
A GUIDE TO

Lease Forfeiture & Lease Disputes



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Welcome

Dealing with lease forfeiture and lease disputes can be uncertain and overwhelming.. This guide is designed to provide an overview of the key issues that may arise during these proceedings, while recognising that every case is unique. It is intended for general guidance and information only and should be read alongside the tailored advice we provide based on your individual circumstances. While every effort has been made to ensure the information is accurate, it should not be treated as a substitute for professional advice; for advice specific to your situation, we recommend speaking with one of our solicitors.

About Us

At Bright Legal Solicitors, we understand that lease disputes can have significant financial and commercial consequences. Our role is to provide clear, practical legal advice and support throughout the process. We are a dynamic law firm with a proven track record of delivering exceptional legal services. Led by an award-winning solicitor with over 28 years of experience, our Property Litigation team combines extensive expertise with a personal, client-focused approach. We are committed to protecting what matters to you and providing practical solutions that help you move forward with confidence. You can find out more about our team by clicking [here](#).

Introduction

Lease disputes can quickly become commercially significant. For landlords, a breach of lease may affect income, control of the property, and future investment decisions. For tenants, the consequences can be severe, particularly where the premises are central to their business.

The most serious remedy available to a landlord is forfeiture: the right to bring a lease to an end because of a tenant's breach.

However, forfeiture is not simply a matter of reclaiming possession. It is a technical remedy governed by statute, the terms of the lease and a substantial body of case law. A landlord who acts without proper advice may unintentionally lose the right to forfeit or expose themselves to a claim. A tenant facing forfeiture may have remedies available, including an application for relief.

What is Forfeiture?

Forfeiture allows a landlord to terminate a lease where the tenant has breached a term of the agreement, and the lease provides a right of re-entry.

The right commonly arises in relation to:

- Rent arrears
- Breaches of repairing obligations
- Unauthorised alterations
- Unlawful use of the premises
- Breaches of other tenant covenants

The ability to forfeit depends on the wording of the lease and the nature of the breach. Not every breach gives rise to an immediate right to terminate.

The Importance of Acting Correctly

Forfeiture is a powerful remedy because it allows a landlord to recover possession without first obtaining a possession order in certain circumstances.

However, the law imposes strict requirements.

For breaches other than non-payment of rent, a landlord will usually need to serve a notice under section 146 of the **Law of Property Act 1925**.

A valid notice must identify the breach and, where the breach is capable of remedy, require the tenant to remedy it. Failure to follow the correct procedure can render the forfeiture ineffective.

The consequences of getting the process wrong can be significant.

Waiver of the Right to Forfeit

One of the most common traps for landlords is a waiver.

Once a landlord becomes aware of a breach, certain actions may amount to an acknowledgement that the lease continues. If so, the landlord may lose the right to forfeit for that particular breach.

The principle was considered in **Expert Clothing Service & Sales Ltd v Hillgate House Ltd [1986]**, where the court examined whether a landlord's conduct was inconsistent with an intention to terminate the lease.

The practical lesson is straightforward: once a breach has been identified, landlords should take advice before accepting rent, corresponding with the tenant or taking steps that may affect their position.

Relief from Forfeiture

Forfeiture does not necessarily bring the matter to an end.

A tenant who has lost possession may apply for relief from forfeiture. If relief is granted, the lease is effectively restored, usually subject to conditions imposed by the court.

The court's approach is not simply to punish the tenant. It considers whether forfeiture is a proportionate outcome in the circumstances.

In **Billson v Residential Apartments Ltd [1992]**, the House of Lords confirmed the court's broad jurisdiction to grant relief from forfeiture, even after possession had been recovered.

The decision demonstrates the court's willingness to look at the substance of the dispute rather than treating forfeiture as an automatic consequence of breach.

The Need for Urgency

A tenant facing forfeiture should act immediately.

Delay can significantly affect the court's approach to relief. The tenant's conduct, the seriousness of the breach and whether the breach has been remedied will all be relevant considerations.

In **Pineport Ltd v Grangeglen Ltd [2016]**, the court considered the circumstances in which relief from forfeiture may be granted and reinforced the importance of addressing forfeiture issues promptly.

For landlords, delay can create uncertainty. For tenants, delay can reduce prospects of restoring the lease.

Common Lease Disputes Beyond Forfeiture

Although forfeiture is one of the most serious remedies, lease disputes arise in many other contexts.

Repairing Obligations

Disputes over repairs are among the most common issues between landlords and tenants.

Responsibility depends on the drafting of the lease. A tenant's obligations may be extensive, particularly in commercial premises, while landlords may retain responsibility for structural matters or common areas.

The wording of the lease is critical.

Service Charges

Service charge disputes often arise where tenants challenge the costs being recovered by landlords or in the way in which services have been provided.

These disputes frequently involve detailed consideration of the lease, supporting accounts and whether expenditure falls within the landlord's contractual rights.

Dilapidations

Commercial landlords may bring claims where tenants fail to comply with repairing, reinstatement or decoration obligations at the end of the term.

The value of a dilapidations claim depends not only on the condition of the property but also on the precise obligations imposed by the lease and the landlord's intentions for the premises.

Lease Renewal

Commercial tenants may have statutory renewal rights under the **Landlord and Tenant Act 1954** unless those rights have been excluded.

Disputes commonly arise where a landlord opposes renewal or where the parties cannot agree the terms of a new lease.

Resolving Lease Disputes

A lease dispute does not always require court proceedings.

In many cases, early advice allows the parties to understand their legal position and explore a commercial resolution.

Negotiation and mediation can be particularly effective where the parties wish to preserve a continuing business relationship or avoid the cost and uncertainty of litigation.

However, where a party's rights are at risk, delays or informal negotiations without proper advice can be costly.

How We Advise Clients

Lease disputes require a combination of legal analysis and commercial judgement.

The wording of the lease, the history of the relationship and the steps already taken will often determine the available options.

We advise landlords and tenants on all aspects of lease disputes, including forfeiture, breaches of covenant, rent arrears, dilapidations, service charges and possession matters.

Our approach is focused on achieving the right outcome for the circumstances – whether through negotiation or, where necessary, through robust court proceedings.

Early advice can prevent avoidable mistakes and place you in the strongest possible position when resolving a lease dispute.

Contact us

If you would like advice about lease forfeiture, lease disputes or any of the issues discussed in this guide, our Litigation team would be pleased to help.

To arrange an initial consultation, please contact us:

Bright Legal Solicitors

 **0116 26 27 857**

 **info@brightlegal.co.uk**

 **www.brightlegal.co.uk**

Head Office:

73A London Road, Leicester, LE2 0PF

Branch Offices:

- **4 The Stirling Centre Market Deeping PE6 8EQ**
- **20 Red Lion Street Holborn London WC1R 4PS**