



Subletting Policy

April 2025

Document name:	Status:	Page 1 of
Issue Date:	Review Date:	Revision Date:

Status (draft or final)	Final	
Approver	Chief Customer Officer	
Date last approved	2018	
Procedure owner	Director of Specialist Housing Click here to enter text.	
Procedure author	Senior Leasehold Compliance Officer (SLCO)	
Review schedule (1, 2, or 3 years)	2 Years	
Date last reviewed	April 2025	
Date of next review	April 2027	
Equality Impact Assessment (EIA)	Date completed	
	Short or long form	

Version Control – Change Record

Date	Author	version	Reason for change
2018	Leasehold Income and Compliance Manager	V1.0	New policy
2020	Leasehold Income and Compliance Manager	V1.1	n/a
April 2024	Senior Leasehold Compliance Officer	V1.2	n/a
April 2025	Leasehold Project Manager	V1.3	Amended to reflect changes in Capital Funding Guide on shared ownership subletting

Document name:	Status:	Page 2 of
Issue Date:	Review Date:	Revision Date:

Contents

	Page
1. Introduction	4
2. Process	4
3. Shared owners – exceptions	5
	6

Document name:	Status:	Page 3 of
Issue Date:	Review Date:	Revision Date:

1. Introduction

- 1.1 Sovereign Network Group will consider all requests by leaseholders to sublet their property in accordance with the terms of their lease. They fall into 3 main categories:
- 100% leaseholders where landlord permission is required and cannot be unreasonably withheld.
 - 100% leaseholders where landlord permission is not required. We still ask for contact details
 - Less than 100% leaseholders (shared owners) who are not allowed to sublet as the property is intended to be their principle home in accordance with the public sector funding used to build it. However in exceptional circumstances a request to sublet can be considered, as explained in point 3 below and in line with the capital funding guide.
- 1.2 This process is also used for retrospective subletting requests.
- 1.3 If a leaseholder or shared owner has a lodger we do not consider this to be subletting, and permission is not required.
- 1.4 The process commences when a subletting request is received or a subletting is discovered. Responsibility within the subletting process is as follows:
- a) Leasehold Compliance Team will process all subletting applications, including retrospective applications, for all leasehold and shared owner units, including those units managed by SW9.
 - b) The Leasehold Compliance officer (LCO) reviews the application to ensure all the relevant information required to make a decision has been received. The LCO contacts the leaseholder / shared owner for any missing information.
 - c) If the subletting request is from a 100% leaseholder the LCO approve or rejects the request depending on the lease.
 - d) If the subletting request is from a shared owner, the Senior LCO presents the case at the monthly panel meeting to consider and the panel decides to approve or reject the request.
- 1.5 Whether the leaseholder / shared owner makes a request to sublet or it is subsequently discovered the process is essentially the same.
- 1.6 Permission to sublet will only be granted if there are no arrears on the service charge on any other sub account, or there is a repayment plan in place as long as the lease permits.

Document name:	Status:	Page 4 of
Issue Date:	Review Date:	Revision Date:

2. Process

- 2.1 If we are contacted by a leaseholder or shared owner requesting information regarding subletting the Compliance Officers will send a copy of the subletting rules and guidance.
- a) A request to sublet is received either by letter or email which will be allocated to the Leasehold Compliance Officers as a Customer Hub case.
 - b) An unauthorised sublet is reported either by a Sovereign Network Group' representative, local council, resident or any other party, and is allocated to the Compliance Officer as a Customer Hub case.
- 2.2 The Leasehold Compliance Officer will determine if the property is 100% leasehold or if it is a shared ownership property.
- If it is 100% leasehold property, follow the process in paragraphs 2.3 – 2.8.
 - If it is a shared ownership property go to point 3.
- 2.3 If it is a 100% leaseholder the Compliance Officer will check the terms of the lease to determine if permission for subletting is required. If no permission is required then they will inform the leaseholder that permission is not required but that we must be provided with a correspondence address to comply with GDPR and contact number in case of emergency.
- 2.4 If authorisation is required, the LCO checks to see if there are arrears on the service charge or any sub accounts. If there are arrears, they will inform the leaseholder to pay the arrears or to agree a payment plan with their Leasehold Income Officer before permission to sublet can be granted.
- 2.5 If permission for subletting is required in the lease and there are no arrears/the arrears have been paid / a repayment plan is agreed, the LCO contacts the leaseholder to inform them that permission may be granted, subject to the leaseholder providing the following documents:
- 1. A letter from the mortgage lender confirming their permission to sublet the property (if there is no mortgage lender this is not required).
 - 2. A copy of the draft tenancy agreement.
 - 3. A contact address and telephone number for the leaseholder.
 - 4. Contact details of any person, persons or agents appointed by the leaseholder to act on their behalf/manage the property.
 - 5. Payment of the admin fee.
- 2.6 The LCO confirms whether the outcome of the application. If:

Document name:	Status:	Page 5 of
Issue Date:	Review Date:	Revision Date:

- a) Approved, the LCO updates the case and all relevant systems with correspondence details sends subletting approval confirmation to the leaseholder
- b) Refused, the LCO informs the leaseholder of the decision and the reasons for the rejections. This will be in exceptional circumstances as permission cannot be withheld unreasonably.

2.8 No subletting is allowed on Airbnb, Booking.com or similar short-term lets.

2.9 No HMO's allowed

3. Shared ownership properties – exceptions

- 3.1 For Shared Owners within blocks affected by Building Safety Works and advice notes regarding fire remediation, permission will be granted for an initial period of 12 months (plus up to 6 months to allow for tenancy notice and other moving arrangements) and only extend if there is not an EWS1 (and functioning mortgage market) at that point. This exception is to be reviewed yearly.
- 3.2 If a property is a shared ownership property or was bought with the help of an equity loan, the lease or legal charge will not allow subletting of the property. The Capital Funding Guide (CFG) allows us to override this, and to consider subletting requests of shared ownership properties where there are exceptional circumstances. The CFG does not define 'exceptional circumstances' and each case must be considered on its own merits. For example if a shared owner has a contract of employment which will take them away from the property, they may make a request for subletting.
- 3.3 If a request to sublet is made by a shared owner the Leasehold Compliance Officer will request details of the reason for the subletting along with evidence to support their request (such as a Contract of Employment Letter).
- 3.4 Permission to sublet is given for an appropriate time frame based on the applicant's individual circumstances for a specified period of time in accordance with the Capital Funding Guide. The period will last originally for up to 12 months. At the end of the 12 month period permission can be extended depending on the circumstances of each individual case.
- 3.5 The shared owner is required to move back into their property at the end of the permission period or intention of selling.
- 3.6 If permission is granted, the details of the property is added to the shared ownership subletting case. The LCO monitors the tracker weekly to identify any properties nearing the end of the subletting period. 6 months prior to expiry date of the

Document name:	Status:	Page 6 of
Issue Date:	Review Date:	Revision Date:

subletting prior, SNG will proactively contact the Shared owner to remind them of the date that the subletting permission is expiring and ask for confirmation that the shared owner will return to the property at the end of the subletting period or wish to sell. Permission letter will also include key information on the Renters Right Bill that can be seen in Section 4 of the policy.

- 3.8 If no confirmation is received/ the shared owner does not return to the property, the matter is flagged to the LCO, to review and refer to the legal team for enforcement action.
- 3.9 SNG will proactively give shared owners 6 months notice that their subletting permission is coming to an end and therefore their subletting tenancy must end. On receipt of the notice, the shared will need to pursue possession using Ground 1 (occupation by Landlord) or Ground 1A (sale of dwelling house) introduced by the Renters' Right Act [Evicting tenants in England: Overview - GOV.UK](#), providing their tenant with 4 months' notice. Permission can be extended if the shared owner needs to obtain a possession order.

4. Changes to permission to sublet – shared owners and leaseholders

- 4.1 Currently, some shared ownership hold permission us to sublet part or all their home. From 1st May 2026, any sublet permission should be considered withdrawn.
- 4.2 From 1st May 2026, the Renters Right Act has come into force for private renters. This means that any fixed term tenants will become assured 'lifetime' tenants. Landlords will no longer be able to evict a tenant at the end of a fixed term by issuing a Section 21. Tenants will only be able to end a tenancy via the notice served under Section 8 of the Housing Act 1988.

Document name:	Status:	Page 7 of
Issue Date:	Review Date:	Revision Date: