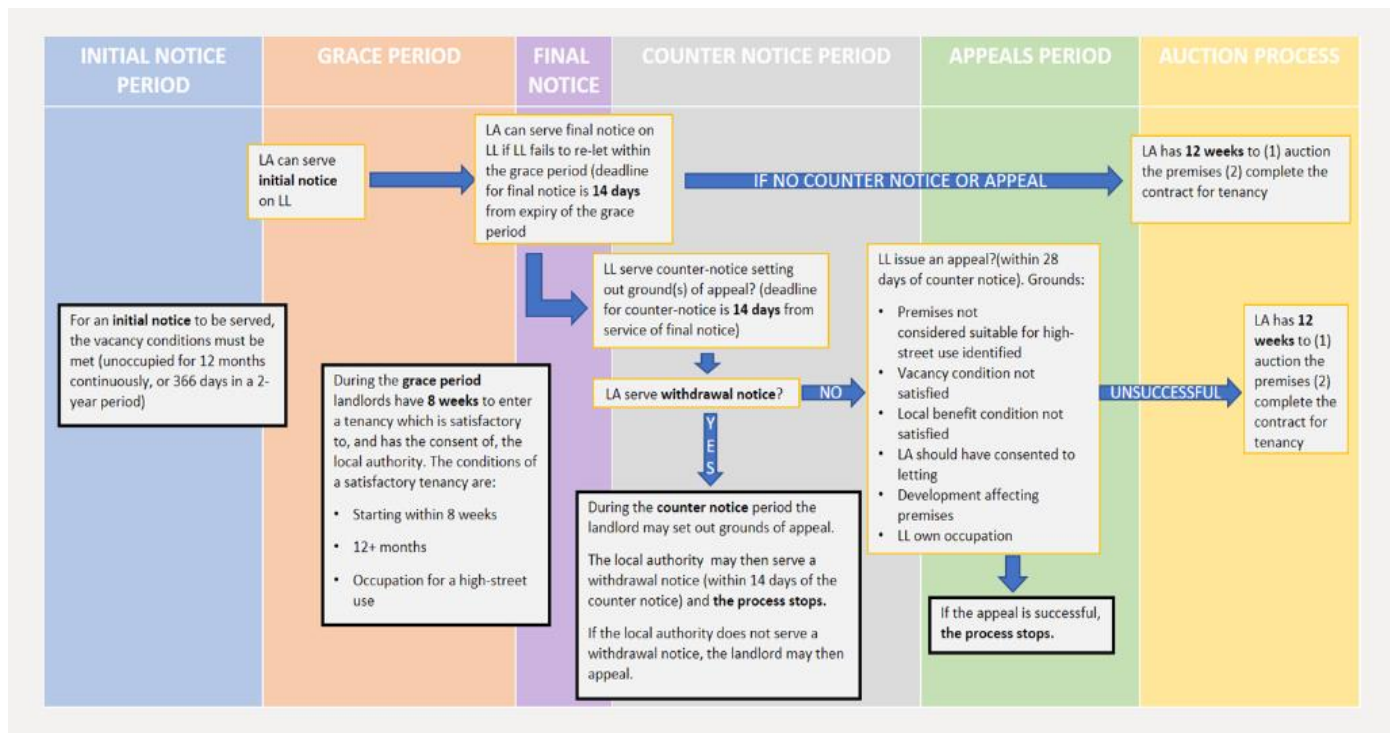


Appendix 1

The High Street Rental Auction Process

Please see the below image to summarise the process.



Please see the below for more detail on the process

Initial Letting Notice

This is required to be served by the Local Authority if both of the following conditions are met; the premises has been unoccupied for: (i) the whole of the immediately preceding year; or (ii) 366 days in the immediately preceding two years *and* that the local authority is satisfied that the occupation of the premises for a suitable high street use would be beneficial to the local economy, environment or society.

Grace Period

Once the Initial Letting Notice has been served, an eight-week Grace Period begins. During this period, landlords are required to do up their utmost to enter a tenancy which is satisfactory to, and has the consent of, the local authority. The conditions of a satisfactory tenancy are that it starts within the eight-week Grace Period notice, the length of the tenancy is at least 12 months and that occupation is for a high-street use.

Final notice

Local Authorities can serve Final Notice on the landlord if the landlord fails to re-let within the grace period (the deadline for issuing a Final Notice is 14 days from expiry

of the Grace Period). Under a Final Letting Notice, the landlord cannot grant a lease/license without the consent of the local authority.

If, after 14 days of the Final Notice being served, there is no Counter Notice served by the landlord, the local authority can start the auction process.

Counter Notice Period

During the Counter Notice Period, the landlord can then serve a Counter Notice setting out ground(s) of appeal (the deadline for submitting a Counter Notice is 14 days from service of the Final Notice).

The Local Authority may then serve a Withdrawal Notice (within 14 days of the submission of the Counter Notice) and **the process stops**.

If the Local Authority does not serve a Withdrawal Notice, the landlord may then appeal.

Appeals period

The landlord may issue an Appeal (within 28 days of a Counter Notice submission). Grounds for appeal include:

- Premises not considered suitable for high-street use identified
- Vacancy condition not satisfied
- Local benefit condition not satisfied
- Local Authority should have consented to letting
- Development affecting premises
- Landlord intends for their own occupation

If the Appeal is successful, **the process stops**.

Auction process

If the Appeal is unsuccessful, or if there is no Counter Notice or Appeal in the first place: the local authority then has 12 weeks to (1) auction the premises (2) complete the contract for a tenancy.

The Local Authority's power to contract arises when 42 days has elapsed since the delivery of a Final Letting Notice, a Rental Auction has been carried out and the premises has not been let.

The premises must be used mainly for the high street use designated prior to the Rental Auction, the term must be at least one year but no more than five, the letting will be outside security of tenure, the letting must satisfy certain criteria from the Act and that rent payable will be determined through the Rental Auction process.

Landlords would be obliged from their own costs, to bring the premises up to a minimum standard ensuring that the premises are safe, secure and stable.

Regarding marketing, the Local Authority would need to list all potential High Street Rental Auction properties on their website and is responsible for putting together the auction packs.