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1. When a business lease comes to an end, the tenant is usually required to carry out reinstatement (i.e. remove alterations made), repairs and redecoration. If the tenant fails to do this, the landlord can make a claim for damages against the tenant. This is known as dilapidations.

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2. The Dilapidations Protocol sets out the steps that landlords and tenants should take in relation to dilapidations claims. The protocol can be found at: [http://www.pla.org.uk/publications/10017/100934/Dilapidations\\_Protocol\\_-\\_Jan\\_2012.pdf](http://www.pla.org.uk/publications/10017/100934/Dilapidations_Protocol_-_Jan_2012.pdf)

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3. A schedule of dilapidations is usually prepared before, or shortly after, the end of the lease term. Either the landlord or the tenant should inspect the premises and prepare a schedule of the work that needs to be done, with a cost figure against each item on the schedule.

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4. The landlord or his surveyor should quantify all aspects of the dispute and set out a "quantified demand" in respect of the items detailed on the schedule, which damages are sought and the monetary sum sought as damages for those items, as well as any other items of loss for which damages are sought.

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5. The quantified demand and schedule are given to the tenant who can either carry out the work or (more commonly) agree a financial settlement for the quantified demand (with a view to the tenant carrying out the work).

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6. Points to bear in mind when preparing a schedule of dilapidations:

6.1 The schedule should include a list of items to be repaired, replaced, statement, repair and redecoration.

6.2 The quantified demand should include a list of items to be repaired, replaced or professional fees (e.g. for preparing specifications, valuations, etc.), mesne profits (loss of rent, rates, service charges, etc. during which the repair works will be carried out) and the cost of preparing and serving the schedule and negotiating a settlement.

6.3 The value of a claim should be based on the landlord's losses – no less, no more.

6.4 The value of a claim should not include professional fees and should not exceed the diminution in the value of the landlord's freehold interest (or the value of the leasehold interest if the landlord is a leaseholder) by which the value of the freehold (or leasehold) is diminished as a consequence of the disrepair).

6.5 If the building is to be demolished or replaced to a significant extent, then no claim for dilapidations can be made for the cost of repairs or works incurred.

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