

# PROPERTY LEASES: ALTERING LEASEHOLD PREMISES WITHOUT TEARS

Alterations may be required by the tenant throughout the period (known as the “term”) of the lease, for example:

- at the beginning of the term when the tenant fits out the premises in order to carry out business at the premises;
- later on in the term, to reconfigure the premises, or install new equipment; or
- at the end of the term, when the terms of the lease will probably require the tenant to remove any alterations it has carried out during the term and make good any damage caused to the premises by that removal (known as “reinstatement”).

Some items which may require the landlord’s consent to install are:

- signs (both external and internal, and if the building is shared with other occupiers in shared entrances and corridors);
- aerials and satellite dishes;
- internal partitioning;
- air conditioning and ducting;
- mezzanine floors and suspended ceilings; and
- electrical sockets, computer and telephone points and light fittings.
- kitchens and bathrooms

## What does the lease say?

Alterations provisions in leases broadly fall into two categories:

- an absolute prohibition. The landlord may still allow the alterations on a case by case basis, but may charge the tenant a premium for doing so; and
- a qualified covenant against carrying out alterations, such as “the tenant may carry out

alterations with the prior written consent of the landlord”. If the lease contains a qualified covenant, in most cases the landlord must act reasonably when making its decision whether to consent to the proposed alterations.

The lease may contain a combination of both types of alterations covenant, so that, for example, it may prohibit alterations that affect the structure, or alter the external appearance of the building, but allow non-structural alterations with the landlord’s prior

consent. Sometimes a lease of office premises will permit the tenant to install and remove demountable partitioning without the landlord's consent, provided that the tenant supplies the landlord with "as-built" drawings once the works have been completed.

Most leases also contain reinstatement provisions, which require alterations to be removed at the end of the term. The lease may oblige the landlord to give notice before the end of the term that it requires reinstatement.

If negotiating for new premises, a prospective tenant should check that any alterations it wishes to carry out are allowed under the provisions of its lease.

### **What will the licence for alterations say?**

If the landlord consents to the tenant's proposed works, the consent will usually be documented in a licence for alterations.

The licence will contain conditions that must be observed and performed. The most usual are that:

- the tenant must obtain and produce to the landlord planning permission (if needed) and any other relevant consents (eg building regulations);
- the works must be supervised by the landlord at the tenant's expense;
- the works must be carried out in a good and workmanlike manner using good quality materials in accordance with approved specifications;
- the works must be completed to the satisfaction of the landlord;
- the works must be completed by a certain date;
- the tenant must indemnify the landlord against all claims arising out of the carrying out of the works; and
- the tenant must notify the insurer of the building and comply with the insurer's requirements in relation to the works.

The landlord will require the tenant to pay its costs in preparing and agreeing the licence to alter.

### **What other consents might be needed?**

Planning permission may be needed. If in doubt, a

tenant should seek specialist planning advice as to whether permission is required. Note that the lease may require landlord's consent for the making of a planning application.

If a building is of particular historical interest or of architectural interest it may be listed. If it is listed then Listed Building Consent is required for alterations that may affect the character of the building. It is a criminal offence to carry out alterations to a listed building without Listed Building Consent

Building regulation approval may be needed for structural alterations.

A surveyor will be able to advise the tenant on which consents are required for the proposed works. We can recommend experienced surveyors and planning consultants, suitable for the nature of the project, the geographical area and the available budget.

## **CONTACT US**

For further information about any of the issues raised in this guide, please contact:



### **ANDREW STEELE**

**Partner**

+44 (0)1483 734219

[andrew.steele@stevens-bolton.com](mailto:andrew.steele@stevens-bolton.com)



### **BETHAN DODD**

**Senior Associate**

+44 (0)1483 401235

[bethan.dodd@stevens-bolton.com](mailto:bethan.dodd@stevens-bolton.com)

Tel: 01483 302264

Fax: 01483 302254

[www.stevens-bolton.com](http://www.stevens-bolton.com)

The information contained in this guide is intended to be a general introductory summary of the subject matters covered only. It does not purport to be exhaustive, or to provide legal advice, and should not be used as a substitute for such advice.

© Stevens & Bolton LLP 2017

Stevens & Bolton LLP is a limited liability partnership registered in England with registered number OC306955 and is authorised and regulated by the Solicitors Regulation Authority with SRA number 401245. A list of the members may be inspected at its registered office.