
STATUTORY INSTRUMENTS

2003 No. 3096

The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003

INTERIM RENT

Rent while tenancy continues by virtue of section 24

18. For section 24A(1) (interim rent) substitute—

“Applications for determination of interim rent while tenancy continues

24A.—(1) Subject to subsection (2) below, if—

- (a) the landlord of a tenancy to which this Part of this Act applies has given notice under section 25 of this Act to terminate the tenancy; or
- (b) the tenant of such a tenancy has made a request for a new tenancy in accordance with section 26 of this Act,

either of them may make an application to the court to determine a rent (an “interim rent”) which the tenant is to pay while the tenancy (“the relevant tenancy”) continues by virtue of section 24 of this Act and the court may order payment of an interim rent in accordance with section 24C or 24D of this Act.

(2) Neither the tenant nor the landlord may make an application under subsection (1) above if the other has made such an application and has not withdrawn it.

(3) No application shall be entertained under subsection (1) above if it is made more than six months after the termination of the relevant tenancy.

Date from which interim rent is payable

24B.—(1) The interim rent determined on an application under section 24A(1) of this Act shall be payable from the appropriate date.

(2) If an application under section 24A(1) of this Act is made in a case where the landlord has given a notice under section 25 of this Act, the appropriate date is the earliest date of termination that could have been specified in the landlord’s notice.

(3) If an application under section 24A(1) of this Act is made in a case where the tenant has made a request for a new tenancy under section 26 of this Act, the appropriate date is the earliest date that could have been specified in the tenant’s request as the date from which the new tenancy is to begin.

Amount of interim rent where new tenancy of whole premises granted and landlord not opposed

24C.—(1) This section applies where—

(1) Section 24A was inserted by section 4(1) of the Law of Property Act 1969.

- (a) the landlord gave a notice under section 25 of this Act at a time when the tenant was in occupation of the whole of the property comprised in the relevant tenancy for purposes such as are mentioned in section 23(1) of this Act and stated in the notice that he was not opposed to the grant of a new tenancy; or
- (b) the tenant made a request for a new tenancy under section 26 of this Act at a time when he was in occupation of the whole of that property for such purposes and the landlord did not give notice under subsection (6) of that section,

and the landlord grants a new tenancy of the whole of the property comprised in the relevant tenancy to the tenant (whether as a result of an order for the grant of a new tenancy or otherwise).

(2) Subject to the following provisions of this section, the rent payable under and at the commencement of the new tenancy shall also be the interim rent.

(3) Subsection (2) above does not apply where—

- (a) the landlord or the tenant shows to the satisfaction of the court that the interim rent under that subsection differs substantially from the relevant rent; or
- (b) the landlord or the tenant shows to the satisfaction of the court that the terms of the new tenancy differ from the terms of the relevant tenancy to such an extent that the interim rent under that subsection is substantially different from the rent which (in default of such agreement) the court would have determined under section 34 of this Act to be payable under a tenancy which commenced on the same day as the new tenancy and whose other terms were the same as the relevant tenancy.

(4) In this section “the relevant rent” means the rent which (in default of agreement between the landlord and the tenant) the court would have determined under section 34 of this Act to be payable under the new tenancy if the new tenancy had commenced on the appropriate date (within the meaning of section 24B of this Act).

(5) The interim rent in a case where subsection (2) above does not apply by virtue only of subsection (3)(a) above is the relevant rent.

(6) The interim rent in a case where subsection (2) above does not apply by virtue only of subsection (3)(b) above, or by virtue of subsection (3)(a) and (b) above, is the rent which it is reasonable for the tenant to pay while the relevant tenancy continues by virtue of section 24 of this Act.

(7) In determining the interim rent under subsection (6) above the court shall have regard—

- (a) to the rent payable under the terms of the relevant tenancy; and
- (b) to the rent payable under any sub-tenancy of part of the property comprised in the relevant tenancy,

but otherwise subsections (1) and (2) of section 34 of this Act shall apply to the determination as they would apply to the determination of a rent under that section if a new tenancy of the whole of the property comprised in the relevant tenancy were granted to the tenant by order of the court and the duration of that new tenancy were the same as the duration of the new tenancy which is actually granted to the tenant.

(8) In this section and section 24D of this Act “the relevant tenancy” has the same meaning as in section 24A of this Act.

Amount of interim rent in any other case

24D.—(1) The interim rent in a case where section 24C of this Act does not apply is the rent which it is reasonable for the tenant to pay while the relevant tenancy continues by virtue of section 24 of this Act.

(2) In determining the interim rent under subsection (1) above the court shall have regard—

- (a) to the rent payable under the terms of the relevant tenancy; and
- (b) to the rent payable under any sub-tenancy of part of the property comprised in the relevant tenancy,

but otherwise subsections (1) and (2) of section 34 of this Act shall apply to the determination as they would apply to the determination of a rent under that section if a new tenancy from year to year of the whole of the property comprised in the relevant tenancy were granted to the tenant by order of the court.

(3) If the court—

- (a) has made an order for the grant of a new tenancy and has ordered payment of interim rent in accordance with section 24C of this Act, but
- (b) either—
 - (i) it subsequently revokes under section 36(2) of this Act the order for the grant of a new tenancy; or
 - (ii) the landlord and tenant agree not to act on the order,

the court on the application of the landlord or the tenant shall determine a new interim rent in accordance with subsections (1) and (2) above without a further application under section 24A(1) of this Act.”.