Dear Lessee

On Thursday, 27th of July, we completed the four-day arbitration hearing with PKW regarding the disagreement between Valuers over the January 2024 rent review.

While we are confident the legal argument put forward by our legal counsel, Richard Fowler KC, supported by our expert witnesses John Larmer and Rowan Cambie was strong and is supported by a lot of case law, as expected, it faced formidable pushback by PKWs legal team of Jack Hodder KC and expert witnesses Ranald Gordon and Blue Hancock.

The nub of the issue remains whether the cost of compliance with current regulations required to develop land from its original unimproved state to its current land use should be considered when assessing unimproved value at the date of valuation.

We now have to wait for the decision of the arbitrator Raynor Asher which may take some months or in his words “in due course.” I know this undefined time delay is unhelpfully vague but something we have no choice but to accept.

Regarding the cost of this process, we are yet to receive our biggest bills from our KC and nothing yet from our Arbitrator. It is our expectation that we may need to levy lessees again later in the year to cover costs. We will be in a better position to give you a full breakdown of costs and how our finances are looking by our AGM in November, but I just wanted to flag that now as a possibility.

We realise this whole legal process is very drawn out, expensive, and uncertain, but we are confident we are on strong legal ground, and feel we have no alternative but to stand together to protect the value of our assets.