Subletting - What you need to know



If you rent your leasehold property to another party, rather than occupying it yourself, then it is known as subletting. If you are already subletting your flat, or considering doing so, please read this guide carefully. It is important that you understand your obligations under your lease and also pass on the relevant information to your tenants.

This advice is of a general nature and you should refer to your lease to confirm the specific regulations and covenants you and your tenants are required to comply with. Where you are not sure you should take advice from your solicitor or letting agent. Please do not take this guidance as legal advice. We can accept no liability for this advice, and we reserve the right to alter or amend it at any time without notice.

Your Lease Obligations

When you became a leaseholder, you agreed to comply with the terms of the lease. Covenants are obligations relating to the property, which you must adhere to such as keeping it in good repair, paying your service charge and obtaining consent for certain actions. If you don't comply with these rules you are 'in breach' of your lease and legal action can be taken against you.

If you sublet your flat, you will be liable for the actions of your sub-tenants in relation to the lease so it's important that you inform them about any covenants relevant to them. For example, if there are restrictions on noise, the use of car parking spaces, and the use of services. If your sub-tenants behave unreasonably, action may be taken against you and so in order to minimise the risks we recommend that you and / or your agent;

- are very careful about taking up references for any potential sub-tenants;
- make the sub-tenants aware of the covenants under the lease that they need to comply with;
- take immediate action to investigate and resolve any complaints about your sub-tenants.

Before Subletting

Before subletting you must check that you are permitted to sublet under the terms of your lease and whether you need to obtain any consent or licence to do so.

If your lease requires your freeholder's or the management company's permission to sublet, make sure you apply for such permission in good time.

If you have a mortgage you will probably be required to seek permission from your mortgage company to sublet.

Possible Restrictions

Many leases only allow the occupation of a property by a single family and for solely for residential purposes. Short term service lettings by the day or week are regarded as carrying on a business and may not be permitted under your lease.

There may also be restrictions on the type of occupiers imposed by the building's insurance policy e.g. student lets are often excluded. Please check this before you agree a let. You may be held liable if you let your property to occupiers excluded under the policy and additional premium is required or the insurer refuses to meet a claim.

The majority of leases do not permit sub-letting of only part of a flat e.g. the letting of one room.

Some leases will only permit subletting where the sublet is under an Assured Shorthold Tenancy.

Other Considerations

There are an increasing number of health and safety obligations required to be met by private landlords. We strongly recommend that you appoint a professional lettings agent to help you with this compliance.

Please provide them with a copy of this guidance and remind them that they should not affix any 'to let boards' or signs at the property.

Please ensure that you or your agent correctly inform prospective tenants about the key lease covenants.

For example, where a lease permits the parking of one private motor vehicle it is important to make your tenants aware, so they don't think they can park more than one car or attempt to park a commercial vehicle.

It is likely that your lease will contain a covenant about pets, and if pets are allowed you will probably require consent from the freeholder or management company for your tenant to keep a pet. It is important that you and the prospective tenant understand the implications and obligations of this to avoid problems down the line if the pet becomes a nuisance.

When a Sublet Has Been Agreed

You must let us know when you have sublet. Nearly all leases require you to advise the freeholder or management company of any subletting. We will need to know:

- An alternative correspondence address which we can use to write to you with service charge demands, notices of meetings, annual accounts etc.
- A contact telephone number and email address which we can use to if we need to contact you with any queries or in the case of an emergency.
- If you are going to be living abroad, please provide us with an address in the UK where documents can be served on you. This is a requirement of some leases.

We have prepared some general advice about renting a flat, which is designed for you to pass on to your sub tenants. We hope this will help inform them of the key things to be aware of when renting a flat and to avoid common mistakes. This guidance can be found at www.neildouglas/advice.

Further Questions or Queries

If you have any questions or queries about subletting that are not covered by this guidance please do get in touch. Further advice and guidance on various topics can be found on our website at www.neildouglas.co.uk/advice

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