

# Dilapidations

The concept of Dilapidations is based on the principle that a property should be restored to the same condition of repair upon expiry of the lease as it was at the commencement. Often the landlord is paid damages in lieu of the tenant actually carrying out the works, and normally follows the preparation of a Schedule of Dilapidations drawn up on behalf of the landlord at the tenant's expense.

An Interim Dilapidation schedule may be served during the course of the lease. This can often be used by the landlord to make the tenant aware that they are not considered to be complying with their lease obligations. It can also be used by landlords during reviews and renewals to show the tenant what costs they would incur if they were to take up an option to end the lease.

A Terminal Dilapidation schedule is always served at the end of a lease but is often a surprise to tenants who are expecting their liabilities to end and often have not allocated funds for the purpose. In both cases they should be set out in a similar format following the RICS (Royal Institution of Chartered Surveyors) Guidance Notes.

The schedule should record the work required to be done to a property in order to be put into the physical state the property should have been put in if the tenant had complied with its covenants or obligations contained within the lease of the property.

The claim should include a reference to the specific clause under which the obligation arises, the breach and a suitable remedy for the breach compliance. This would include any remedial works suggested by the landlord's surveyor and the Landlord's view of the cost. The landlord's surveyor should offer a list, which gives a fair reflection of the requirements of the lease, with a fair view of the remedy and also the costs.

***Negotiations on Dilapidations can be complex and are best handled by a Chartered Surveyor see the Royal Institute of Chartered Surveyors at [www.rics.org](http://www.rics.org)***