

Thorpe Hall – Guide to Sub-let

As the freeholder (Swanside Residents Association Ltd – Swanside) has the same concerns about a sub-tenant as they have about the potential new lessee on the sale of the lease, much of the information they require is identical to that which they require for a licence to assign, and the process is very similar.

- 1.1 If you have taken up references yourself in order to decide whether or not to let your flat to that particular person, it may be possible to use the references you have already obtained, but not a general status report obtained by your letting agents or third party letting reference agencies as such reports do not normally allow third parties to rely on them. Copies of the letters of enquiry must also be provided.
- 1.2 Provide to Swanside the name and address (for the last 5 years) of the tenant to whom you intend to let your flat, and provide details of referees including one financial (bank or building society); employer or accountant (if self-employed), or pension provider (if retired) and previous landlord (if applicable).
- 1.3 If a previous landlord's reference is not available (for example where they have previously been living with parents, a character referee should be identified.
- 1.4 Some banks and building societies are unable to provide suitable references, in these cases copies of 3 months banks statements is a suitable alternative.
- 1.5 Please note that personal references should include the physical address and contact details of the referee and not merely their virtual or email address.

- 2 Provide the sum of £540 on account of anticipated costs for dealing with the Licence to Sub-let, whether or not such Licence and/or the proposed sub-tenancy is granted.

This amount consists of:

Swanside fee (including communal area inspections)	£300
Solicitors filing fee (including VAT)	£120
Refundable damage deposit	£120

Ordinarily these costs will not exceed £540, but if unexpected complications arise or Swanside require alterations to your tenancy agreement this sum may increase. The fee specified above includes the costs to inspect the communal areas for any damage caused by the sub-tenant moving in and out of the property. If no damage is found during the Managing Agent's inspections, £120 INC VAT will either be refunded or rolled over (if a leaseholder is planning to sublet their flat again).

NB – Leaseholders will be liable to cover the full cost of making good any damage caused when their sub-tenants move in and out of the property.

- 3 Provide Swanside with a copy of the tenancy agreement you propose to use. Please note:
 - 3.1 The annual amount of the Rent must always exceed the total of the annual Ground Rent and Service Charge.
 - 3.2 In cases where there is a garage or garage-space, the tenancy agreement needs to include a further provision granting the tenant the right to use the garage or garage-space in accordance with the terms of the Licence, and requiring the tenant to observe and perform the covenants and conditions contained in the Licence except those requiring payment of Licence fees and proportion of contribution to the service fund. Assuming the tenancy agreement to be in the usual form used by most letting agents, starting with brief particulars of the letting, and continuing with detailed terms and conditions setting out the obligations of the parties, the following is suggested for inclusion as a separate provision at the end of the detailed terms and conditions, under the heading "Garage or Garage-Space":-

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1. *As a condition of this agreement and for so long as the tenancy hereby created shall continue, the landlord will allow the tenant by way of sub-licence to use garage/garage-space No X at Thorpe Hall aforesaid for the storage of a private motor vehicle and for no other purpose and without becoming entitled to enjoy exclusive possession thereof strictly in accordance with the terms and conditions set out in the Licence dated xxxx under which the landlord is currently entitled to use the said garage/garage-space and of which a copy has been supplied to the tenant prior to the date hereof as the tenant hereby acknowledges.*
2. *As a condition of this agreement the tenant will observe and perform all the covenants and conditions contained in the said Licence (except the provisions therein requiring the payment of licence fee, ground rent and contribution to the service fund).*

3.3 There must be specific obligation on the sub-tenant to observe the covenants and conditions of the lease except payment of ground rent and service charge.

3.4 In all cases, the following should be included in the tenant's covenants (sometimes entitled "tenant's obligations"), preferably at the end, in order to be easily found:-

To observe and perform all the covenants and conditions contained in the lease under which the landlord holds the property (except the covenants for the payment of rent and proportion of contribution to the service fund).

- 4 Upon receipt of replies, Swanside will review and provided everything is in order, a decision can normally be made within 7 days from the provision of the replies to the references, provided the proposed tenancy agreement is satisfactory.
- 5 Once a decision to grant a Licence has been made Swanside will prepare an engrossment of the Licence for sealing by Swanside, following which it will be sent to you, your Solicitor or Letting Agent as appropriate. Only when this has been received may the sub-letting be completed. The tenancy agreement signed by you and your tenant should not be the actual draft agreement annexed to the Licence to Underlet, although its contents must be the same.
- 6 Within one month of any sub-letting a Notice of Sub-Letting will be filed with the lease by Swanside's solicitors along with a copy of the signed and dated tenancy agreement.

Swanside Residents Association Ltd
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