



Rent Review Protocol

- We will send a trigger letter to the tenant confirming the date the rent review in their agreement falls due, no more than 12 months prior to the rent review date.
- An inspection will take place of the premises by a representative of the company, to collect information in connection with carrying out an assessment of rent and to outline the process including how the rent assessment process will be concluded and documented.
- No later than 3 months after that inspection and no less than 6 months before the rent review date, we will provide the tenant with a rent assessment proposal.
- We will advise the tenant to obtain their own independent professional advice

The rent assessment proposal will include the information specified in Schedule 2 of the Pubs Code Regulations 2016:-

- A Rent Assessment Statement illustrating estimated sales, gross profit margins and operating costs likely to affect the profitability of running a business from the pub
- A 3 year volume history of wet products supplied to the pub by Marston's PLC, shown in barrels (a barrel is a 36 gallon equivalent "brewer's barrel").
- Information relating to the cost of service charge payments at the pub during the last 3 years
- A price list current at the time of the rent assessment
- The Rent Assessment Statement will contain in the comments section of the valuation notes assumptions and any disregards made by the valuer to estimate profitability. The extent of the tie arrangement will be clarified together with the price of products purchased. The Rent Assessment Statement will be explicit as to the level of beer discount expected to be supplied based on the products illustrated.

- The rent assessment proposal will be prepared in accordance with RICS guidance and will be accompanied by written confirmation from a Member or Fellow of the RICS that the proposal has been so prepared.

We will seek to comply with any reasonable request for further information from the tenant or their professional advisors relevant to the rent assessment and we will notify where this is not available.

The rent review will be undertaken in accordance with the rent review provisions of your agreement. The valuation will be undertaken in accordance with the guidelines of the Royal Institution of Chartered Surveyors.

We will calculate the rent using the profits method, taking into account the trading format, style and type of operation.

The rent will be based on the Fair Maintainable Turnover of a Reasonably Efficient Operator, assuming full tie compliance. This will be based on the trading potential of the premises, rather than the actual trading levels.

We will disregard any personal goodwill, i.e. the value of any profit generated over and above market expectations.

We also disregard the cost of a manager. The Rent Assessment Statement assumes that the business is traded by a live in tenant operator. In the event that a manager is employed rather than direct operation by the tenant this will increase wage costs and reduce the net profitability of the tenant.

Costs will be benchmarked against the BBPA Running a Pub guide to costs for tied tenants and lessees.

The Rent Assessment Proposal will trigger the commencement of the negotiations. Once we have provided you with the Rent Assessment Proposal we will contact you to commence negotiations.

The new rent will be effective from the rent review date. Where there is a change in the rent, before the new rent is agreed we will agree in writing how any recoverable rent is to be paid, to you or us, as the case may be.

Upon agreement of the rent in writing and receipt of signed documentation our systems will be updated and the matter completed.

Where we are unable to agree the rent by negotiation the matter will be referred to either the Pubs Code Adjudicator or the Royal Institution of Chartered Surveyors (RICS).