GATLING SOLICITORS
CONVEYANCING · PROPERTY LAW

Heads of terms

Renewal of a business lease

Subject to contract

Use this form to record the main terms of the renewal lease that the landlord and the tenant have agreed, usually through their agents. Gatling Solicitors does not negotiate heads of terms. They should be agreed between the parties before we are instructed. Once they are agreed and signed, email the completed form to info@gatlingsolicitors.co.uk with your agent's details and a copy of the existing lease, and we will send you a quote.

How to complete it: type into the boxes and click a button to choose an option. If a point has not been agreed, leave it blank or explain in the comments box at the end. Please attach a plan showing the property edged in red, and copies of the existing lease and any deeds of variation or licences.

Not binding: these heads of terms are subject to contract. Nobody is committed until the formal lease documents have been signed and exchanged or completed.

Deadlines: if a notice or request to renew has been served under the Landlord and Tenant Act 1954, strict court deadlines apply. Fill in section 3 and send it to us straight away, even if other terms are still being agreed.

Tax: We flag tax points as part of our work, but we don't give tax advice. We recommend you speak to your accountant before you commit.

1. The property

Address of the property

Description (for example, ground floor shop with rear store)

Same extent as the existing lease? ◯ Yes ◯ No

If not, what has changed

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Plan attached? ◯ Yes ◯ No

The plan should show the property edged in red, and any shared areas or parking spaces.

Landlord’s title number (if known)

Tenant’s leasehold title number (if registered)

2. The existing lease

Date of the existing lease

Original landlord and tenant

Date the existing lease ends (contractual expiry)

Current rent each year, excluding VAT £

Deeds of variation, licences or side letters ◯ None ◯ Yes (copies attached)

Is the existing lease protected by the 1954 Act?
◯ Protected (right to renew)
◯ Contracted out (no right to renew)
◯ Don’t know

Does the tenant still occupy the property for its business? ◯ Yes ◯ No

A tenant normally has the right to renew only if the existing lease is protected and the tenant occupies the property for the purposes of its business. If the existing lease was contracted out, the tenant has no right to a new lease and the renewal is by agreement only.

3. Notices, court deadlines and interim rent

Notice or request served under the 1954 Act
◯ None served
◯ Landlord’s section 25 notice
◯ Tenant’s section 26 request

Date served

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Date given in the notice or request	
Does the landlord oppose a new lease?	◯ No ◯ Yes (explain in comments) ◯ Not applicable
Court proceedings issued?	◯ No ◯ Yes
Court deadline extended by written agreement?	◯ Not needed ◯ Yes ◯ No
Extended deadline (date)	

Important: Court proceedings to renew must be started before the date in the notice or request. The landlord and tenant can agree in writing to extend that deadline, but only before it passes, and they can extend it more than once. If the deadline is missed, the tenant normally loses its right to a new lease. Agreeing heads of terms does not stop the deadline running.

Interim rent	◯ Not applicable ◯ Agreed ◯ To be decided ◯ Waived by both parties
Interim rent amount and from when	

4. The landlord

Full name or company name	
Company number (if a company)	
Address (registered office if a company)	
Contact name	
Email	
Telephone	

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5. The tenant

The tenant is	◯ A company ◯ One individual ◯ Two or more individuals ◯ A partnership or LLP
Full name(s) or company name	
Trading name (if different)	
Company number (if a company)	
Address (registered office if a company)	
Same tenant as under the existing lease?	◯ Yes ◯ No

If the tenant is changing, the existing lease may need to be assigned to the new tenant, with the landlord's consent, before the renewal lease is granted.

Contact name	
Email	
Telephone	

6. Guarantor and rent deposit

Security for the rent	◯ None ◯ Guarantor ◯ Rent deposit ◯ Both
Is this a carry-over from the existing lease?	◯ Yes ◯ No ◯ Not applicable
Guarantor's full name	
Guarantor's address	
Guarantor's email and telephone	
Rent deposit amount	£
When the deposit will be returned	

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7. Term, 1954 Act status and break rights

Length of the new lease (years)

Start date

- ◯ On completion
- ◯ The day after the existing lease ends
- ◯ Another date

Start date (if another date)

Right to renew under the Landlord and Tenant Act 1954

- ◯ Inside the Act (right to renew)
- ◯ Contracted out of sections 24 to 28 (no right to renew)

If the new lease is to be contracted out, the landlord must serve a warning notice on the tenant, and the tenant must sign a declaration, before the tenant is committed. Please allow time for this. A tenant whose existing lease is protected gives up that protection for the new lease if it agrees to contract out.

Break clause

- ◯ None ◯ Tenant only ◯ Landlord only
- ◯ Either party

Break date(s)

Minimum notice to break (months)

Conditions to break

- ◯ Rent paid up to date and vacant possession only
- ◯ Other (explain in comments)

8. Rent and rent review

Rent each year, excluding VAT £

Rent paid

- ◯ Monthly in advance ◯ Quarterly in advance

Rent starts on

Rent-free period

- ◯ None ◯ Yes

Length of rent-free period and any conditions

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Has the landlord opted to tax the property for VAT?

◯ Yes ◯ No ◯ Don't know

If the landlord has opted to tax, VAT is added to the rent and most other payments under the lease.

Rent review

◯ None ◯ Open market

◯ Index-linked (CPI or RPI) ◯ Fixed increases

Review pattern and details (for example, every 5 years; any cap or collar)

Tenant's improvements ignored at review?

◯ Yes ◯ No ◯ Not agreed

Upwards-only rent reviews: the English Devolution and Community Empowerment Act 2026 bans upwards-only rent reviews in new business leases from a date still to be set by regulations. Once the ban applies, a review can move the rent down as well as up, whatever the lease says, and the tenant can trigger a review the lease lets only the landlord start. Leases granted before then are not affected, but a renewal lease under an option or arrangement made on or after 17 March 2026 is. Agree the review basis with this in mind.

9. Repair and condition

Tenant's repairing obligation

◯ Carried over from the existing lease

◯ Full repair, including structure and roof

◯ Internal repair only

◯ Limited by a schedule of condition

Schedule of condition (date of the existing one, or who will prepare a new one and by when)

A schedule of condition attached to the existing lease should be attached to the new lease if it is still to apply.

Repairs due under the existing lease (dilapidations)

◯ Released on renewal

◯ Tenant to carry out by an agreed date

◯ Carried into the new lease

◯ Not agreed

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10. Other costs

Service charge	◯ None ◯ Yes
Estimated service charge each year, and any cap	
Buildings insurance	◯ Landlord insures and tenant repays the premium ◯ Landlord insures at its own cost ◯ Tenant insures
Estimated insurance premium each year	£
Business rates and utilities	◯ Tenant pays ◯ Other (explain in comments)
Legal costs	◯ Each party pays its own ◯ Tenant contributes to landlord’s costs
Tenant’s contribution (excluding VAT)	£

11. Use and alterations

Permitted use (for example, retail sale of clothing and accessories)	
Same use as the existing lease?	◯ Yes ◯ No
Planning use class (if known)	
Trading hours or other restrictions	
Alterations during the new lease	◯ None allowed ◯ Internal non-structural only, with landlord’s consent ◯ Other (explain in comments)
Signs on the shopfront or building	◯ Allowed with landlord’s consent ◯ Not allowed
Alterations made under the existing lease	◯ Tenant removes and reinstates at the end of the new lease ◯ Landlord decides at the end ◯ No reinstatement

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12. Assignment and underletting

Assignment (transfer) of the whole lease	◯ Allowed with landlord’s consent ◯ Not allowed
Underletting (subletting)	◯ Not allowed ◯ Whole only, with consent ◯ Whole or part, with consent
Sharing occupation with a group company	◯ Yes ◯ No
Existing underleases or other occupiers	◯ None ◯ Yes (explain in comments)

13. Rights

Same rights as the existing lease?	◯ Yes ◯ No
Car parking	◯ None ◯ Yes
Number of spaces and where they are	
Other rights (for example, rear access, bin store, loading area, plant or aerials)	

14. Form of the new lease, conditions and timing

The new lease will be	◯ Same terms as the existing lease, except as set out here ◯ The existing lease updated to a modern form ◯ On the landlord’s current standard lease ◯ Not sure
The deal depends on	Superior landlord’s or lender’s consent Satisfactory references or credit check Landlord’s works Planning or other consents Other (explain in comments)

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The landlord will provide	Energy Performance Certificate Asbestos register or survey Fire risk assessment Health and safety file Service charge budget Utility and meter details
EPC rating (if known)	
	Most commercial lettings need an EPC rating of E or better, unless an exemption is registered. The Government's interim response of June 2026 dropped the proposed EPC C requirement for 2027. It now intends rented buildings over 1,000 m² to reach EPC B by 2031 where cost-effective; smaller buildings stay at E.
Target date for completion	

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15. Agents and solicitors

Landlord’s agent

Firm and contact name	
Email and telephone	

Tenant’s agent

Firm and contact name	
Email and telephone	

Landlord’s solicitors

Firm and contact name	
Email and telephone	

Tenant’s solicitors

Firm and contact name	
Email and telephone	

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16. Comments and any other agreed terms

Use this box for anything not covered above, for example changes from the existing lease, any outstanding points and any terms that are still to be agreed.

17. Agreed subject to contract

We confirm that these heads of terms record the terms agreed for the renewal lease. They are subject to contract and do not create a binding agreement.

Landlord (or landlord's agent)

Click the box to sign

Name

For and on behalf of

Date

Tenant (or tenant's agent)

Click the box to sign

Name

For and on behalf of

Date

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