

Northwood Swift Leases – Note to Customers

At Northwood, we give customers taking shorter or lower value leases the option either to follow the traditional route of instructing solicitors and negotiating the lease and related documentation (with the related expense and time investment that that process necessarily incurs) or to take the Swift Lease route.

This note explains what the Swift Lease route entails and the main benefits of the Swift Lease route.

What is the Swift Lease route?

The Swift Lease route involves you agreeing with us to use our standard short form documentation for the lease transaction. These will comprise:

- Standard short form Swift Lease including optional rent deposit provisions.
- Standard short form licence for works.
- Replies to CPSE.7 and CPSE.3 pre-contract enquiries.
- 1954 Act warning notice and statutory declaration.

When using the Swift Lease route, neither we nor you will instruct solicitors to negotiate the documents or to enter into them. The documents will be accepted as they are and the only changes we will accept to the documents will be to the Particulars sections in the Swift Lease and licence for works.

You may need a solicitor to submit any stamp duty land tax return and note your lease at the Land Registry, and we deal further with that below.

What are the benefits of taking the Swift Lease route?

- More flexibility than the traditional route in terms of minimum lease commitment.
- Rent can be payable monthly rather than quarterly.
- No rent uplifts during the lease period.
- Fixed service charge amount (subject to an inflation increase each year).
- Optional schedule of condition.
- Quick turnaround.
- Jargon free documentation written in plain English.

What do you need to know?

- **Independent legal advice.** In general terms, if you have queries about or do not understand that terms of the Swift Lease documentation, we provide you with, we will not be able to advise you about them. You need to consider whether to take independent legal advice in order to understand what you are signing up to.
- **Security of tenure.** The Swift Lease will be contracted out of the 'security of tenure' provisions in Part II of the 1954 Landlord and Tenant Act 1954. That means you will not have any statutory right to renew the lease at the end of the term. When we issue the Swift Lease to you, we will also send you (by way of service) a warning notice required by Section 38A of the Landlord and Tenant Act 1954 and the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003. Please pay attention to the content of the "Important Notice" set out in the box in the warning notice. This is an important legal matter on which we recommend that you obtain independent legal advice to ensure you understand what it means. You will be making a statutory declaration with a solicitor or commissioner for oaths to confirm that you understand that you are contracting out of your right of renewal. This statutory declaration will be declared by you at the same time as the rest of the Swift Lease documentation is signed.
- **Preparation of the Swift Lease documentation.** We will prepare the Swift Lease documentation in accordance with the heads of terms which we agree with you. You will check these and when you are happy

with them, we will produce versions for you to e-sign. Once these are correctly signed, the Swift Lease can be completed.

- **Land Registry.** For any lease over 3 years, you may need to note this at the Land Registry to protect your rights in the lease. We cannot help you with this, but we can recommend a solicitor with whom we have negotiated an arrangement for them to do this work on your behalf for a fixed fee. We can let you have details of this if you would like this.
- **Stamp Duty Land Tax.** For any lease where the net present value of the total rent exceeds £150,000 over the life of the lease (and also for any lease which needs to be noted at the Land Registry), you will need to pay stamp duty land tax and make a stamp duty land tax return within 14 days of the date the lease is entered into. [Here](#) is a link to the Government's online Stamp Duty Land Tax calculator. Again, we cannot help you with this, but we can recommend a solicitor with whom we have negotiated an arrangement for them to do this work on your behalf for a fixed fee. We can let you have details of this if you would like this.
- **Your works.** If you want to do simple works to the premises at the start of your lease, we can include a simple licence for works as part of the Swift Lease documentation. You will need to supply us with details of the works you are proposing to carry out with plans showing any change to the layout or services. We need to approve these plans and specifications before we enter into a licence for works.