

Subletting process for homeowners



Overview

Please ensure that your lease allows you to sublet the property. There may be a condition that you must obtain consent before subletting.

All subletting requests should be sent to the Subletting Team at subletting@lqgroup.org.uk.

Holiday lets and houses in multiple occupation are not permitted under any circumstances.

Breaching the terms of a lease can have potentially serious consequences. The legal process starts with a formal notice and could progress to court action to forfeit the lease, which means the lease is terminated, and you would lose your home.

Any arrears on the account must be cleared before we can grant you consent to sublet your home.

1. If you are a **leaseholder**, you should be able to sublet without any issues, but we always need to check your lease terms to make sure there are no hidden restrictions.

If your lease does not allow subletting, but we own the freehold of your property, we may be able to amend the lease via a Deed of Variation.

This document legally and permanently amends your lease to allow you to sublet – subject to our requirements.

You will be responsible for all costs involved, including your legal fees, our legal fees, and an administration fee for us arranging the Deed of Variation. Please refer to the **Homeowner Admin Fees document** for the full list of admin fees.

2. If you're a **shared owner** or bought your home with the help of an **equity loan**, your lease or legal charge does not permit you to sublet. We may consider a subletting request under extremely exceptional circumstances. For example, when:
 - You accept a work secondment to a different location that requires you to move home, and you'll lose your job if you do not accept the offer. Choosing to accept a job offer abroad or in another location is not classed as a job relocation.
 - You're the next of kin or sole carer for a relative and need to provide full-time care (30+ hours per week).
 - Remedial building safety work is required on the building, meaning that the property cannot be sold or is unmortgageable.
 - The remedial building safety works required on the building are likely to last for more than 12 months.

If you are a shared owner looking to sell or staircase but are unable to do so due to the lack of an EWS1 or pending remedial building safety works, you can approach us to obtain our consent to sublet your home. You will be responsible for covering your own legal fees (if you decide to instruct a solicitor) and any legal abortive fees if you decide to withdraw your application at any stage. We will, however, waive our administration fee.

Subletting step-by-step process: leaseholders

Once we receive your enquiry, we will review your lease in order to advise you if you are required to enter a **Notice to Underlet**.

The Notice to Underlet is a legal document that grants you permission to sublet your home to another party.



We aim to address any questions you might have about this process and to open a subletting case **within 10 working days** of registering your interest.



If there is no requirement in the lease to obtain a **Notice to Underlet**, we will send you a **Subletting Occupancy form** for you to complete and return to us, along with our subletting approval (leaseholders) administration fee.



If you must obtain a **Notice to Underlet**, we will ask you to:

- Complete the Subletting Occupancy form and the Notice to Underlet and return it to us
- Pay the administration fee to obtain subletting consent with notice to underlet (leaseholders).



Please refer to the **Homeowner Admin Fees document** for the full list of admin fees.

Option 1 - You are required to make a card payment over the telephone, **0208 189 7465**

Option 2 - you can make this payment via Debit/Credit Card.



We may ask you to provide a copy of the tenancy agreement along with the above information.

All arrears must be cleared at this stage.



If we don't receive the above information **within 3 weeks**, we will send you **two reminders**.

After the final reminder, if we still have not heard from you, we will close our file.



If you provide all of the above, we will arrange for the Notice to Underlet to be signed by an authorised signatory.

Signing of these documents can take **up to five working days**.



A member of our team will update your correspondence address with the address you indicated on the **Subletting Occupancy form**.



We will then confirm in writing that you have been given consent to sublet your home.

Subletting step-by-step process: shared owners and equity loan customers (exceptional circumstances)

Once we receive your enquiry, we will ask you to provide written evidence in relation to your subletting request due to exceptional circumstances.



We aim to address any questions you might have about this process and to open a subletting case **within 10 working days** of registering your interest.



If your request and the evidence you provided doesn't align with the exceptional circumstances criteria, we will contact you to confirm your request has been declined.



If your request meets the exceptional circumstances criteria, you must enter into a Licence to Sublet, but first, we will ask you:

- To complete the Initial Approval to Sublet form and return it to us.
- To pay our administration fee.



Please refer to the **Homeowner Admin Fees document** for the full list of admin fees.

Option 1 - You are required to make a card payment over the telephone, **0208 189 7465**

Option 2 - you can make this payment via Debit/Credit Card.



You are not allowed to make an income from letting your property. The rental amount you plan to charge your tenant should not exceed your monthly mortgage, rent, service charge, ground rent and letting costs.

We will review this information to consent to the total monthly rental figure you propose to charge.



Once we receive the **Initial Approval** to Sublet form and the administration fee, we will instruct our in-house solicitor to draft the **Licence to Sublet**.



If you wish to instruct a solicitor, we have a panel of **independent conveyancing solicitors panel (PDF)** who would be willing to act for you. However, you can proceed without one.



A member of the Subletting Team will contact you to request evidence in relation to the proposed rental amount and a draft copy of the tenancy agreement.



We will review the rental amount evidence and will confirm the maximum monthly rent you can demand.



We will contact you directly to obtain the £300 legal cost associated with the **Licence to Sublet**. All arrears must be cleared at this stage.



Once you provide all of the above, we will arrange for the Licence to Sublet to be signed by an authorised signatory. Signing of these documents can take **up to five working days**.



Our solicitor will then be able to agree a completion date with you and will provide us with your signed copy.



We will then confirm in writing that you have been given consent to sublet your home.



A member of our team will update your correspondence address with the address you indicated on the **Subletting Occupancy form**.



Two months before your **Licence to Sublet** expires, we will send you a reminder to serve your tenant with a Section 21 Notice to vacate your property.



Once the **Licence to Sublet** expires, you either move back to the home, staircase to 100% or sell the home.

Subletting step-by-step process: shared owners (remedial building safety works required)

Once we receive your enquiry, we will check our records to determine the most recent updates on EWS1/ cladding on your block.

If your request is approved, you can sublet your home for up to 24 months.



Once we establish that remedial building safety works are required, we will ask you to complete and return the **Initial Approval to Sublet** form.



If we don't receive a response from you within 1 month, we will close your file.



On receipt of the **Initial Approval to Sublet** form, we will instruct our in-house solicitor to draft the **Licence to Sublet**.



If you wish to instruct a solicitor, we have a panel of **independent conveyancing solicitors panel (PDF)** who would be willing to act for you. However, you can proceed without one.



A member of the Subletting Team will contact you to request evidence in relation to the proposed rental amount and a draft copy of the tenancy agreement.



We will review the rental amount evidence and will confirm the maximum monthly rent you can demand. Please be advised that you are not allowed to make an income from letting your property. The rental amount you plan to charge your tenant should not exceed your monthly mortgage, rent, service charge, ground rent and letting costs.



We will contact you or your solicitor directly to provide you the draft **Licence to Sublet**.



Once you provide all of the above, we will arrange for the Licence to Sublet to be signed by an authorised signatory. Signing of these documents can take **up to five working days**.



All arrears must be cleared at this stage.



Our solicitor will then be able to agree a completion date with you and will provide us with your signed copy.



We will then confirm in writing that you have been given consent to sublet your home.



A member of our team will update your correspondence address with the address you indicated on the **Subletting Occupancy form**.



Two months before your Licence to Sublet expires, we will review our records again to check the status of remedial building safety works:

- If there are no further updates and the remedial works are pending/ ongoing, we may consider giving you an extension for 24 months or in line with the projected completion of the works programme.
- If the EWS1 certificate becomes available, you will need to either staircase to 100%, sell your property via our Resales Team or move back into the property. The Licence to sublet will not be extended beyond the expiry date.