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| --- |
| Dated |
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| [LANDLORD]and[TENANT]and[GUARANTOR] |
|  |
| LICENCE TO CHANGE USERelating to premises known as [DESCRIPTION] |
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|  |

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**LICENCE TO CHANGE USE**

**DATED**

**PARTIES**

1. [LANDLORD] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “**Landlord**”); [and]
2. [TENANT] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “**Tenant**”); [and]
3. [[GUARANTOR] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “**Guarantor**”)].

**BACKGROUND:**

1. This Licence relates to the Premises and is supplemental to the Lease.
2. The Landlord [remains/is now] the landlord under the Lease and the Tenant [remains/is now] the tenant under the Lease.
3. The Landlord has agreed to permit a change of use of the Premises subject to the terms contained in this Licence.

**IT IS AGREED AS FOLLOWS:**

1. DEFINITIONS

This Licence uses the following definitions:

**“Consents”**

all consents required to authorise the use of the Premises for the New Use from:

1. the local authority and any other public or statutory body; or
2. the insurers of the Premises;

**“Existing Use”**

the use of the Premises permitted under the Lease at the date of this Licence;

**“Lease”**

a lease dated [DATE] between (1) [the Landlord] and (2) [the Tenant] [and (3) [NAME OF ORIGINAL GUARANTOR]] and any document supplemental to it;

**“New Use”**

the use of the Premises as [DESCRIPTION OF NEW USE];

**“Premises”**

the property let by the Lease known as [ADDRESS];

**“Tenant’s Obligations”**

the tenant’s obligations in the Lease.

1. INTERPRETATION

In this Licence:

* 1. where appropriate, the singular includes the plural and vice versa, and one gender includes any other;
	2. obligations owed by or to more than one person are owed by or to them jointly and severally;
	3. an obligation to do something includes an obligation not to waive any obligation of another person to do it;
	4. an obligation not to do something includes an obligation not to permit or allow another person to do it;
	5. references to the Landlord having a right of approval or consent under this Licence mean a prior written approval or consent, which must not be unreasonably withheld or delayed except where this Licence specifies that the Landlord has absolute discretion;
	6. where a party to this Licence must pay any costs that the Landlord incurs (or any proportion of them), those costs must be reasonable and proper (unless those costs are incurred following a breach of this Licence) and reasonably and properly incurred;
	7. references to an Act of Parliament are to that Act of Parliament as amended from time to time and to any Act of Parliament that replaces it;
	8. references to the [parties][Landlord] include references to [their respective][the Landlord’s] successors in title; and[[1]](#footnote-1)
	9. if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Licence will be unaffected.
1. LICENCE TO CHANGE USE
	1. The Landlord permits the Tenant to use the Premises for the New Use [in substitution for][in addition to] the Existing Use and [clause [NUMBER] of][the definition of [“Authorised Use”][“Permitted Use”] in] the Lease will be amended accordingly. [This permission is personal to the Tenant named in this Licence and will not benefit any successors in title to or undertenants of the Tenant.]
	2. [The variations to the Lease set out in **Schedule**  will apply from the date of this Licence.[[2]](#footnote-2)]
2. TENANT'S OBLIGATIONS
	1. The Tenant must not use the Premises for the New Use unless and until:
		1. the Landlord has approved the Tenant’s application for the Consents in writing;
		2. it has obtained all Consents; and
		3. the Landlord has approved the Consents in writing.
	2. The Tenant must:
		1. comply with the terms of the Consents and with all statutory provisions relating to the use of the Premises for the New Use;
		2. pay to the Landlord as additional rent under the terms of the Lease any increased insurance premium payable as a result of the use of the Premises for the New Use.
	3. The Tenant must pay on demand all costs and expenses, and any value added tax on them that cannot otherwise be recovered, incurred by the Landlord [and any superior landlord and mortgagee] in connection with this Licence and the approval of the Consents.
	4. [The Tenant must apply to HM Land Registry as soon as reasonably practicable after the date of this Licence to note the variations to the Lease made by this Licence against the registered title to the Lease and the Landlord’s title to the Premises. The Landlord consents to HM Land Registry noting those variations against its title to the Premises.[[3]](#footnote-3)]
3. TERMINATION OF THIS LICENCE
	1. The Landlord may terminate this Licence by written notice to the Tenant if the use of the Premises for the New Use has not started within the period of [three] months starting on the date of this Licence.
	2. Any termination of this Licence under **clause ‎5.1** will be:
		1. without prejudice to any rights or remedies of any party to this Licence in respect of or arising from any previous breach by any other party to this Licence; and
		2. without liability on the part of the Landlord to refund any moneys paid in connection with this Licence.
4. AGREEMENTS
	1. Nothing in this Licence will:
		1. be deemed to authorise any action other than expressly authorised in **clause ‎3**;
		2. release or reduce any liability to the Landlord of the Tenant or any guarantor or other party to the Lease; or
		3. waive or be deemed to waive any breach of the Tenant's Obligations that may have occurred before the date of this Licence.
	2. By granting this Licence or giving any approval or consent under this Licence, the Landlord makes no representation and gives no warranty that the Premises may lawfully be used for the New Use.
	3. All sums payable by the Tenant under this Licence will be recoverable as rent in arrear in accordance with the Lease.
	4. Any adverse effect on rent arising from the use of the Premises for the New Use will be disregarded on any review of the rent payable under the Lease.
	5. Nothing in this Licence creates any rights benefiting any person under the Contracts (Rights of Third Parties) Act 1999.
5. [GUARANTOR'S OBLIGATIONS
	1. The Guarantor agrees with the Landlord that:
		1. the guarantee given by it to the [Landlord][NAME] in clause [NUMBER] of the [Lease][Licence to Assign the Lease dated [DATE] made between [PARTIES]] is not released or varied by this Licence; and
		2. that guarantee extends to and will be exercisable by the Landlord on any breach by the Tenant of the terms of this Licence as well as on the breach of any of the Tenant’s Obligations.]
6. NOTICES

Any notices to be served under this Licence will be validly served if served in accordance with [section 196 Law of Property Act 1925][the notice provisions in the Lease].

1. JURISDICTION
	1. This Licence and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales.
	2. Subject to **clause** , the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this Licence, including in relation to any non-contractual obligations.
	3. Any party may seek to enforce an order of the courts of England and Wales arising out of or in connection with this Licence, including in relation to any non-contractual obligations, in any court of competent jurisdiction.
2. LEGAL EFFECT

This Licence takes effect and binds the parties with effect from the date set out at the beginning of this Licence.

1. SCHEDULE ‎1

Variations to the Lease

*Set out any variations to the terms of the Lease that are required in this Schedule.*

Executed as a deed by the Landlord acting by )

**[**a director and its secretary**]** or by **[**two directors**]**: )

 Signature of Director

 Signature of Director/Secretary

Executed as a deed by the Tenant acting by )

**[**a director and its secretary**]** or by **[**two directors**]**: )

 Signature of Director

 Signature of Director/Secretary

**[**Executed as a deed by the Guarantor acting by )

[a director and its secretary**]** or by **[**two directors**]**: )

 Signature of Director

 Signature of Director/Secretary

1. Where the consent is personal to the Tenant named in this Licence, refer to the Landlord and the Landlord’s successors in title. [↑](#footnote-ref-1)
2. Consider whether the change of use requires other variations to the terms of the Lease. For example, if there is a change of use from A1 to A3/A4 or A5, you may need to include additional catering covenants in the Lease. [↑](#footnote-ref-2)
3. Not every change of use will create a variation of the terms of the Lease. A change of use personal to the Tenant will not vary the terms of the Lease. A change of use that falls within the permitted changes of use anticipated by the Lease will not create a variation of the terms of the Lease. [↑](#footnote-ref-3)