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Bill\* came to see me today. He owns an office building in Bristol. The building is currently let to a pharmaceutical company and there are ten years remaining on the lease. The pharmaceutical company vacated the building four years ago and have been unable to assign the lease or sublet the building. Not too good for them, but of course they are obliged to continue to pay the rent and so Bill is not too unhappy.

However the problem is that a water tank in the roof of the building has burst and there is a substantial amount of water damage through the first floor and down into the ground floor. Bill, as landlord, is obliged to insure the building but only against such risks as are available for a building such as this. Whilst insurance is normally available for water damage, because the building is unoccupied the buildings insurance policy is limited only to cover certain risks which does not include damage by water. Bill's question to me is "Who is responsible to repair the damage?"

My advice to him is that he insured against such risks as he was able to and the tenant was aware of the limited cover available. Under the terms of the Lease the tenant is obliged to keep the building in good and substantial repair and condition but has failed to do this. The prudent tenant should have arranged for the water tank to have been drained.

So I wrote to the tenant's solicitors advising them that it was their client's responsibility to reinstate the building. At the moment they are denying their client is liable but I am confident I can make a good case for Bill.

It reminds me though that it is so important for landlords and tenants to be very clear about their responsibilities not only when they first sign up to a lease but also when circumstances change.

DHC \*All names have been changed