

DISPUTE RESOLUTION SERVICE



Business Rent Mediation Service



Introduction

The Government's [Code of Practice](#) offers guidance on how business landlords and tenants should resolve disputes over commercial rent arrears accumulated as a result of the COVID-19 pandemic.

The code encourages landlords and tenants to negotiate in the first instance, to try and resolve their dispute between themselves. Where this does not result in an agreement, it is recommended that parties use a mediator to help them with negotiations.

RICS has developed the RICS Business Rent Mediation Service to facilitate negotiations between landlords and tenants.

N.B. If, despite the assistance of a mediator, parties fail to settle their rental dispute, the Code of Practice directs that a binding arbitration process should be used to bring the dispute to a conclusion. The final version of this arbitration process will come into effect with the passing of the Commercial Rent (Coronavirus) Bill, expected in Spring 2022 .



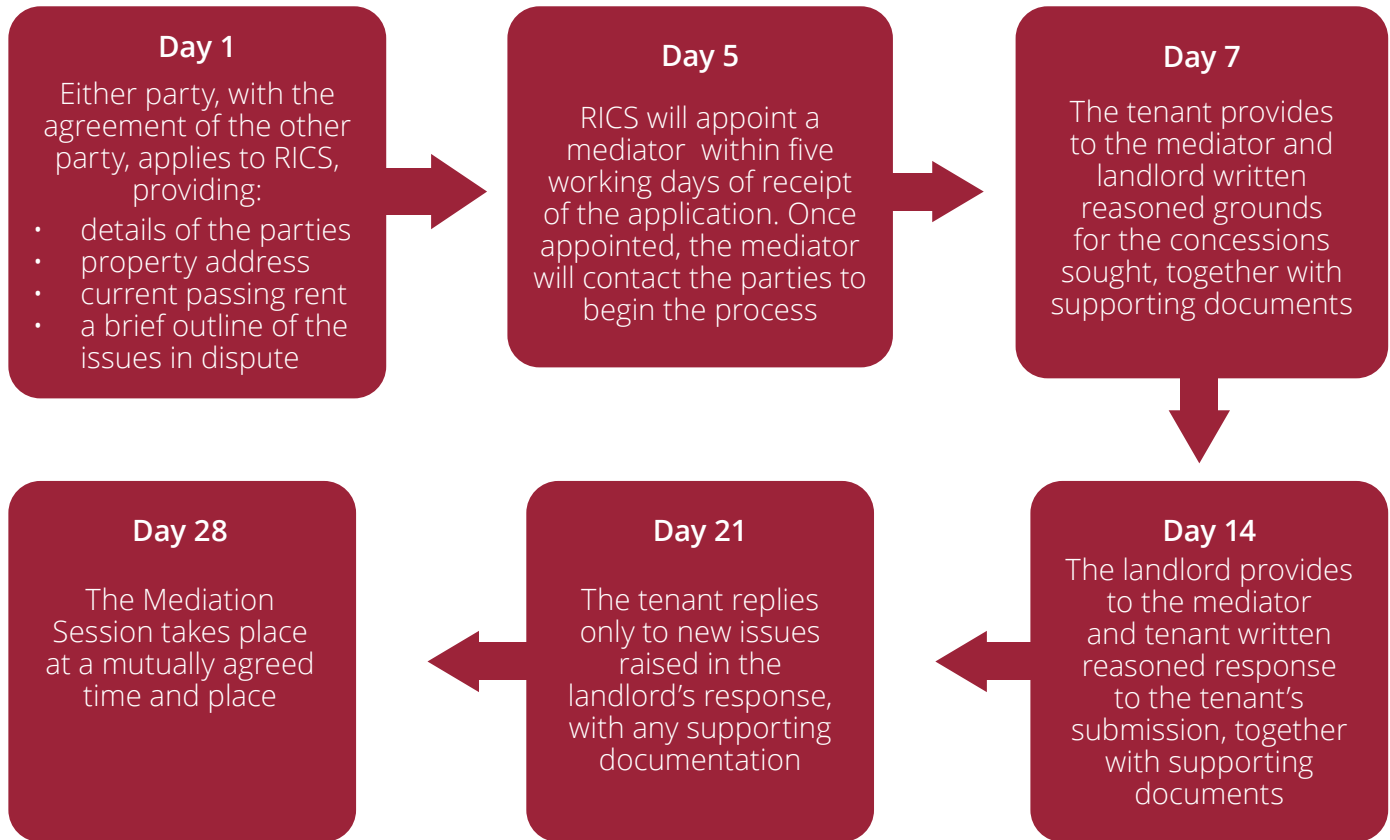
RICS Business Rent Mediation Service:

Benefits

- Is conducted by an independent, skilled Mediator who will help the landlord and tenant to explore options and agree a way forward
- Creates the opportunity for a clear, balanced dialogue between landlord and tenant
- Provides for an insightful analysis of the tenant's grounds for non-payment and the landlord's prerequisites for making concessions
- Provides an opportunity for the engagement of an external specialist to scrutinise the proposals made by both landlord and tenant, as well as the documents upon which their proposals are based
- Is carried out by an RICS Mediator who has years of practical experience in similar negotiations
- Keeps the final decision on how to proceed in the hands of the landlord and tenant, who by the end of the process will be properly informed, having been guided through careful analysis of the evidence and positions set out by both the landlord and tenant
- Is cost-effective and proportionate to the size and relative complexity of the dispute

Starting the Mediation Process

Unless otherwise agreed:



Fees

RICS will not charge an administration fee to the parties. Instead, RICS will recover its administrative costs from the appointed arbitrator on the basis of a small percentage of their fee.

To provide an affordable and cost-effective service, each party will be responsible for the payment of their half share of the fees unless they agree otherwise, and the following rates will apply:

Properties where the annual passing rent is:	Guide duration of the Mediation session	Hourly rate
less than £50,000	up to 4 hours	£150 + VAT
£50,001 - £150,000	6 hours	£250 + VAT
greater than £150,000	8 hours	by agreement

If the mediation session is extended over the guide duration a set hourly rate will be agreed between the parties and the mediator.

Where, with the consent of the parties, the mediator engages an external expert, the expert's fees will be paid in equal shares by the parties, unless agreed otherwise.

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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