

Rent Review

The Interaction between Mixed Rack Rent & Turnover Rent

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Mixed Rack Rent and Turnover Rent

Typically

- ▶ 80% base rent
- ▶ X% Gross Turnover
 - Tips & discounts
 - Internet sales
- ▶ Floors & Ceilings /Collars & Cuffs
- ▶ Upwards only?

The Review ...

- ▶ What is reviewed?
 - Base rent
 - % (s)
 - Converts to OMV only
 - Variable structure

- ▶ Disregards & Assumptions
 - Vacant possession
 - No goodwill / tenant's occupation

Upward only ...

The Problem with OMV...

- ▶ “the best price obtainable”
 - Willing landlord
 - Willing Tenant

- ▶ If
 - continued %
 - converting to 100%

- ▶ And ...what about comparables

A few case ...

- ▶ Burford UK Properties v Forte Hotels – [2003] EWCA Civ 1800
- ▶ Manchester Associated Mills v Mitchells & Butler Retail –
Court of Session – 10 January 2013
- ▶ Bywater Properties Investments v Oswestry TC [2014] 2 P&CR 1
- ▶ Elmfield Road v Trillium (Prime) Property GP [2016] EWHC 3122

Thank you for listening! Any questions?

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