



# Commercial Leaseholder

**Handbook**

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This handbook is designed to help you as the leaseholder identify your rights and responsibilities under your lease and is an important reference point if you are ever unsure.

This handbook has been developed to offer simple helpful advice and guidance on issues that may arise, however it is always recommended that you seek your own independent professional advice if necessary as to your rights and obligations under the lease. Nothing intended in this booklet is to negate the need for professional legal advice.

## 02 | Moving In

Once leases have been signed by both parties and formally agreed you will be responsible for the property including responsibility for payment of business rates (which you will need to contact Newcastle Borough Council to arrange), utilities (including any necessary uncapping of services), arranging your own content insurance and payment of rent (save for any rent free periods), insurance and service charge (if applicable). Please note, insurance and service charge are payable during any rent free periods which is outlined in the agreed heads of terms. Please see the next section for more detailed information around your responsibilities.

The Commercial Property Law Coordinator will arrange a visit within the first six months to see how you are settling in and to assist you with any issues or queries you may have.

If you would like to set up a representative on your account (someone who is not a leaseholder but you would like to give permission to access your account for the purpose of information, paying rent, etc) please let us know. You will need to put a password on your account to be able to add a representative as you will need to share the password with them. When your representative contacts us on your behalf, we will ask them for the password. We will not share information with anyone unless they are set up as a Personal Representative and can give us the password you have set up.

## 03 | Your Responsibilities

Your responsibilities which you owe to Aspire under your lease are referred to as “the tenant covenants”.

### You are required to:

- **Grant** - Pay the Annual Rent and any VAT in respect of it, pay the Insurance Rent, pay all interest payable under the lease and to contribute towards any service charge contributions applicable (if on a service charge lease);
- **Rights excepted and reserved and Third Party Rights** - Observe the rights which Aspire has in relation to the property and parade and also observe the rights which any other person(s) may have;
- **Insurance** - Please refer to the insurance clause within your lease. Aspire will insure the building of the property but you will need to ensure you have adequate insurance for public liability, contents and plate glass;
- **Rates and taxes** - Pay all the business rates and taxes in respect of the property and any BID contributions (if within the BID area);
- **Utilities** - Pay all costs in connection with the supply and removal of utilities to or from the property;
- **Common items** - Pay towards the costs payable by Aspire for the maintenance, repair, lighting, cleaning and renewal of the structure and exterior to the building to the property and also towards any items on the parade which are used in common with other tenants on the parade (if applicable);
- **Costs** - Pay Aspire’s costs and expenses incurred in connection with or in contemplation of enforcement of any of your responsibilities, the service of any notice, the preparation and service of any dilapidations, any consent or approval required under this lease;
- **Registration of lease** - Apply to register your lease at the Land Registry (if applicable). Your solicitor will need to do this;
- **Assignments, Underlettings, Sharing occupation, Charging** - Observe the requirements in your lease with regards to alienation (Assignments, Underletting, charging or sharing occupation of the property);
- **Repair** - Keep the property in good condition and repair (please see the repair clause within your lease for more details);
- **Break clause** - If applicable, comply with any break clause conditions;
- **Decoration** - Decorate the property as often as necessary (please see decoration clause within your lease for more details);

- **Alterations** - Observe the requirements regarding alterations and do not carry out any external or structural alterations to the property;
- **Signs** - Put up signs in accordance with your lease;
- **Encroachments, obstructions and acquisition of rights** - Observe the clause within your lease regarding encroachments, obstructions and acquisition of rights (e.g. do not grant any rights to any other person in respect of the property, do not obstruct any means of access over the property or parade etc);
- **Compliance with laws** - Ensure compliance with all laws relating to the property and parade. Provide certificates to show compliance e.g. fire assessments, legionella testing, electrical inspection, gas safety, Asbestos at Work and Health and Safety Regulations etc.
- **Indemnity** - Keep Aspire indemnified against all liabilities, expenses, costs, claims, damages and losses suffered or incurred as a result of your breach of any of your responsibilities owed in this lease.

## 04 | Paying Your Rent

Your lease states that you should pay by Direct Debit. This is the most convenient way to pay your rent on a regular basis through your bank account. Setting up a Direct Debit is quick and easy. Simply call **01782 635200** and we’ll help you set one up over the phone. If you have a bank account but are unable to pay by Direct Debit it may be possible to pay on a regular basis by standing order. Please discuss this option with us.

You can now use our online portal to pay your rent, report a repair and communicate with Aspire. To create an account, please visit: [www.aspirehousing.co.uk/create-an-account](http://www.aspirehousing.co.uk/create-an-account)

### Paying your rent should be a priority.

If you miss any payments on your rent account this is known as being in arrears. It is important that any rent arrears are not ignored as they can build up to a large amount and become very difficult to pay off. Please remember, if you regularly fail to pay your rent, we will start legal action which could result in forfeiture on your lease.

If you are unable to pay your rent for any reason **please contact us as soon as possible.**

## 05 | Our Responsibilities

Responsibilities which we owe to you under your lease are referred to as landlord covenants.

### We are responsible for:

- **Insurance** - putting insurance in place to insure the building to the property and parade (if applicable) against any damage caused by an insured risk;
- **Landlord's covenant for repair** - we will carry out any necessary repairs to the structure and exterior parts of the building to the property and also any maintenance, repairs and cleaning of all items which serve the property together with other properties on the parade. This includes repairs to the footpaths, road ways leading to the property, any repairs to any services e.g. water pipes, electricity cables etc, maintaining any common areas such as staircases, external yards, ensuring any parades are free from litter and carrying out periodic deep cleanses to deal with issues such as weeds, etc;
- **Assisting with any antisocial behaviour that may occur.**

## 06 | Alterations

You are not permitted to make any external structural alterations under your lease. Prior to carrying out any internal, non-structural alterations to the property, including signage, you must obtain Aspire's consent in writing. Please contact the Commercial Property Law Coordinator. A formal licence to work may be required.

Prior to any minor works involving drilling or alterations you must consult the Asbestos Register to ensure that you are not exposing yourself, employees, agents or contractors to any hazard. Should works involve the removal of asbestos you MUST use a qualified contractor and provide the relevant consignment notices to Aspire upon completion.

Planning Permission may or may not be required. It is your responsibility to check whether or not Planning Permission/Building Control approval is required. A copy of any certification must be sent to the Commercial Property Law Coordinator. You are also required to send copies of any subsequent consents to the Commercial Property Law Coordinator such as Building Regulations. Failure to comply with the above can lead to your alterations being removed and the costs involved recharged to your tenancy.

## 07 | Repairs and Emergencies

You will need to refer to your lease to see the extent of your repairing obligations which can be found under the Tenant's covenant for repair clause.

You will most likely be responsible for internal repairs and maintenance to the property, including repairs and maintenance to:

- All the fixtures and fittings inside the property that are installed (including the water supply, sanitary fittings, gas, electricity and heating appliances);
- Decoration as and when required but must be carried out in the last three months of the term (please see the decoration clause within your lease for more details);
- Replacement of all internal doors and from time to time replacement of fixtures and fittings including sinks, toilet, cupboards etc. All glazing (excluding external frames) which become cracked or broken should be repaired as soon as possible. You will be responsible for cleaning the inside and outside of all windows;
- The front and back door to the property and repairs which are necessary to ensure security of the property and any repairs to window locks, roller shutters, door entry systems and burglar alarms, where fitted;
- All floor, wall and ceiling finishes and other internal non structural parts of the property. Floor coverings must be replaced within the last three months of the term with new ones of a good quality etc.

This list is not exhaustive. If there is any doubt as to who is responsible please contact us.

Please be aware that any repairs you report will be recharged to you through the service charge, if your lease allows.

**In the case of an emergency outside of office hours you should also contact us on: 01782 635200**

**You can report a repair by:**

**E-mail – [enquiries@aspirehousing.co.uk](mailto:enquiries@aspirehousing.co.uk)**

**Facebook - [www.facebook.com/AspireHousing](https://www.facebook.com/AspireHousing)**

**Online form - [www.aspirehousing.co.uk/your-home/repairs-and-maintenance/report-a-repair](http://www.aspirehousing.co.uk/your-home/repairs-and-maintenance/report-a-repair)**

You are required to use the property for the use which is permitted by your lease (please refer to the permitted use definition for reference). You may or may not require planning permission to use the property as you require. It is your responsibility to check whether or not Planning Permission/Building Control approval is required. A copy of any certification must be sent to Aspire's Commercial Property Law Coordinator. You are also required to send copies of any subsequent consents to the Commercial Property Law Coordinator such as Building Regulations.

## 09 | Service Charge

Where shops are part of a larger property or block there is likely to be communal areas which will remain the responsibility of Aspire. If your lease permits, we will recover the costs relating to the maintenance of these areas via a service charge.

### This generally includes:

- Building Insurance
- Repair and Maintenance
- Cleaning Services
- Grounds Maintenance

If you are on a service charging lease you will receive an estimated service charging invoice in March which includes an estimate for work to be carried out for the following financial year (April-Mar). The amount will be added to your rent account and will be split over the year.

In September you will receive an actual invoice for the works carried out for the previous financial year. This actual invoice may mean that you owe more due to repairs that have had to be carried out to the parade and will be added to your account. If we have overestimated works then funds will be credited to your account accordingly.

If you fall into arrears it is important that you contact us. We will do everything we can to help you sort out your difficulties. If you do not contact us to make an arrangement we will take legal action against you to recover arrears. The consequences of this action can be serious and can:

- Cause you to incur additional legal charges;
- Affect your credit rating;
- Affect your occupation of the property.

Legal recovery is a last resort. We urge all tenants to contact us if they fall into arrears.

We offer a **Money Advice Service** that may be of help to you.

Please visit [www.aspirehousing.co.uk/money-advice-1](http://www.aspirehousing.co.uk/money-advice-1) for more information.

## 11 | Insurance

It's vital that the property let to you is properly covered for certain risks.

These are specified in the lease as being the responsibility of the tenant and are:

- All public liability, contents cover and plate glass cover;
- The tenant shall be solely liable for all premiums or payments in connection therewith. Copies of the policies and premium receipts in respect of these insurances shall be made available to the landlord upon request;
- Tenants' fixtures and fittings, stock and chattels, accidental damage and employers' liability for staff, contents, public liability and third party liability including business loss.

In the event of any damage, giving rise to a claim, please inform the Commercial Property Law Coordinator immediately, giving full written details of the incident in order that the insurers can begin to investigate the loss without delay.

## 12 | Statutory Compliance

As a responsible landlord, it is our duty to ensure our properties are legally compliant and safe. It is your responsibility to comply with all statute, common law and other relevant codes of practice/regulations affecting the premises you occupy. This includes statutory compliance covering (but not limited to):

- **Asbestos** – we will provide you with an Asbestos Management Survey when you occupy the property which is a requirement under Control of Asbestos Regulations 2012. This needs to be kept in the property. You as the tenant are responsible for the safe management of any asbestos within the property. Aspire will carry out a Duty to Manage Asbestos inspection (where applicable) as a minimum annually which you must allow access for.
- **Gas (if applicable) and Electrical Safety** - Upon request at the start of your lease we will provide you with the current gas and electrical safety certificates for the property, it is then up to you to ensure the property meets safety regulation and this includes all components within the property.

It is your responsibility to provide an annual gas certificate in the correct format (if applicable) and electrical inspection condition report (EICR) within the recommended re-inspection period as detailed on the previous report. You are responsible for completing any remedial work detailed in the gas and electrical safety certification which makes the installation unsafe, examples being “At Risk” or “Immediately Dangerous” gas work (or any work detailed on the certificate making the installation unsafe) and any C1, C2 or FI remedial work as detailed on the EICR.

It is your responsibility to ensure Aspire receive a copy of the gas or electrical certification no later than the expiry date of the previous certificate and that all work is undertaken by a suitably qualified person registered with the appropriate governing body i.e. Gas Safe Register, NICEIC etc.

If you do not provide a copy of the gas or electrical certificate Aspire will arrange for the work to be carried out on your behalf which will be re-charged to you.

- **Fire Safety** - it is your responsibility to ensure you have a valid Fire Risk Assessment (FRA) for your property and that all remedial work identified is completed in a timely manner.

- **Health and Safety at Work** - including ladders, safety glazing, gas safety, ventilation, food hygiene, Portable Appliance Testing, COSHH regulations, Disability Discrimination Act, Pressure systems and equipment in confined spaces.

Please see the clause in your lease “Compliance with laws” for a full list (as applicable) of compliance certificates that need to be made available to us on demand.

## 13 | Property Inspections

As your landlord we have a right to inspect the property. Our agents may carry out the inspection on our behalf and we will write to you to confirm a date and time. They will need access to all areas of the property so please make this available to them. The inspections are carried out on an annual basis and may lead to follow up visits. We will be looking at the following:-

- Checking to that you have not undertaken any alterations without landlords consent;
- Making sure that your gas/electric certificates are up to date;
- Reviewing your Fire Risk Assessment and ensuring compliance;
- Reviewing the asbestos survey under duty to manage
- You are keeping the premises in accordance to your obligations within your lease e.g. decoration and repairs.



## 14 | Assigning Your Lease

If you wish to assign your lease please contact us to discuss. To assign your lease to another Tenant you will require Aspire's consent to the proposed assignment and will be required to fulfil certain conditions e.g. a condition that you enter into an authorised guarantee agreement to guarantee the incoming tenant's performance of the tenant's responsibilities in this lease, that all rent payments are paid to date etc. (Please refer to the assignment clause in your lease for more information).

**There will be fees associated with the assignment of your lease. These include:**

- Covering Aspire's legal fees in providing consent to the assignment (Aspire will document their consent by providing you with an agreement called a Licence to Assign. You will be required to enter into this agreement and will be responsible to perform certain obligations to Aspire under it);
- Paying any premium if required by Aspire (if applicable);
- Covering your own legal fees in respect to agreeing and entering the licence to assign; and
- Covering your own legal fees in respect of entering into an agreement with the incoming Tenant to assign. This agreement is known as a Deed of Assignment and is the document which is used to transfer the lease from you to the incoming Tenant.

**Below is a list of information which Aspire will require from you in order to provide consent to your proposed assignment:**

- Contact details - Name, address of the proposed assignee
- Proof of Address
- Credit check (our agents will arrange for this to be carried out and there is a fee for doing so)
- Photo ID (Passport/driving license)
- National insurance number
- Confirmation that the existing use will remain the same

You will also need to provide details of your solicitors and the assignees solicitor for the transaction. The assignee will be required to pay a three month rent deposit.

## 15 | Terminating Your Tenancy

If your lease has a break clause, this is the official date agreed by the landlord and tenant where the lease can be 'broken' without anyone facing a penalty. As a tenant, you need to give us the notice specified in your lease that you are using the break clause. There may also be conditions to exercising the break. The break might be conditional on the following:

- That you are up to date with the Annual Rent;
- That you provide Aspire with vacant possession of the property;
- That you have not breached any of the responsibilities you owe Aspire under your lease.

Before your lease ends, usually 6–8 months prior we will contact you telling you that your lease is due to end and issue you a with a 'Section 25 Notice'. This is a legal notice to initiate the process of renewing your lease should you wish to do so.

Our agents will make arrangements to come out to the property to carry out inspection and following on from this will write to you with what the proposed market rent for the property you are occupying. Should you wish to renew your lease the terms will then be agreed and all parties and legal representative instructed.

If you decide that you don't want to renew the lease then inform us as we will need to arrange for a "To Let" board to be put up. Our agent will also carry out a dilapidation survey where a full schedule of condition is summarised. Our agents will explain what works will be required for you to carry out before you vacate the property in accordance with your lease responsibilities. This may include putting back any works which you have carried out, if we require you to do so, decoration, if not already done, and repairs, if needed. The property should be left in a clean and tidy state of repair; if Aspire need to arrange to clear and clean you will be re-charged for that cost.

Any insurance policies which you have taken out such as contents, public liability or plate glass should remain in place until the date of termination.

You should also make sure that your rent is up to date and leave us with a forwarding address as we may need to refund you for any service charge that we owe you. It is also useful for you to take meter readings for water, gas and electric.



## Follow us



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