

Dilapidations & Breaks

A Brief Guide



Jaggard Macland have a team that are specialists in advising both occupiers and landlords on their dilapidations claims and exercising break clauses.

The team differs from the approach taken by many other firms in that it includes both building surveyors and general practice surveyors with valuation and negotiation skills.

Section 18 of the Landlord and Tenant Act 1927 is an important tool in minimising dilapidations liabilities, so this knowledge is crucial for both realistic budgeting and negotiations. This legislation can apply to limit a landlord's dilapidations claim. We generally find occupiers pay too much in lease exit settlements, particularly on office buildings as they do not take into account the speed of obsolescence, in advocating the case to the landlord for refurbishment or the re-development opportunities.

To the unskilled eye a break clause in a lease allows a tenant to exit the lease with ease. Unfortunately, most of the time this is not the case and are conditional upon multiple covenants which may include, payment of rent, vacant possession or material compliance of lease clauses. Landlord's regularly use break clause conditions to gain leverage in lease end negotiations.

Jaggard Macland aim to work with a client's retained solicitor to advise on the best way of managing the lease exit strategy and achieve a lease exit at the lowest possible cost based on the risks involved. Early advice is important to minimise the cost as it is sometimes advantageous to undertake the works prior to the tenant vacating.

Members of the team have advised and made significant saving for Aviva, Mapeley, Department for Work & Pensions and Inland Homes on either dilapidations or break clauses.

For more information please contact either Steven Macdermott or Philip Pearcey.

- Dilapidations budgeting and strategy advice
- Lease Break advice and strategy
- Lease surrender
- Section 18 Valuations
- Surplus property strategy

Jaggard Macland saved 78% against landlord's claim using Section 18 arguments - Marlow

Jaggard Macland recovered 100% of claim on Landlords behalf - Chesham

Jaggard Macland saved 54% against Landlord's claim – Amersham

Material compliant break exercised - Amersham

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Jaggard Macland

Professional Property Services



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| Property Investment Steven Macdermott | New Home Snagging Phil Pearcey | Search & Relocation Simon Harper |
| Property Management Graham Atkinson | Residential Property Management Greg Rowland | Portfolio Management Simon Harper |
| Rent Review & Lease Renewal Steven Macdermott | Residential Lease Extension Greg Rowland | Lease Expiry Negotiation Simon Harper |
| Sale & Letting of Commercial Property Steven Macdermott | Residential Investment Greg Rowland | Lease Restructuring & Variation Simon Harper |
| Commercial Valuation Steven Macdermott | Residential Valuation Greg Rowland | Schedule of Condition Phil Pearcey |
| Project Management Phil Pearcey | Residential Building Survey Phil Pearcey | Building Survey Phil Pearcey |
| Dilapidations Steven Macdermott | Block Management Greg Rowland | Dilapidations Steven Macdermott |
| Commercial Building Survey Phil Pearcey | | Rent Review Negotiation Simon Harper |

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