring properties to the standard required by the MEES Regime; and whether it would be appropriate specifically to reference the MEES Regime in Ground F to enable landlords to bring properties to the standard required by that regime. In each case,

please explain why.

74. We support reform of Ground F to ensure landlords can undertake genuine redevelopment, modernisation and improvement works where possession is reasonably required. We agree that the current categories of demolition, reconstruction and substantial construction are too restrictive and do not fully reflect modern construction methods or the increasing need to improve the energy performance and sustainability of commercial buildings.

75. Bearing this in mind, we support a more flexible test based on substantial works being intended. This would provide greater certainty for landlords and avoid disputes about whether particular works fall within outdated categories. We also would like to point out that we think this is particularly relevant given the direction of travel under the MEES Regime for non-domestic buildings. While the impact will vary depending on the size and characteristics of buildings, with larger commercial properties being most affected by proposed higher EPC requirements of EPC B by 2031, landlords will increasingly need to undertake significant improvement works. Ground F should enable these works where vacant possession is genuinely required, while retaining safeguards against misuse.

Consultation Question 39.

8.296 We invite the views of consultees as to whether the potential for purchaser-landlords to benefit from a tenant's goodwill on successfully opposing renewal on Ground G is a problem that needs reform (bearing in mind the existence of the five-year rule). If so, how can the law be changed to address this problem?

76. We do not think that further reform of Ground G is needed. We recognise the concern raised by the Law Commission about situations where a purchaser-landlord may acquire a property and then benefit from the goodwill built up by the tenant. However, we think the existing five-year rule already provides a reasonable safeguard against this type of situation. In practice, it can be difficult to distinguish between a landlord genuinely wanting to occupy and use its own property and a landlord seeking to take advantage of a tenant's goodwill. Introducing further restrictions could create uncertainty, increase disputes and make commercial property investment more difficult. Furthermore, we think that a landlord who has successfully relied on Ground G should generally be free to use the property as it sees fit. Restricting the landlord's ability to operate a business from the premises could reduce the value of commercial property and may encourage more landlords to avoid granting protected tenancies. In our view, the current balance is appropriate. The tenant's loss of goodwill is already recognised through the compensation provisions of the 1954 Act, and further restrictions on Ground G are unlikely to provide sufficient benefit to justify the potential impact on landlords' rights.

Consultation Question 40.

9.39 We invite the views of consultees as to whether the basis for calculating compensation for non-renewal should change from being based on a multiple of "rateable value" to being based on a multiple of the current rent.

9.40 Do consultees foresee particular challenges and/or unfairness in using the current rent in respect of particular rental models (for example, those based on turnover)?

77. We think that the current basis of calculating compensation by reference to rateable value should be retained. While we recognise that rateable values may not always reflect current market conditions, replacing them with current rent could introduce additional complexity and uncertainty. In particular, using current rent may create difficulties where leases include alternative rental structures, such as turnover rents, stepped rents, rent-free periods or other forms of variable consideration. In these circumstances, determining an appropriate compensation figure may become more complicated and could lead to increased disputes between landlords and tenants.

78. We also think that the existing approach provides a clear and predictable framework for both parties. Moving to a rent-based calculation could significantly increase landlords' potential liabilities, particularly where rents are high, and may discourage landlords from granting protected tenancies or encourage greater use of contracting out.

79. Accordingly, we think that any reform should prioritise certainty and simplicity. If changes are made, they should be carefully assessed to ensure that compensation remains a reasonable recognition of the loss of statutory renewal rights, rather than becoming a penalty on landlords who are exercising legitimate rights under the 1954 Act.

Consultation Question 41. 9.53 We invite the views of consultees as to whether the calculation of compensation for non-renewal should be based on a system of stepped multipliers. If so, we invite views as to how the system of stepped multipliers should work.

80. We do not support the introduction of stepped multipliers for compensation While on the one hand, we recognise that longer occupation may justify higher compensation, a stepped system would create additional complexity, uncertainty and potential disputes over the correct level of payment. We think that the current system provides a clear and predictable framework and should be retained. Compensation should recognise the loss of renewal rights but should not become a penalty for landlords exercising legitimate statutory rights.

Consultation Question 42.

9.54 We invite the views of consultees as to whether the multipliers for standard rate compensation (namely, 1 x rateable value) and for higher rate compensation (namely, 2 x rateable value) should be increased or reduced, and if so why.

81. As we have already stated, we think that the current multipliers of 1× and 2× rateable value should be retained.

Consultation Question 43.

9.56 If a single threshold point for higher rate compensation is retained, we invite the views of consultees as to whether 14 years is still the suitable threshold. If not, what should it be and why?

82. We think that the current 14-year threshold should be retained. It provides a clear and straightforward approach that avoids unnecessary complexity and disputes over the calculation of compensation. Reducing the threshold could increase costs for landlords and create further uncertainty, while there is limited evidence that the current system is not operating effectively.

Consultation Question 44. 9.59 We invite the views of consultees as to whether the formula for higher rate compensation for non-renewal, and any provisions for stepped multipliers, should be set by secondary legislation.

83. Not applicable.

Consultation Question 45.

14.69 We invite the views of consultees as to whether the ability to exclude compensation should be abolished, so that all protected tenancies benefit from the right to compensation.

14.70 If not, we invite the views of consultees as to whether the threshold for the ability to exclude compensation (when the tenant has occupied for a short period) should remain at 5 years or change. If it should change, what should the threshold be? Please explain why and include any relevant evidence of market practice.

84. We think that the ability to exclude compensation for shorter-term protected tenancies should be retained. While we recognise that the commercial leasehold market has evolved since the introduction of the 1954 Act, this flexibility remains useful in encouraging landlords to offer shorter-term lettings with security of tenure, rather than requiring tenants to contract out of the Act entirely. We also think that removing this ability could have unintended consequences, with landlords potentially becoming more reluctant to grant protected tenancies due to the increased financial risk at the end of the term. This could reduce choice for tenants and lead to a greater use of contracting out, which would remove security of tenure altogether. We therefore do not support abolishing the ability to exclude compensation. However, we recognise that the five-year threshold should be reviewed to ensure it reflects current market practice and the realities of modern commercial lettings. Any change should maintain a balance between protecting tenants and ensuring landlords are not discouraged from offering occupation agreements.

Consultation Question 46

If the ability to exclude compensation for non-renewal is retained, we provisionally propose that any such exclusion by the parties should be made transparently, in a way that mirrors the requirements for contracting out (see Chapter 3). Tenants would be informed about the exclusion of their right to compensation by prescribed wording within the tenancy. Do consultees agree? Please explain why.

85. We agree as this would be fair for both landlords and tenants.

Consultation Question 47.

10.171 The forum in which almost all lease renewal disputes are currently decided is the county court. We invite the views of consultees as to which of the following options they prefer.

(1) Option 1 – greater use of the High Court: all disputes (both unopposed and opposed renewals) would continue to be decided by the courts, but greater use would be made of the High Court for higher value and/or more complex claims.

(2) Option 2 – move lease renewals to the Tribunal: all disputes (both unopposed and opposed renewals) would be decided by the Tribunal. (

3) Option 3 – split jurisdiction: opposed renewals would continue to be decided by the courts; however, unopposed renewals would be decided by the Tribunal.

(4) Option 4 – other change: change is needed to the current law, but in a different way to any of the reforms proposed in Options 1 to 3.

(5) Option 5 – no change to the current law: disputes would continue to be decided primarily by the county courts. 10.172 If Option 2 or 3 were implemented, we invite the views of consultees as to what powers to award costs the Tribunal should be given.

10.173 If Option 3 were implemented, it could be combined with Option 1, so that:

(1) all unopposed lease renewals would be decided by the Tribunal;

(2) most opposed renewals would be decided by the county court;

but (3) the highest value and/or the most complex opposed renewals would be decided by the High Court. We invite the views of consultees as to whether, if Option 3 were implemented, it should be combined with Option 1.

86. We think that the current county court system should be retained, with improvements made to address concerns around delay and efficiency rather than transferring all lease renewal disputes to the Tribunal. We recognise that delays within the court system can create uncertainty for both landlords and tenants. However, before changing the forum in which disputes are determined, consideration should be given to modernising the existing process. Greater digitalisation, similar to reforms being considered in the residential possession process, could improve case management, reduce administrative delays and make the process more efficient for all parties. The county courts remain an appropriate forum for complex commercial lease renewal disputes, which can involve significant valuation, contractual and legal issues. Improving the efficiency of the current system through digital processes and better case management may provide a more proportionate solution than transferring jurisdiction to the Tribunal.

Consultation Question 48.

10.174 We invite the views of consultees as to whether a bespoke pre-action protocol should be created for lease renewals and if so:

(1) whether separate protocols should be created for opposed and unopposed renewals;

and (2) what the protocol(s) should include.

87. We supports the introduction of a bespoke pre-action protocol for lease renewals. A clearer and more structured process would help landlords and tenants engage earlier, identify areas of disagreement and reduce unnecessary disputes. The protocol should recognise the practical role of commercial property agents in the lease renewal process. Qualified agents are often involved in negotiations, rent reviews, market evidence and advising both landlords and tenants, and their involvement at an early stage could help resolve issues before formal proceedings are required.

88. We also think that separate protocols for opposed and unopposed renewals may be appropriate, as the issues and level of complexity involved can differ significantly. The protocol should set out clear timescales, the information that parties should exchange, and opportunities for early negotiation or alternative dispute resolution before court proceedings are issued.

Consultation Question 49.

10.175 We invite the views of consultees as to whether standard case management directions should be created for unopposed renewals, opposed renewals or both.

10.176 We invite consultees to tell us about any particular matters they consider should be included in such standard directions.

89. We support the introduction of standard case management directions for lease renewal proceedings, provided they improve efficiency without creating unnecessary procedural burdens. We also think that any standard directions should recognise the important role of commercial property agents in assisting landlords and tenants throughout the renewal process. Agents are often best placed to provide market evidence, support negotiations and help parties identify areas of agreement at an early stage.

90. We think that directions should encourage early engagement between the parties and provide for the timely exchange of relevant information, including valuation evidence and other material needed to support negotiations. This could help reduce unnecessary disputes and avoid matters escalating to court. Ultimately, the process should remain flexible, particularly for opposed renewals where matters such as redevelopment, valuation and complex lease terms may require expert input. The involvement of experienced commercial property agents should be encouraged as part of a more efficient and proportionate renewal process.

Consultation Question 50.

10.177 We invite the views of consultees as to whether the approach in CPR Part 36 (which, broadly, sets out prescribed costs sanctions which apply in the event that a party fails to accept a settlement offer, which they do not go on to better at trial) should be adapted to create a similar regime for lease renewals and,

if so: (1) what types of disputes it should apply to – in particular, whether it should apply only to unopposed renewals (or specific categories of unopposed renewals, such as rent-only disputes); and

(2) how such a scheme would work.

91. We support measures that encourage early settlement and reduce unnecessary litigation in lease renewal disputes. A mechanism similar to CPR Part 36 could provide a useful incentive for parties to engage constructively and consider reasonable settlement offers. However, any such approach should be applied carefully, recognising that many lease renewal disputes involve genuine differences of opinion, particularly around rental values, market evidence and future lease terms. Cost sanctions should not discourage parties from properly testing legitimate positions.

92. We also think that any scheme should initially focus on more straightforward disputes, such as rent-only disagreements, where settlement offers can be assessed more objectively. Secondly, we think that given their expertise, commercial property agents should be encouraged to play a key role in supporting negotiations and providing market evidence before matters progress to formal proceedings. We would welcome further engagement with the Law Commission on how this could be made practicable.

Consultation Question 51.

14.79 We invite the views of consultees as to whether each party to a lease renewal dispute should be given the right to refer the dispute to non-determinative ADR, such as early neutral evaluation or mediation. Under such a scheme, if one party exercised the right, the other party could not object. 14.80 If such a right were introduced, we invite the views of consultees as to:

(1) whether the right should apply to unopposed renewals, opposed renewals or both;

(2) when, during the lease renewal process, the right should be capable of being exercised;

(3) what, if any, form of non-determinative ADR such a scheme should prescribe; and (4) otherwise, how such a scheme should work.

93. We are highly supportive of greater use of non-determinative ADR as a means of encouraging early resolution of lease renewal disputes and reducing unnecessary costs and delays. This would go hand in hand, with our proposal for digitalisation and continued use of the county courts to resolve disputes. However, any right to require ADR should be proportionate and should not create additional procedural steps that delay a landlord who has a legitimate statutory ground of opposition. ADR should assist negotiations rather than become a barrier to progressing matters through the courts where agreement cannot be reached.

94. We think that ADR may be particularly beneficial for unopposed renewals and disputes concerning lease terms or rent, where commercial negotiation and expert market input can often assist in reaching agreement. As we have stated in previous questions, we think the role of commercial property agents should be recognised and encouraged providing they have the correct recognised qualifications and given their experience in facilitating negotiations and providing market evidence.

Consultation Question 52.

14.81 We invite the views of consultees as to whether the 1954 Act should be amended to include provisions which promote and/or incentivise the use of ADR within lease renewal disputes (in a similar way to the approach taken in the Electronic Communications Code). For example, provisions could be introduced into the 1954 Act (or any related secondary legislation) which:

(1) require section 25 and 26 notices to include prescribed wording, explaining the possibility of resolving lease renewal disputes using ADR and any costs consequences of unreasonably failing to engage with ADR;

(2) require landlords and tenants to consider using ADR before issuing proceedings;

(3) enable landlords and tenants to serve notices on one another, setting out the serving party's wish to undertake ADR (but not mandating the other party to take part); and/or

(4) state that the court (or Tribunal, if some or all lease renewals were transferred to the Tribunal under Option 2 or Option 3 set out in Consultation Question 47 above) must take into account any unreasonable refusal to engage in ADR when any costs award is considered after trial.

14.82 We invite consultees to tell us their views about any other ways they consider ADR should be promoted or incentivised in lease renewal disputes.

95. We are in favour of measures that encourage the proportionate use of ADR in lease renewal disputes. Any provisions should complement, rather than delay, the existing process and should recognise that parties may already be engaging in negotiation through their professional advisers.

96. Where ADR is considered appropriate, clear guidance on timing, costs consequences and expectations around engagement would assist parties in reaching agreement efficiently. The process should remain flexible and avoid creating additional procedural burdens that could increase costs or prolong negotiations.

Consultation Question 53.

14.83 We invite the views of consultees as to whether there are any specific problems with the way in which Applicability Disputes (by which we mean disputes about whether a tenancy benefits from protection under the 1954 Act) are resolved currently.

14.84 We invite the views of consultees as to whether, if the law is changed so that all unopposed and opposed renewals are decided by the Tribunal (Option 2 in Consultation Question 47), Applicability Disputes should also be decided by the Tribunal rather than the court.

14.85 We invite the views of consultees as to whether, if the law is changed so that unopposed renewals are decided by the Tribunal but opposed renewals continue to be decided by the courts (Option 3 in Consultation Question 47), Applicability Disputes should be decided by the Tribunal or the court.

97. We think that consistency and efficiency should be the key considerations when determining the appropriate forum for Applicability Disputes. These disputes can involve complex issues around lease terms, contracting out and the operation of the 1954 Act. While the court currently provides an established forum, any future system should recognise the important role of suitably qualified property professionals, including commercial property agents with the appropriate qualifications and experience, in assisting parties and providing expert evidence.

98. If wider reforms result in lease renewal disputes being transferred to the Tribunal, consideration should be given to whether related Applicability Disputes should follow the same route to avoid parallel processes and unnecessary costs. Any change should ensure that decisions remain timely, proportionate and informed by appropriate professional expertise.

Consultation Question 54.

14.86 We invite the views of consultees, together with evidence where possible, as to:

(1) the scale of the problem caused by the registration gap solely in dealings with the 1954 Act (and not on a wider commercial leasehold basis);

(2) whether there are any other issues arising out of the registration gap in the context of the 1954 Act that we have not identified; and

(3) whether it is desirable to amend the 1954 Act to deal with the registration gap issue bearing in mind that it will introduce inconsistency with other statutory, contractual and common law frameworks.

99. We recognise that the registration gap can create uncertainty in some commercial property transactions, particularly where parties need clarity as to who is entitled to exercise landlord rights under the 1954 Act. However, we are not aware of evidence that the registration gap is creating a significant or widespread problem specifically in relation to protected business tenancies. Any reform should therefore be supported by clear evidence that the benefits would outweigh the risk of creating inconsistency with the wider land registration and property law framework.

100. We think that rather than introducing a separate regime within the 1954 Act, consideration should be given to whether existing processes and guidance can provide sufficient certainty for landlords, tenants and their professional advisers. Commercial property agents with appropriate qualifications and experience should also be recognised as important stakeholders in identifying practical issues arising in the market.

101. If further evidence demonstrates a material problem, Propertymark would welcome proportionate reform that improves certainty without adding unnecessary complexity to commercial property transactions.

Consultation Question 55.

14.87 We have presented a range of options to deal with the issue of the registration gap, and the problems it creates, within the context of the 1954 Act. We invite the views of consultees as to which of the following options they prefer.

(1) Option 1 – limited amendment to the definition of landlord and tenant in the 1954 Act during the registration gap (or other amendments to achieve the same effect).

(2) Option 2 – wider amendment to the definition of landlord and tenant in the 1954 Act during the registration gap (or other amendments to achieve the same effect).

(3) Option 3 – mandatory provision of information.

(4) Option 4 – retain the current law.

(5) Option 5 – change is needed to the current law, but in a different way to the reforms described in Options 1-3.

102. We favour option 3 – mandatory information. Above all, we think that any reform should be proportionate and avoid creating unnecessary complexity within the wider commercial property framework. However, at this stage, we do not have evidence that the registration gap is causing significant practical difficulties specifically in relation to protected

tenancies under the 1954 Act. A mandatory provision of information (Option 3) may provide a practical way of improving transparency between parties without creating inconsistency with the wider land registration system.

103. We are concerned that wider amendment to the definition of landlord and tenant (Option 2) could introduce additional complexity and unintended consequences. Any change should be carefully considered alongside existing property law principles and should not create uncertainty for landlords, tenants or their professional advisers. We therefore favour a proportionate approach, with improved information sharing where necessary, before considering more fundamental changes to the statutory framework.

Consultation Question 56.

14.88 We invite the views of consultees as to whether occupation by Government Bodies should be dealt with in the same way as occupation by group companies and beneficiaries under trusts. (In other words, to allow the occupation by one Government Body to constitute occupation of the tenant in circumstances where the tenant is a different Government Body.)

14.89 We invite the views of consultees as to whether there are other circumstances that are similar to those we have explained regarding occupation by Government Bodies, which consultees believe should be dealt with in the same way as occupation by group companies and beneficiaries under trusts. Please explain why, including any evidence of the scale of the problems being caused in practice.

104. This is outside the remit of Propertymark.

Consultation Question 57.

14.90 We provisionally propose allowing landlords to serve notices under section 25 of the 1954 Act on tenants who are out of occupation. Do consultees agree? Please explain why.

105. We agree and support this proposal. Where a tenant is no longer in occupation, allowing a landlord to serve a section 25 notice would provide greater clarity and avoid situations where premises remain tied to a protected tenancy despite no ongoing occupation. Any reform should, however, ensure that tenants who have temporarily vacated for legitimate reasons are not inadvertently disadvantaged.

Consultation Question 58.

14.91 We invite the views of consultees as to whether every protected tenant should be able to serve a section 26 notice, or whether periodic tenants and other tenants of short fixed-term tenancies should remain unable to do so.

106. We disagree and do not support this proposal to extend the ability to serve a section 26 notice to all protected tenants. We consider that the current distinction between longer-term protected tenants and periodic or short fixed-term tenants remains appropriate. We think that extending this right could create additional uncertainty for landlords and may undermine the purpose of short-term arrangements, where parties have agreed a limited

period of occupation. We are not aware of evidence that the current position is causing significant difficulties in practice and therefore do not consider that reform is necessary.

Consultation Question 59.

14.92 We provisionally propose introducing a cap on the period of notice which can be given under section 27(2) of the 1954 Act. This could either be a 6-month cap (in which case no interim rent would be payable) or a 12-month cap (in which case interim rent would need to be payable from 6 months after service of a section 27(2) notice). We invite consultees' views on the following questions.

(1) Do consultees agree with our provisional proposal that a cap should be introduced on the period of notice which can be given to end a tenancy under section 27

(2) of the Act? (2) If so, should the cap be 6 months or 12 months?

(3) If consultees do not favour either a 6-month cap or a 12-month cap, what is a better solution?

107. We would support the introduction of a cap on the period of notice that can be given under section 27(2) of the 1954 Act. We think that greater certainty over the timing of lease expiry is important for landlords, investors and commercial property agents when managing assets and planning future occupation

108. With this in mind, we consider that a 12-month cap would provide a more balanced approach, allowing tenants sufficient time to manage relocation or business arrangements while preventing prolonged uncertainty for landlords. The introduction of interim rent after six months would help ensure that landlords are not disadvantaged where a tenant remains in occupation beyond a reasonable notice period.However, we do not consider that a 6-month cap would provide sufficient flexibility in all commercial circumstances, particularly for businesses requiring more time to transition from premises.

Consultation Question 60.

14.93 We invite consultees' views on whether the principle established in Graysim Holdings Ltd v P&O Property Holdings Ltd (concerning the need for a tenant to be "in occupation" for business purposes) causes difficulties in practice that should be addressed through reform. We invite consultees to provide evidence wherever possible of the type of problem experienced and its impact.

109. We are not aware of significant evidence from members that the principle established in Graysim Holdings Ltd v P&O Property Holdings Ltd is causing widespread practical

difficulties requiring reform. The requirement for a tenant to be in occupation for business purposes provides clarity and certainty for both landlords and tenants. Removing or significantly widening this requirement could create uncertainty and potentially allow tenants who are no longer genuinely operating from premises to retain statutory protection. While there may be limited circumstances where temporary non-occupation creates difficulties, these should be considered on a case-by-case basis rather than through a broad change to the current approach.

Consultation Question 61.

14.94 We invite the views of consultees (together with evidence wherever possible) as to whether the 1954 Act makes adequate provision for a landlord to obtain vacant possession where it is planning to undertake large-scale and/or complex redevelopment projects.

14.95 If consultees believe the 1954 Act makes inadequate provision for such developments, they are invited to give views about what amendments to the 1954 Act are necessary.

110. We think that the ability to recover premises for genuine redevelopment purposes is an important part of maintaining a flexible and efficient commercial property market. However, we recognise that large-scale and complex redevelopment projects can involve significant lead times, and the current requirements may not always provide sufficient certainty for landlords seeking to deliver such schemes.

111. We stated earlier in our response around questions relating to decarbonisation requirements, any consideration of reform should also take account of wider regulatory requirements, including the proposed changes to the Minimum Energy Efficiency Standards (MEES) regime. Landlords may need to undertake significant works to meet future energy efficiency requirements, including the proposed EPC B standard by 2031 for larger commercial buildings over 1,000 square metres. The interaction between these requirements and the 1954 Act should be considered to ensure landlords are able to carry out necessary improvement works or redevelopment where appropriate.

112. Any reform should maintain safeguards to prevent Ground F being used where redevelopment is not a genuine intention, while ensuring that legitimate investment, refurbishment and sustainability works are not unnecessarily delayed.

Consultation Question 62.

14.96 We invite the views of consultees (together with evidence wherever possible) as to:

(1) the extent to which the co-existence of the MEES Regime and the statutory security of tenure regime under the 1954 Act creates problems in practice; and

(2) whether there are measures that could address these issues without fundamentally affecting the balance between the rights and obligations of landlords and tenants established under each of those regimes.

113. We fully acknowledge that there may be potential challenges between the MEES regime and the security of tenure provisions under the 1954 Act, particularly where landlords need to undertake significant works to improve the energy efficiency of commercial premises. The interaction between these regimes should be considered carefully to ensure that landlords are able to meet future regulatory obligations without undermining tenants' legitimate security of tenure rights. This will become increasingly important as the proposed MEES requirements develop, including the proposed EPC B standard by 2031 for larger commercial buildings over 1,000 square metres. Firstly, we think that further monitoring and evidence gathering will be important to understand the practical impact as these requirements take effect. The Law Commission should consider engaging with commercial property agents and other market participants to assess whether any targeted changes are needed, while maintaining an appropriate balance between landlord and tenant interests. Secondly, we also think that the challenges associated with improving energy efficiency should not be addressed solely through changes to the 1954 Act. Landlord, tenants and other stakeholders will require clear guidance, access to specialist advice and appropriate financial support or incentives will be important in helping landlords meet future MEES requirements, particularly where significant investment is required to upgrade older commercial buildings.

Consultation Question 63.

14.97 Consultees are invited to tell us if there are other reforms to the 1954 Act that we should consider. Consultees are asked to explain the issue; provide a description, and any evidence, of the impact of the problem; and provide any suggestions as to how the law should be reformed.

114. We do not propose any further substantive reforms beyond those considered within this consultation. However, we would encourage the Law Commission to ensure that any changes introduced are proportionate, practical and capable of operating effectively in the commercial property market.

115. It will be important that reforms maintain an appropriate balance between protecting business tenants and preserving landlords' ability to manage, invest in and recover their property where there are legitimate reasons to do so. Any changes should also be considered alongside wider policy developments affecting commercial property, including energy efficiency requirements and other regulatory obligations that may impact landlords' ability to use and adapt their premises.

Consultation Question 64.

14.98 We invite consultees to tell us about any particular considerations or experiences in Wales, which consultees think are relevant to potential reform to the 1954 Act.

116. We recognises that there may be differences in policy approaches between Wales and England which could be relevant when considering reform of the 1954 Act. For example, measures such as High Street Rental Auctions introduced in England through the Levelling Up and Regeneration Act 2023 may have implications for the occupation and management of vacant commercial premises. It will be important that any reforms to the 1954 Act take account of differing policy approaches across jurisdictions and avoid creating unintended consequences for landlords, tenants and the wider commercial property market.

117. We would welcome further consideration of any Wales-specific initiatives or future policy developments that may impact the operation of commercial leases and security of tenure.

Consultation Question 65.

14.99 Specifically considering protected tenancies that exist at the time that our recommended reforms are implemented, we invite the views of consultees as to what transitional arrangements would be required in respect of the options and provisional proposals for reform set out in this Consultation Paper.

118. We recommend that a suitable transitional period of at least 12 months is provided before any reforms come into effect. This would allow landlords, tenants and their advisers sufficient time to understand the changes, review existing arrangements and prepare for the new requirements. We also think that consideration should also be given to the interaction with other regulatory changes, including the expected tightening of the Minimum Energy Efficiency Standards (MEES) regime in 2030. Sufficient time will be needed for landlords to plan investment decisions and ensure that any changes to the 1954 Act align with wider property and energy efficiency requirements.

Consultation Question 66.

14.100 We invite the views of consultees, together with evidence where possible, as to what financial and other impacts our provisional proposals to amend the 1954 Act will have on:

(1) landlords, tenants and their advisers; and/or (

2) the commercial leasehold market.

119. We think It is difficult at this stage to accurately assess the full financial and market impacts of the proposed changes, as these will depend on how any reforms operate in practice. We would welcome the opportunity to assist the Law Commission with any future monitoring of the impact of changes by facilitating access to commercial property agents who can provide practical market insight and evidence as reforms bed in.

Consultation Question 67.

14.101 We invite consultees to tell us if they believe, or have evidence or data to suggest, that changes to the 1954 Act that are being considered in this Consultation Paper could result in advantages or disadvantages to certain groups or to individuals based on certain characteristics (with particular attention to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation).

120. We are not aware of any specific evidence that the proposed changes to the 1954 Act would result in advantages or disadvantages for individuals or groups based on protected characteristics. The reforms should be considered primarily in terms of achieving a fair and balanced commercial leasing framework that provides certainty for both landlords and tenants.