



Myerson Real Estate

Our guide to the
assignment of a lease for sellers of
commercial property

0161 941 4000
myerson.co.uk
lawyers@myerson.co.uk



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Welcome

We understand the complexities of modern life and the importance of taking care of your business interests. So it's a deep source of satisfaction that so many businesses choose Myerson as their trusted adviser, from assisting with day to day commercial property issues, to advising on large scale developments and investment.

Why Myerson?

At Myerson, we are real estate experts. Putting our clients, their properties and their business at the heart of everything we do means we establish long term relationships and act as trusted advisers.

We are proud to be ranked as 'Top Tier' in the prestigious international directory **The Legal 500** and commended by The Times '**Best Law Firms 2019**'. Therefore, you can rest assured you will receive a high-quality and truly bespoke service.

Our Real Estate Group advises clients on the full range of property matters including the sale and purchase of real estate, landlord and tenant work, commercial and residential property development, investment and portfolio management.

You can find out more about our Real Estate Group by clicking [here](#).



How We Work.

Every client is different, and we are here to support you every step of the way.

Personal, Partner-led Service. Our most experienced solicitors get to know you, your properties and your business inside out. We strive to become your trusted adviser, providing added value and most of all, a genuine, personal service.

The Highest Level of Expertise. Combining commerciality, practicality and legal expertise enables us to deliver every time. Our solicitors are always at the forefront of new business practice and sector specialisms.

A Team You Can Trust. You're in safe hands. We help clients nationwide with complex real estate matters on a daily basis. You can rest assured that our expert team knows its stuff!



Your Solicitors



Joanne Cookson

Senior Associate
Real Estate

0161 941 4000
joanne.cookson@myerson.co.uk



Charlotte Hook

Associate
Real Estate

0161 941 4000
charlotte.hook@myerson.co.uk



Sarah McNair

Solicitor
Real Estate

0161 941 4000
sarah.mcnair@myerson.co.uk

The solicitors that will be working with you are specialists.

All of the solicitors in our Real Estate Group are specialists and have a detailed understanding of commercial property matters and how to best protect you, your property and your business.

Your team of solicitors will provide practical advice and work closely with you, so you can concentrate on what's important, running your business.

You can find out more about our Real Estate Group by clicking [here](#).

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Assignment of a lease

How does a lease assignment (transfer) work?

Firstly, you will need to check that your lease permits assignment.

Normally this will be permitted with the landlord's consent, subject to certain conditions (see below). You, or we, can do it on your behalf, which will include approaching the landlord to request their consent to assign and to give them the details of the proposed assignee.

The 'buyer' (known as the assignee) will usually instruct a solicitor to review the lease and conduct due diligence about the lease and the property. They may require replies to the Commercial Property Standard Enquiries. We will help you prepare the replies to these enquiries. The assignee's solicitor may also raise additional enquiries and conduct property searches.

The assignment document will differ depending on whether or not the lease is registered at the Land Registry.

- If the lease is not registered: the assignment will be by a deed of assignment.
- If the lease is registered: the assignment will be by a Land Registry transfer form TR1.

You may also need a contract between you and the assignee to document any payments and apportionments between you. We will draft these documents and they will be negotiated with the assignee's solicitor.

Once the assignment has completed, the lease will usually require you to give notice to the landlord of the assignment and pay a small registration fee. We will also deal with this on your behalf. The assignee's solicitor will register the assignment at the Land Registry if the lease is registered.

What do I need to agree with the buyer?

You and the assignee will need to agree whether the assignee is making any payment, called a premium, to you for the assignment. This is more common where the lease is for a longer-term, or the property is in a high demand location.

If you are selling your business as well as the lease, our Corporate Team will be able to advise you on this and prepare the documents dealing with the sale of the business.

Other points to agree are:

- Who will pay for the landlord's fees for the consent to the assignment?
- Does the assignee require any variation to the lease? For example, do they need an amendment to the permitted use so that they can conduct their business from the property? Any variation will need to be agreed by the landlord, and it will be at the landlord's discretion.
- What will happen to any rent deposit you have provided to the landlord?



What will the landlord require to give its consent to the assignment of the lease?

The lease may state that the landlord can refuse consent in certain circumstances, for example:

- where there are arrears of rent;
- there is a material breach of covenant by the tenant; or
- where the assignee is not of sufficient financial standing.

There will usually be conditions to any assignment set out in your lease.

The conditions may include that you provide an Authorised Guarantee Agreement, to guarantee the assignee's obligations under the lease and that your guarantor (if you had one) will guarantee your obligations under the Authorised Guarantee Agreement.

The lease may also state that the landlord can request a guarantor from the assignee, and/or a rent deposit.

The landlord will instruct its solicitors to provide the draft licence to assign. The landlord will almost certainly require that you cover its legal costs (which are normally between £1,000 and £1,500 plus VAT).

The landlord's solicitor will request an undertaking from your solicitor before starting to draft the document, so you will need to send the money for the costs to us upfront.



Don't just take our word for it...

"Thank you once again for your work on our matter, the service we've received from Myerson has been second to none".

"The team at Myerson Solicitors is timely and very responsive".

"Thank you very much for all your efforts, the professional and efficient management of the matter and the excellent advice we received from you".

"The team at Myerson are client-friendly and clear and incisive thinkers".

"The members of the team are exceptional – proactive, excellent communicators, engaging and consistently highly effective".

"I have total confidence in the advice and support I received".

To view more Myerson reviews visit our Review Solicitors page by [clicking here](#).



You're in safe hands!

If you would like further information about how we can help you, or if you have any questions, please don't hesitate to contact a member of our Real Estate Group today.

Call: 0161 941 4000

Click: myerson.co.uk

Email: lawyers@myerson.co.uk



Because
life is rarely
black and
white.



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Myerson Solicitors LLP

Grosvenor House, 20 Barrington Road, Altrincham WA14 1HB
Tel: 0161 941 4000 | Fax: 0161 941 4411 | DX19865 Altrincham
lawyers@myerson.co.uk | www.myerson.co.uk | [@myersonllp](https://twitter.com/myersonllp)