

The Model Commercial Lease

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The Model Commercial Lease (MCL)

- Background to the MCL project
- Importance of plain English
- Ensuring consistency across a suite of documents
- Use of document assembly software
- Case study – the food and drink leases
- Reactions from users and the legal profession
- Questions and discussion

Health warning

- This talk is about plain language not law
- Not a substitute for reading and understanding the lease itself

Background to the MCL project

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Background to the MCL project

- Family of templates for commercial leases and associated documents
- Client-led initiative started by BPF
- Available for anyone to use, *free of charge*
- Not intended to be used without amendment
- Text can be customised or incorporated into other documents
- Documents will be kept up to date

Background to the MCL project

- Drafted by a working party with extensive informal consultation
- Incorporates standard tenants' amendments
- Intended to represent a fair starting point for a transaction , and often a fair end point as well
- www.modelcommerciallease.co.uk

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Home

The Model Commercial Lease (MCL) suite of documents comprises various template commercial leases and associated documents. They are available for anyone to download from this website, without charge. Use is subject to the [MCL Conditions of Use](#).


Users can then customise them to their particular requirements, or incorporate text from them into their own documents.

Different versions of MCL leases are available to suit different types of commercial buildings such as offices, shops, shopping centre units and industrial/logistics units. A full list of MCL documents is contained on the [All Documents](#) page but the simplest way to reach the current version of each document is via the "Leases" and "Asset Management" links in the menu at the top of the screen.


The MCL is a client-led project. It was originally commissioned by the British Property




Office leases



Retail Leases



Industrial Leases



Food/Drink Leases

[RSS Feed](#)

https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCEQFjAA&url=http%3A%2F%2Fmodelcommerciallease.co.uk%2F&ei=MhGsV14EgftQp5eDoAs&usg...

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Lease documents

- Leases
 - office
 - shop
 - shopping centre unit
 - industrial/logistics
 - food/drink
- Additional optional provisions including
 - turnover rent schedule
 - index-linked rent schedule

Asset management documents

- Asset management documents
 - rent deposit deed
 - licence to assign
 - licence to underlet
 - licence for alterations
 - licence to change use
- Asset management documents can be used in conjunction with the MCL or on their own

Guidance for users

- Guidance (on MCL website)
 - general guidance note for users
 - note about compliance with the Lease Code
 - FAQs page
- Extensive footnotes (in lease)
 - explain why particular drafting has been used
 - explain why provisions have been omitted
 - act as prompts to delete unnecessary definitions

Importance of plain English

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Importance of plain English

- Modern language used throughout
- “landlord” and “tenant” (not “we” and “you”)
- Obligation is indicated by “must”
- Modern terms such as End Date (not “expiration of the term”)
- Users should ideally (*or* “must”) remember to use modern language when amending existing text or adding new provisions

Definitions

- Defined terms are mainly collected together at the start of the document
- Where defined terms are only used in one schedule, they are at the start of that schedule (and not included in the main section)
- The MCL contains Prescribed Lease Clauses but *no particulars page*

Interpretation provisions

- Consent is subject to reasonableness – unless the lease states that a party has absolute discretion
- Landlord must act reasonably when exercising rights or imposing requirements – except as above
- Costs payable by another must be reasonable and proper, and reasonably and properly incurred (except where tenant is in breach)

Use of schedules

- More technical stuff has been put into schedules including
 - rights and reservations
 - rent review
 - service charge
 - insurance
 - sustainability provisions
- Schedules make up half the document

Ensuring consistency across a suite of documents

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Ensuring consistency across a suite of documents

- Clarity is not simply about the words used
- Consistency across documents is important
- 10 law firms – 20 forms of lease (minimum)!
- Every time you read a lease you need a new map
- MCL assists in setting a standard framework
- Easier to spot changes to standard terms

Ensuring consistency across a suite of documents

- Internal consistency is important
- Example of underletting provisions
- Keeping a suite of documents internally consistent is not easy
 - a change in one lease has to be replicated across all of them
 - a change in the lease might need a corresponding change in a licence to assign

Use of document assembly software

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Use of document assembly software

- At the start of the project, each lease was updated manually
- Inconsistencies crept in
- Moved to a master template using DealBuilder to generate individual leases
- One change can be copied to each lease
- Coding ensures unique features to each lease are not lost

Use of document assembly software

- Example:
 - `[If:CentreOrEstate“Car Park” - any car park or car parks forming part of the [If:CentreCentre][If:EstateEstate] at any time during the Term;]`
- Greatly simplifies the process of keeping the leases up to date

Case study: the food and drink leases

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Case study: the food and drink leases

- One month before launch
 - office leases
 - retail leases (open market rent)
 - industrial/logistics leases
- Separate bolt-on clauses for:
 - turnover rents
 - A3/A4/A5 use
- Informal consultation indicated a desire for standalone leases

Case study: the food and drink leases

- Using the master template ½ day to include the bolt-on clauses
- New forms of lease produced and launched
- New leases can be kept up to date with all the other leases
- Only additional work is printing off additional forms of lease
- Document assembly simplifies the process

Reactions from users and the legal profession

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Reactions from users and the legal profession

- Lease of whole for office use downloaded over 1,700 times
- Views range from “what took you so long?” to “it will never work”
- More support than we expected from lawyers
- Relatively few doomsayers
- Surprisingly few concerns about lost fee income

Questions and discussion

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