

The Law Commission's Terms of Reference for Commercial Leasehold Sub-Project 1

The Law Commission will conduct a focused review of two areas of law which cause problems for commercial leasehold transactions:

- Landlord and Tenant (Covenants) Act 1995: the project will examine whether aspects of this Act – in particular, the anti-avoidance provisions – are standing in the way of commercially important transactions.
- Landlord and Tenant Act 1987: the project will review whether aspects of this Act are creating unnecessary confusion or bureaucracy for transactions involving commercial property – in particular, whether the grant of leases of commercial units in mixed-use premises should be excluded from the rights of first refusal given to residential tenants.

The Commission will consider reforms with a view to:

- streamlining commercial leasehold transactions;
- decreasing bureaucracy, delay and costs;
- reducing confusion about how the law applies; and
- aligning the reforms to the wider review of the Landlord and Tenant Act 1954 and ensuring that reforms collectively (when considered alongside reforms under the 1954 Act project) support the objectives of that review.

The following aspects of the law are outside of the scope of the review:

- property taxation;
- planning law (including permitted development rights and use classes);
- residential leasehold; and
- the insolvency regime.

For further details of the project, visit our [Commercial Leasehold page](#).