

# Landlord's release from lease obligations

## Introduction

A lease is a contract between landlord and tenant. As a result a landlord remains liable to comply with his obligations in a lease even after he has sold his interest in the property unless he is specifically released. This is the case even if the outgoing landlord did not originally grant the lease.

## Landlord and Tenant (Covenants) Act 1995

To assist outgoing landlords, section 8 of the Landlord and Tenant (Covenants) Act provides a procedure whereby an outgoing landlord can apply for a release from those obligations after a sale to a new landlord.

## Procedure

A landlord can apply for a release using a statutory notice before and at any time up to four weeks after he transfers his interest in the property. This applies each time an outgoing landlord transfers the property and the application is made to the current tenant of the lease.

The tenant has four weeks from receipt of the notice to respond. If he consents or does nothing the outgoing landlord is released from the obligations in the lease from the date of his sale. This also ends any rights the landlord may have against the tenant.

If the tenant responds and objects the landlord can apply to the Court to grant a release if it is reasonable to do so. No guidance has yet been given on what is regarded as reasonable.

## Why should a landlord apply for release?

Until a release takes effect the current tenant can look to the outgoing landlord to comply with the landlord obligations in the lease. If the landlord does not apply for the release in that time period he remains liable.

A release is not needed if the landlord has no significant obligations. However the most common landlord obligations are to insure and provide services such as repair and maintenance of the structure of the property.

If the property is subject to a number of leases there are consequences of obtaining a release from some but not all of the tenants. It may be better not to seek a release but to insure against the possibility of a claim.

## Indemnity from the new landlord

Normally the new landlord will agree to indemnify the outgoing landlord against any landlord liability but of course the value of that indemnity will depend upon the continuing ability of the new landlord to meet it.

This information sheet has been prepared to highlight some key issues relating to a landlord's liability. It is intended to be for general guidance only and is not a substitute for specific advice. It is based upon our understanding of the legal position as at March 2019 and may be affected by subsequent changes in the law. For further information please contact Sarah Easton on 01892 510000 or email at:

[sarah.easton@ts-p.co.uk](mailto:sarah.easton@ts-p.co.uk)

© Thomson Snell & Passmore LLP All Rights Reserved

**Head Office**  
Heathervale House  
2-4 Vale Avenue  
Tunbridge Wells  
Kent TN1 1DJ  
T 01892 510000  
F 01892 540170

**Thames Gateway**  
Corinthian House  
Galleon Boulevard  
Crossways Business Park  
Dartford  
Kent DA2 6QE  
T 01322 623700  
F 01322 623701