



## Sample Critical Analysis

### Rent Review

#### Background

You have been instructed to undertake a rent review on behalf of a Landlord or Tenant. Set out the details of the property and a description. Provide a SUMMARY of the lease.

Explain briefly the process of a rent review i.e the serving of the rent review notice (trigger notice)

#### Aims & Objectives

- i) Settle the rent review either at NIL INCREASE (if acting for the Tenant) or with as much of an increase as possible (of acting for the LANDLORD)
- ii) To settle the rent review as quickly as possible
- iii) To settle the rent review without having to go to 3<sup>rd</sup> Party determination.

(possible other aims & objectives include the recovery of all arrears accumulated / maintain good landlord & tenant relationships)

#### Key Issues

- i) **Floor Areas** – fundamental to any rent review. Were the floor areas agreed between the parties? How did you measure? Refer to the Code of Measuring Practice. Was it zoned if a shop? What allowances / additions did you have to make?
- ii) **The lease itself** – have a look at the rent review clause. Was there anything in it that could fundamentally affect value? Look at the hypothetical term – what impact did that have ?
- iii) **Impact** of this rent review on surrounding properties? Perhaps the Landlord had other properties and was keen to secure a good 'headline rent'

(you may also want to look at comparable evidence as a key issue. Perhaps there was a lack of good comparable evidence)

### **Options**

- i) Accept Landlord / Tenant's proposal

Reasons for rejection.....

- ii) Go to 3<sup>rd</sup> party

Reasons for rejection.....was it arbitrator or independent expert? Depending on which one, did this affect your advice to the client? Don't go into too much detail as the assessors will ask you about this.

- iii) Negotiate

Move to proposed solution

### **Proposed solution**

Explain the negotiation process and how you brought things to a conclusion.

Did you have to serve a Calderbank for example?

### **Reflective Analysis**

Look at the 3 / 4 aims and objectives. Did you achieve what you set out to do?

What was the end result?

### **Critical Appraisal**

Critically appraise your work. What worked well and what didn't work well? What could you have done differently? What have you LEARNED from undertaking this instruction?

What competencies have you achieved?

Example:

What didn't work well:

- Wasn't able to agree a negotiated settlement.
- Divided floor area difference in an attempt to agree a rent (as only 30 square feet apart), though now gone to 3<sup>rd</sup> party, the floor areas may be a point that is further debated.
- Perhaps should have suggested landlord applied to RICS sooner for third party, to speed process up.

What worked well:

- Was able to build a picture of rents in the town and how they have changed over the past 5 years or so.
- Was able to negotiate an allowance of 5% for the 15 year hypothetical term.
- Landlord came down from original offer of £..... after original discussions about other evidence in the town.

