

LETTER OF CONSENT TO SUBLEASE

Guidance Notes



Introduction

This Letter of Consent is for use where you are acting for the landlords in consenting to the tenants sub-letting the whole or part of their interest in a lease to another party.

1. **Condition 1 Definitions**

Delete those definitions that do not apply to your transaction, e.g. Head Landlords, Heritable Creditors etc.

Although the PSG do not consider it necessary, you can if you wish refer to all the letting documentation, in which case the definition of "Lease" should be amended accordingly and the letting documentation listed in the schedule.

2. **Condition 2 Tenants' confirmation**

This is designed to cater for the situation where there is some side agreement which alters the financial terms of the arrangement, having regard to case law (mostly English) on this matter.

3. **Condition 3 Terms of Sublease**

The principal commercial terms of the sublease should be inserted here. Clause 3.2 is particularly important: some landlords' solicitors will not review the draft sublease and will leave the subtenants' solicitors to ensure that it complies with the lease, whereas other solicitors do not take this view. The PSG's preference is for the former approach. Bear in mind, though, that, if there is an irritancy protection agreement or similar arrangement in terms of which the landlords may come into a direct contractual relationship with the subtenants, the landlords will need to review the sublease.

4. **Condition 4 Rental evidence**

This is normally a requirement of most landlords in granting consent to subleases.

5. **Condition 6 Suspensive condition**

Delete if not applicable.

6. **Condition 7 No possession**

This is a requirement which most landlords will want to impose.

7. **Condition 8 Costs**

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This wording should be adapted to suit the circumstances. The Landlords will want to ensure that all their fees and costs are paid promptly and, in view of the member firms' experiences of recovering such fees and costs from third parties in situations such as this, the PSG recommend that the Letter of Consent is not issued until all such fees and costs have been paid.