

## THE TENANT

The position is broadly the same under the current regime, i.e. as to what constitutes a lease. However the new Act gives statutory definition to the requirements that there must be a lease.

The new Act (at s.74) defines a 'lease' as: a tenancy in law or equity, including a tenancy at will, but not including a tenancy at sufferance.

**There must be a lease – a license will not do.**

## TENANCY AT WILL

To exercise CRAR the tenancy at will must be evidenced in writing, Where negotiations are taking place between landlord and tenant in relation to proposals for a new tenancy and the landlord has allowed the tenant early access.

## THE PREMISES SECTION 75

- CRAR can only be exercised in relation to commercial premises, However it is important to note that the premises must be purely commercial (s75)
- Section 75 restricts CRAR in relation to commercial premises if any part is being used for dwelling.

## PURE RENT

The potential to recover sums other than pure rent have been taken away by the new Act. Section 72 provides the right to use CRAR procedure in relation to rent payable under a lease.

Rent is then defined by s.76:

1. Pure Rent
2. Any interest payable on under a lease
3. Any value added tax chargeable on the amount of interest.

However, rent is defined not to include any other sum such as: Rates \* Council Tax \* Service Charge \* Other maintenance charges \* Insurance \* Any other ancillary payments.

This is the case whether or not sums are reserved as (or in any way called rent under the terms of the lease (s.76.(2)).