



Pubs Code  
Adjudicator

# What Tied Pub Tenants Need to Know

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## Rent Assessments and Rent Assessment Proposals



## How to use this factsheet:

This factsheet is for tied pub tenants who want to know more about the duties of pub-owning businesses in relation to **rent assessments** and **rent assessment proposals**.

It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website contains other useful information about accessing your Pubs Code rights and the PCA's role as regulator in enforcing those rights: [www.gov.uk/pca](http://www.gov.uk/pca)

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### At a glance... rent assessments and rent assessment proposals

At your rent review your pub company will be required to carry out a rent assessment under the Code and provide you with a rent assessment proposal (RAP). A RAP contains information about how the proposed rent was calculated and should assist you to better understand and negotiate the rent.

You may also request a rent assessment if you have not had one for five years or in certain exceptional circumstances (set out by the Code).



## Terms and abbreviations

Term/abbreviation	What it means
Code	The Pubs Code etc. Regulations 2016
PCA	Pubs Code Adjudicator
POB	Pub-owning business (often referred to as pub companies)
TPT	Tied Pub Tenant
Rent Assessment	An assessment of the rent you must pay in relation to an existing tenancy.
RAP	Rent Assessment Proposal (a proposal made in line with Part 4 of the Pubs Code).
Rent Review Date	Date from which the terms of the tenancy require the rent (or money payable instead of rent) to be payable following a rent review.
MRO	Market Rent Only
Market Rent	The estimated rent it would be reasonable for you to pay to occupy the premises under a MRO-compliant tenancy.
MRO Option	The option for you to occupy the tied pub under a MRO- compliant tenancy and to pay a rent you have agreed with the POB in line with the MRO procedure or, failing such agreement, the market rent.
MRO Notice	A written notice you give to the POB to request the MRO option when an event occurs that gives you the right to make this request, as set out in the Code.
MRO Procedure	The procedure to be followed in connection with the offer of a market rent only option.

# Rent Assessments

## What is a Rent Assessment?

A rent assessment is an assessment of the rent you must pay in relation to an **existing tenancy**.

Where the POB is required to conduct a rent assessment, it must send you a document called a **Rent Assessment Proposal (RAP)**. This is the start of the rent assessment.

Receiving a RAP is a **Market Rent Only (MRO) event** which gives you the **right to request a MRO option** (to go free of tie).

### Note: A RAP is different to a rent proposal.

Under the Code, you may request a rent proposal in relation to a **new agreement** or a **change** in the amount of rent payable (or money payable instead of rent) under your existing tenancy. For example, if there is a change in rent because you have received a corresponding benefit from the POB.

Receiving a rent proposal does **not** give you the right to request the MRO option.



For **more information** about:

- **the MRO option** see factsheet: [What Tied Pub Tenants Need to Know – Market Rent Only \(MRO\) Rights](#).
- **Rent proposals** see factsheet: [What Tied Pub Tenants Need to Know about Rent Proposals](#)

## When must the POB conduct a rent assessment?



See Pubs Code – Regulation 19

There are **two** routes to receiving a rent assessment.

1. The POB must conduct a rent assessment in connection with a **rent review** which is required under the terms of your tenancy.

A rent assessment in connection with a **rent review** which is required under the terms of your tenancy:

The following are **not** rent reviews for this purpose:

- a) an annual or other periodic indexation of rent
- b) a change in rent in connection with you receiving a corresponding benefit from the POB
- c) a change in rent in connection with freeing you from a product or service tie
- d) discussions about rent changes that are carried out within a business review provided for in the tenancy.

2. In **certain circumstances**, the POB must also conduct a rent assessment in response to your **request**.

You can make a **written request** for a rent assessment in any of the following circumstances:

In the last 5 years, no rent assessment has ended and no rent review has concluded.

There has been a **significant increase in the price** at which a tied product or tied service is supplied to you.

(there is a **time limit** for making your request - see next section)

You demonstrate that a **trigger event** has occurred, which will have a significant impact on trade. You must do this by sending the POB a written analysis of the level of trading which is forecast for 12 months or more from the date of the request.

(there is a **time limit** for making your request - see next section)

For **more information** about:



**A significant increase in price** see factsheet: [What Tied Pub Tenants need to know about Significant Increase in Price](#)

**A trigger event** see factsheet: [What Tied Pub Tenants need to know about Trigger Events](#)

## How long do I have to request a Rent Assessment?



See Pubs Code – Regulation 19

Where your request relates to a significant increase in price or a trigger event, the POB must receive your written request within **14 days of:**



- **For a significant increase in price** – the day you receive notification of the increase.
- **For a trigger event** – the day you send your written analysis to the POB.

There is **no** time limit for requesting a rent assessment if, in the last 5 years, no rent assessment has ended and no rent review has concluded.

## When must the POB provide you with the RAP?

If the rent assessment relates to:



- a **rent review** - the POB must provide the RAP **at least six months before the rent review date**.
- your **written request** - the POB must provide the RAP **within 21 days**, starting the day you request it (if it's a valid request under the Code).

## What must the RAP include?



See Pubs Code – Regulation 20

- A proposal for the new rent you will pay at the end of the assessment.
- The information in [Schedule 2](#) of the Code (if reasonably available to the POB).
- Other information you may need to negotiate the new rent in an informed way.



The POB must prepare the RAP in line with RICS guidance. A member or fellow of RICS must confirm in writing that the POB has done this.

The POB must then give you this written confirmation with the RAP.

## How must the POB conduct the Rent Assessment?



See Pubs Code – Regulation 21

### The POB must:

- provide you with any **further information** that you, or someone acting for you, reasonably requests which is relevant for the negotiation of the new rent. If the POB cannot do this, it must reasonably explain why.
  
- advise you to take **independent professional advice** about the new rent before you agree to it.

If the rent assessment is in connection with a **rent review**, the POB must also:

- make sure a person who is involved in preparing the RAP **visits your pub** to gather information about its location and layout. The visit must be within the 3- month period before you receive the RAP.



The POB must conduct the rent assessment in line with RICS guidance. A member or fellow of RICS must confirm the POB has done this.

### You must:

- continue to pay the **current rent** (the rent payable at the start of the assessment) until the rent assessment ends. The new rent will be payable from the day after the rent assessment ends (this is regardless of when you agree the new rent).

**Note:** There are arrangements for paying or recovering any difference between the old rent and the new rent for the period of the rent assessment. See the “[Rent Recovery](#)” section on P.9 of this factsheet.

- give any agreement to the new rent **in writing**.

**Note:** See next section “[When does the Rent Assessment end?](#)” for what this means if you are going through the MRO procedure.

## When does the Rent Assessment end?

 See Pubs Code – Regulation 22

If the rent assessment is in connection with a **rent review**:

The rent assessment ends on the **rent review date**

**or**

if you have not agreed the new rent by the rent review date, the rent assessment ends the date you and the POB **agree the new rent in writing**.

If the rent assessment is in response to your **written request**:

The rent assessment ends **six months after the date the POB provided the RAP**

**or**

if you have not agreed the new rent six months after the POB provided the RAP, the rent assessment ends the date you and the POB **agree the new rent in writing**.

If you are going through the **MRO procedure** and a **rent assessment** (or assessment of money payable instead of rent):

The **rent assessment** (or assessment of money payable instead of rent) will **end** if:

- you have sent the POB a MRO notice; **and**
- you and the POB enter into a tenancy before the assessment is agreed (it ends on the date you enter into the tenancy).

The **MRO procedure** will **end** if:

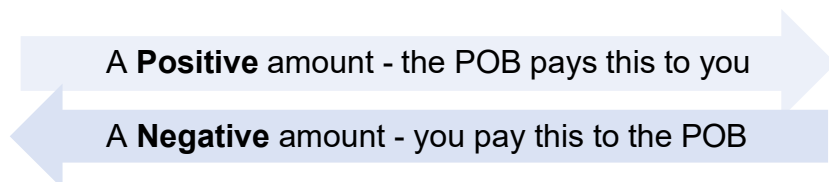
as part of the rent assessment (or assessment of money payable instead of rent) you **agree the new rent in writing** (it ends on the date you do this).

If you are going through the MRO process, the POB should allow you to agree the new tied rent in principle without it ending the rent assessment.



## Rent Recovery

Before you agree the new rent, you and the POB must agree in writing the **arrangements** for paying the **recoverable rent** (see next section). The arrangements must include that where the recoverable rent is:



### How do I work out the recoverable rent?

To work out the recoverable rent, you first need to work out the **rent recovery period**.

The rent recovery period **starts** the date the new rent should have come into effect and **ends** the date the rent assessment ends.

The **following table** may help you to work out any **rent recovery period**:

What is your rent assessment connected to?	When was the new rent agreed?	Is there a rent recovery period?	Start of rent recovery period	End of rent recovery period
Rent Review	On or before the rent review date	No	There is no rent recovery period because the rent assessment will end on the rent review date. The new rent will be payable the day after the rent review date.	
	After the rent review date	Yes	Rent review date	Date new rent agreed in writing (as this ends the rent assessment)
Written Request	Within six months of the POB providing the RAP	No	There is no rent recovery period because the rent assessment will end six months after the POB provided the RAP. The new rent will be payable the day after this six-month period.	
	More than six months after the POB provided the RAP.	Yes	Day after the six-month period from when the POB provided the RAP	Date new rent agreed in writing (as this ends the rent assessment)

Once you have worked out the rent recovery period you can calculate the **recoverable rent**.

 **See Pubs Code – Regulation 21**

The **recoverable rent** is the difference between:



- the amount of rent you paid for the rent recovery period (i.e. when you were paying what is now your “**old rent**”); and
- the amount you would have paid had you been paying your “**new rent**” for that period.

## The POB has not done what the Code requires in relation to the Rent Assessment or RAP. What can I do?

If the POB has not acted in line with the Code you may be able to make an **arbitration referral to the PCA**. To make a referral, you must first do the following:

1. **Notify the POB** of the alleged non-compliance.
2. Allow **21 days** to pass beginning with the date you notified the POB.
3. Make an arbitration referral to the PCA within **4 months** beginning with the date you could have first made the referral.



If you have any queries or concerns about your rent assessment or your other Code rights, you may contact your POB’s **Code Compliance Officer (CCO)**.

To find out more about the role of the CCO and for their contact details, please see our helpful [factsheet](#)

If you have a dispute with your POB about whether it has complied with its duties under the Code, you may be able to refer the dispute to the PCA for arbitration. To make an arbitration referral, please complete the [Referral Form](#).

For **more information** about:

- **Making a referral to the PCA and what may be referred** see our [factsheet on Pubs Code disputes](#).
- **Getting help and support** with the Pubs Code and arbitration, see our helpful [factsheet](#).

## The POB must not subject you to any detriment for using the Pubs Code

### See Pubs Code – Regulation 50

Your POB must not subject you to any detriment because you exercise, or try to exercise, any right under the Code. You can report this to the POB's CCO or make an arbitration referral if appropriate.

## Unenforceable terms

### See Pubs Code – Regulation 57

A term in your tied agreement cannot be enforced if it:

- penalises you for requiring the POB to act, or not act, in accordance with your Code rights;
- provides that only the POB can initiate a rent review (or review of money payable instead of rent); or
- that a review may only determine that the rent (or money payable instead of rent) is to be increased.

## Questions about this factsheet

For **general queries** about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our [online enquiry form](https://www.gov.uk/pca) at [www.gov.uk/pca](https://www.gov.uk/pca)



Email: [office@pubscodeadjudicator.gov.uk](mailto:office@pubscodeadjudicator.gov.uk)



Call **0800 528 8080** to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

**You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.**

## Find out more

Follow the PCA on social media [@pubscodepca](https://twitter.com/pubscodepca)



Access other PCA factsheets in the series:

[\*\*'What Tied Pub Tenants Need to Know'\*\*](#)



Last updated: June 2023

