

N

E

W

S

F

L

A

S

H

# CONTRACTS FOR SALE/YIELDING UP OF LEASED PROPERTY

S · G · H  
SPRECHER GRIER  
HALBERSTAM LLP  
SOLICITORS



## 1. NWEZE V NWOKO

COURT OF APPEAL [2004] NEW PROPERTY CASES 50

Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 provides that a contract for the sale or other disposition of an interest in land can only be made in writing, must be signed by all parties, and must incorporate all the terms that the parties have expressly agreed.

However, the Court of Appeal has recently decided that an oral settlement agreement providing for a property to be sold with vacant possession at the best price obtainable was enforceable.

It was argued that the agreement, which was designed to settle a family dispute, was void and unenforceable for non-compliance with this Section 2. However, the Court found that the agreement was not caught by Section 2, and upheld an order for specific performance of it. The conclusion was that the compromise was not a contract for sale, but an agreement between two parties as to how a dispute should be resolved.

## 2. LAING CONSTRUCTION .V. AMBER PASS (HIGH COURT 2004 17 EG 128)

In this case, a tenant exercised a break clause in his lease, and vacated the leased premises. His landlords argued that he had not properly yielded up the premises as security measures such as fencing and concrete barriers had been left in place, and, at the landlord's request, the tenant had arranged for 24-hour security for the premises.

However the Court found that "yielding up" at the end of a lease term does not require a tenant to undertake any specific acts. It will not be necessary for tenants to hand back keys, or remove their chattels in order to yield up possession. They must simply demonstrate a clear intention to terminate their lease.

This Newsflash is issued by the Leisure and Property Management Law Group. Should you have any queries arising from the new changes please contact , Anne Molyneux, Julia Elson or Carmela Inguanta, email: [annem@sghlaw.com](mailto:annem@sghlaw.com) [juliae@sghlaw.com](mailto:juliae@sghlaw.com) [carmelai@sghlaw.com](mailto:carmelai@sghlaw.com) or your usual contact at S.G.H on 0207 544 5555.