

Summary

This style comprises an offer on behalf of a landlord to grant a lease of commercial premises, subject to payment by the Tenant of a premium, or payment by the Landlord of an incentivising reverse premium. The style allows for the possibility of either a guarantor being obtained to guarantee the tenant's obligations under the lease or a rent deposit agreement being entered into as security for payment of the rent under the lease, and for performance of other tenant's obligations. The style is drafted from the standpoint of the Landlord. The assumption is made that the Landlord is owner of the Premises and not a tenant under e.g. a head lease or ground lease. It is correspondingly assumed that the Lease to be granted in terms of the Offer will be a head lease and not a sub-lease, and will be in a form to be annexed to the Offer. It is further assumed that the Tenant's due diligence exercise will have preceded entry into concluded missives because the Tenant is deemed in terms of the Offer to have satisfied itself on a range of matters including the validity and terms of the Landlord's title and any items of documentation exhibited to the Tenant prior to concluding missives. The suspensive conditions – which are designed to benefit the Landlord – anticipate the need for heritable creditor's consent, and for bank and other financial references relating to the Tenant, to be obtained before the Tenant is permitted to take entry to the Premises. Several key provisions of the offer style focus on the mechanics of preparation and execution of the Lease, payment of SDLT and registration of the Lease. Another significant feature of the style is the inclusion of a mechanism for the carrying out of works to be undertaken by the Landlord in advance of the Tenant taking entry to the Premises. The style assumes that the works are extensive enough to warrant the involvement of a professional team (e.g. as designers of the works), the members of which may be required to grant collateral warranties in favour of the Tenant. The Landlord's Works may also be extensive enough to justify the use of a building contract such as one of the standard forms of building contract published by JCT (Joint Contracts Tribunal). The mechanism relating to the Landlord's Works ensures the involvement of the Tenant in the inspection and approval of the works and the issuing of a practical completion certificate (which is a trigger for the Tenant to take entry to the Premises). In general, the style will need to be modified or adapted in a way that practitioners using the style find to be appropriate to the transaction in hand.