



A guide for leaseholders and landlords

Licences to Alter

Consent for alterations to leasehold
property in England and Wales

Consent to alter, and why it matters

Almost every long lease restricts what a leaseholder may do to their flat. A licence to alter is the document by which the landlord permits works the lease would otherwise prohibit, and records the terms on which they may be carried out.

This guide is written for both sides. Leaseholders will find what they need to apply for, how long it takes and what the licence will require of them. Landlords will find what they can properly insist on, when they may refuse, and where refusing carries risk. Passages addressed to one side in particular are marked.

Everything begins with the lease. Statute modifies what a lease says in some circumstances and not in others, so the first question is never whether a refusal is reasonable, but what the covenant actually says.

THE ESSENTIALS

Three	kinds of alterations covenant — absolute, qualified and fully qualified. Almost everything follows from which one you have
1927	the Act that stops consent being unreasonably withheld — but only for improvements, and only under a qualified covenant
8–12 weeks	a realistic timetable for a straightforward licence, and longer where there is a head landlord
None	the statutory time limit within which a landlord must respond to an alterations application
Two	further approvals you may need whatever the landlord says — planning permission and Building Regulations
Forfeiture	the ultimate consequence of carrying out the works without consent

A licence to alter is a matter of the lease first and statute second. Every answer in this guide starts with reading the lease.

What does the lease allow?

Alterations covenants come in three forms, and the difference between them decides whether the landlord has to be reasonable at all.

Covenant	What it says	What it means
Absolute	No alterations, full stop	The landlord may refuse without giving a reason, and may name its price for agreeing anyway
Qualified	Not without the landlord's consent	If the work is an improvement, consent must not be unreasonably withheld
Fully qualified	Not without consent, which shall not be unreasonably withheld	The landlord must act reasonably, whether or not the work is an improvement

Where the statute helps

Section 19(2) of the Landlord and Tenant Act 1927 converts a qualified covenant into a fully qualified one, but only where the work is an **improvement**. An improvement is judged from the leaseholder's point of view: it is enough that it adds to the value or usefulness of the flat to them. It does not have to improve the landlord's investment.

Section 19(2) does not touch an absolute covenant. And section 3 of the same Act, which lets a tenant press ahead despite an absolute prohibition, applies only to business premises — so a residential leaseholder facing an absolute covenant has no statutory route at all, only negotiation.

Where it does not

The Landlord and Tenant Act 1988, which obliges a landlord to deal with applications to assign or sublet within a reasonable time and to give written reasons, does not apply to alterations. There is no statutory deadline, no duty to give reasons in writing, and no claim in damages for delay. That is the most commonly misunderstood point in this area, on both sides.

Read the demise as well as the covenant

Before asking whether the covenant permits the work, establish whether the thing being altered belongs to the leaseholder at all. Leases differ widely on where the demised premises stop: internal plaster, floor screed, windows and ceiling voids may or may not be included, and structural walls very often are not.

Where the work touches something outside the demised premises, no licence to alter can authorise it at all. That situation is dealt with in the next section.

Works outside what you own

Everything so far concerns what a leaseholder may do inside their own flat. Works reaching beyond the demised premises are a different transaction, to which the statutory protections do not apply.

Why the position changes entirely

Section 19(2) qualifies a covenant restricting what the leaseholder does with the property let to them. It says nothing about the landlord's own retained property. So where a leaseholder wants to take in loft or roof space, excavate a basement, build into the airspace, absorb part of a garden, fix plant to an external wall or run services through the common parts, they are asking for something more than permission to use their own flat differently.

The landlord may simply decline, and no question of reasonableness arises. If willing, it is entitled to be paid — and the sum is a matter of valuation and negotiation, not of what is reasonable. What it does not follow is that the space must be transferred to you: a landlord can permit the works and grant rights to use the result without the space itself being demised, which is often the simpler arrangement.

This is the distinction that surprises people most. Inside the demise, a landlord who refuses an improvement without a property-related reason is vulnerable. Outside it, the same landlord may refuse for no reason at all, or name its price.

What a premium reflects

- The value of the space or land given up, and any development value lost with it. Roof space and airspace are often worth a great deal to a freeholder.
- The uplift in the value of the flat the extra space produces. Landlords expect a share of it, and a valuer should advise on what share is defensible.
- Any effect on the rest of the building, including the landlord's ability to develop it later.

Two ways of dealing with it

Where a landlord is willing, there are two quite different routes, and the choice matters more than it first appears.

- **Rights rather than ownership.** The landlord permits the works by licence and grants rights to use the resulting space, without the space itself being demised to you. This is quicker and cheaper, and it is frequently how loft schemes are dealt with in practice.
- **Or an enlarged demise.** The space is added to what you own. That cannot be done by deed of variation — HM Land Registry will not accept one for this purpose — so it takes a surrender of the existing lease and the grant of a new one. A supplemental lease of the additional area is a different structure again: it creates a second, separate demise rather than enlarging the first.

Which is right depends on what you actually want. Rights of use are enough to carry out and enjoy the works. An enlarged demise gives you ownership of the space, which matters for value, saleability and what a lender will accept — and it carries consequences for your future enfranchisement position, your mortgage, stamp duty land tax on the premium and the Land Registry entries. Applying for the wrong document wastes weeks.

WHERE THE LEASEHOLDERS OWN THE FREEHOLD

The freehold company is the landlord, so the premium becomes an internal question between neighbours. The directors still owe their duties to the company: a member wanting to take in roof space should expect to pay a proper price and to see the decision minuted. Waving it through transfers value from every other member's share to one flat.

04 • WHEN CONSENT IS NEEDED

The works that come up most

Whether a job needs consent depends on the wording of the lease, not on how substantial the work feels. The following is the usual position in a long residential lease.

The work	Usual position	Watch for
Non-structural wall	Consent required, usually given	Is it truly not load-bearing?
Load-bearing wall	Often prohibited outright	Calculations, party wall notices
Hard flooring	Frequently prohibited	Acoustics, and the flat below
Moving a bathroom	Consent required	Drainage falls, pipe routes
New windows	Often prohibited outright	Elevation, planning, listing
External plant or EV point	Consent required, often refused	Noise, fixings, cable route
Loft or roof terrace	Outside the demised premises	Needs a grant of airspace

Hard flooring, and anything wet sited above another flat, account for most of the disputes we see. Both are cheap to get right at the design stage and expensive to argue about afterwards.

FOR LANDLORDS

Identify which covenant you are dealing with before responding to anything. A refusal that is perfectly proper under an absolute covenant may be unreasonable under a qualified one.

What else you may need

The landlord's licence is one permission among several. It does not stand in for any of the others, and obtaining it does not make the works lawful.

- **Planning permission**, for external alterations, changes of use, and anything affecting a listed building or a property in a conservation area.
- **Building Regulations approval**, for structural work, drainage, electrics, insulation and glazing among much else. The completion certificate is the document a future buyer will ask for.
- **Party wall notices** under the Party Wall etc. Act 1996 where the work affects a wall shared with an adjoining owner — a separate regime with its own timescales and surveyors.
- **The superior landlord's consent**, where your landlord holds under a headlease. A frequent cause of delay, because your landlord cannot grant more than it holds.
- **Your lender's consent**, which most mortgage conditions require for structural alterations.
- **The building insurer's agreement**. Substantial works can affect or invalidate cover, and the policy usually requires notification.
- **Building safety approvals**. In a higher-risk building, work may require approval before it starts, and the accountable person has duties that a licence cannot displace.

A licence to alter is permission under the lease and nothing more. It is not a planning permission, not a Building Regulations approval, and not a warranty from the landlord that the works are safe, lawful or well designed. Leaseholders sometimes read consent as reassurance. It is not.

Who carries the responsibility

On most residential projects the leaseholder is the client for the purposes of the Construction (Design and Management) Regulations 2015, with duties to make suitable arrangements for managing the work. Those duties cannot be passed to the landlord by obtaining a licence, and the landlord's surveyor is not supervising the build on the leaseholder's behalf.

SEQUENCE THEM, DO NOT STACK THEM

Leave planning to the end and the licence stalls, because a landlord will want either the permission or confirmation that none is needed before it commits. Leave the party wall notices to the end and the contractor stands idle while the statutory periods run.

The workable order is: establish what the lease permits, settle the design, apply for planning if needed, apply to the landlord, then serve party wall notices and engage building control as completion of the licence approaches.

From idea to consent

A straightforward licence takes eight to twelve weeks. Structural works, a head landlord, or an incomplete application will each add to that.

01

Read the lease and take advice

1 TO 2 WEEKS

We identify which covenant applies, whether the works fall within the demised premises at all, and whether the landlord must act reasonably. That determines whether you are making an application or opening a negotiation.

02

Prepare the application properly

2 TO 4 WEEKS

Drawings of the existing and proposed layouts, a specification, a method statement, the contractor's details and insurances, a programme, and a structural engineer's report where anything load-bearing is involved.

A thin application is the commonest cause of delay. A landlord who cannot understand what is proposed will ask questions rather than consent, and every round of questions costs weeks.

03

Submit, with an undertaking for costs

ON SUBMISSION

Landlords ordinarily require an undertaking for their legal and surveyor's costs before they will engage, and often a payment on account. That is legitimate, and the 1927 Act expressly contemplates it.

WHAT A COMPLETE APPLICATION CONTAINS

Existing and proposed drawings to scale; a written specification; a method statement covering access, protection of common parts, working hours and waste; the contractor's name, experience and public liability insurance; an indicative programme; a structural engineer's report and calculations where anything structural is affected; and confirmation of the planning position.

Sending this in one package rather than in instalments is the single most effective thing a leaseholder can do to shorten the process.

From consent to sign-off

04

The landlord's review

4 TO 8 WEEKS

The landlord's surveyor considers the proposals and usually asks for amendments. Where there is a headlease the superior landlord must be approached in parallel, and a mortgaged flat may mean telling the lender.

05

The licence is drafted and negotiated

2 TO 4 WEEKS

The landlord's solicitor produces the draft. The terms are negotiable, particularly the reinstatement obligation, the time limits and the extent of the indemnity.

06

Completion, then the works

AS PROGRAMMED

The licence is completed as a deed before work begins. Starting early, even by a few days, is a breach of the lease and hands the landlord an advantage it need not have been given.

07

Inspection and sign-off

ON PRACTICAL COMPLETION

The landlord's surveyor inspects and, where the licence requires it, issues a certificate of completion. Keep the licence, the drawings, the Building Regulations certificate and any structural calculations together – they are what a buyer's solicitor will ask for, and a missing certificate can hold up a sale years later.

Where the delay usually comes from

- A headlease, which means two landlords and two surveyors to satisfy, in sequence rather than in parallel.
- Incomplete information, answered in instalments, with a fortnight lost on each exchange.

FOR LANDLORDS

Say what further information you need in one list rather than several. There is no statutory deadline, but a landlord who leaves a properly made application unanswered under a fully qualified covenant is building the leaseholder's case rather than its own.

What the licence will say

A licence to alter is short but consequential. These are the provisions that matter, and the ones worth negotiating.

01

The works, precisely defined

Consent is given for the works shown on identified drawings and described in an identified specification, and for nothing else. Any change on site needs further approval, which is why the drawings must be right before completion.

02

Standards, time and access

An obligation to carry out the works properly and with good materials, within a stated period and in stated hours, protecting the common parts, removing waste and causing no nuisance to other residents. The landlord will reserve access to inspect.

03

Statutory compliance and insurance

Covenants to obtain and comply with planning permission, Building Regulations and any party wall award, and to ensure the contractor carries adequate public liability cover. Larger works may require the landlord's interest to be noted on the policy.

04

Reinstatement, costs and indemnity

Whether the works must be reversed at the end of the term; liability for the landlord's costs; and an indemnity for damage and for claims by other leaseholders. The licence will also confirm that the works become part of the demised premises for repair and insurance.

The terms worth negotiating

- **Reinstatement.** Resist a blanket obligation to reverse works that improve the flat. Reinstatement makes sense for external plant and unusual layouts, less so for a relocated kitchen.
- **Time limits.** Allow for slippage. A licence that expires before the works finish needs varying, at further cost.
- **The indemnity, and the costs.** The indemnity should extend to loss actually caused by the works. Ask for an estimate and a cap on the landlord's costs before giving the undertaking.

FOR LANDLORDS

Do not consent by email. An informal approval may bind you, and it gives you none of the protections a licence provides: no defined scope, no standards, no insurance requirement, no access to inspect, no indemnity, and no recovery of your costs.

When consent may be withheld

Under an absolute covenant a landlord may simply decline. Where the covenant is qualified or fully qualified, a refusal has to be capable of justification on grounds connected with the property.

Grounds likely to be reasonable

- Structural risk, or an absence of engineering evidence that the works are safe.
- An effect on fire compartmentation, means of escape, or other building safety measures.
- A material effect on other flats – noise transmission, drainage, or wet areas over habitable rooms.
- Works extending beyond the demised premises, into common parts or airspace the leaseholder does not own.
- A breach of the headlease, or of covenants owed to other leaseholders in the building.
- Insufficient information to allow the application to be assessed at all.

Grounds likely to be unreasonable

- An unrelated grievance, or service charge arrears used as leverage over a properly made application.
- A refusal to engage with the application, or a demand for a premium where the 1927 Act applies and no damage or diminution can be shown.
- Objections of taste rather than substance, where the works are internal and invisible from outside.

Conditions are not the same as refusal

A landlord is entitled to consent subject to conditions, and doing so is not a refusal. But conditions can be so onerous that they amount to one – an unjustified premium, a requirement to reinstate work that plainly adds value, or an open-ended costs undertaking may each be challenged on the same basis as an outright refusal.

IF CONSENT IS UNREASONABLY WITHHELD

Because the 1988 Act does not apply, there is no statutory damages claim. The leaseholder's remedy is an application to the county court for a declaration that consent has been unreasonably withheld, and the burden of showing unreasonableness falls on the leaseholder.

Proceeding without consent in the belief that a refusal was unreasonable is a serious risk. If the court disagrees, the works are a breach of covenant and the consequences follow.

What it costs, and who pays

The leaseholder ordinarily bears both sides' reasonable legal and surveying costs. Beyond that, what a landlord may charge depends again on the covenant.

01

Your own professional costs

Your solicitor's fees for the application and the licence, your architect or surveyor for the drawings and specification, and a structural engineer where the works are structural. All should be quoted before you start.

02

The landlord's costs

The landlord's legal and surveyor's fees for considering the application and preparing the licence, ordinarily secured by an undertaking. They must be properly incurred and reasonable in amount, and they should fall on the applicant rather than the service charge.

03

A premium or compensation

Under an absolute covenant a landlord may ask a premium as the price of agreeing at all. Under a qualified covenant the 1927 Act allows a reasonable sum for damage, or for diminution in the value of the landlord's or neighbouring property – but not a windfall.

04

The costs that come later

Reinstatement at the end of the term where the licence requires it; a retrospective licence if the works were done without consent; and indemnity insurance or a price reduction on a sale where the paperwork is missing.

TWO PROTECTIONS WORTH KNOWING

In a long residential lease, a fee charged for granting consent is an administration charge, and its reasonableness can be challenged in the First-tier Tribunal. A costs schedule is not beyond question simply because it has been presented as a condition of consent.

Where the dispute is about the amount of a sum demanded under the 1927 Act, the court can determine what is reasonable – and once it has, the landlord is bound to grant consent on payment of that sum.

If it has already been done

A great many flats contain alterations nobody ever sought consent for. The problem usually surfaces years later, on a sale, and it is generally fixable — but rarely cheaply.

What the landlord can do

Unauthorised alterations are a breach of covenant. The landlord may claim damages, seek an injunction, require reinstatement, and in principle forfeit the lease. For a long residential lease, forfeiture requires the breach first to be admitted or determined by the First-tier Tribunal, and then a notice under section 146 of the Law of Property Act 1925 — and the court retains a discretion to grant relief. The draft Commonhold and Leasehold Reform Bill proposes replacing forfeiture altogether, though that is not yet law.

What it does to a sale

This is where it usually bites. The buyer's solicitor asks for the licence and the Building Regulations certificate, neither exists, and the lender declines to proceed or the buyer reduces the price. The options are a retrospective licence, indemnity insurance where the breach is historic and unchallenged, or a price adjustment — and the transaction waits while they are explored.

How it usually comes to light

- Pre-contract enquiries on a sale, which is by far the commonest route.
- A complaint from the flat below about noise after hard flooring has gone down.
- A leak from a bathroom that has been moved, and an insurer asking questions.

Putting it right

- Apply for a retrospective licence, with drawings of what was actually built rather than what was intended.
- Regularise the Building Regulations position where possible; building control can issue a regularisation certificate for unauthorised work.
- Consider indemnity insurance, which is generally unavailable once the landlord has raised the breach — so enquiries must be handled in the right order.

RETROSPECTIVE LICENCES

Most landlords will grant one. The difficulty is that the leverage has moved: the works are done, the surveyor is inspecting a fait accompli, and the price and conditions reflect that. Where a sale is under way, the timetable makes it worse still.

For landlords: act on breaches when you learn of them. Continuing to accept ground rent with knowledge of a breach can compromise your position, and taking steps towards forfeiture without advice is a trap in its own right.

Why instruct Arcadia Law

We act for leaseholders applying for consent and for landlords granting it, often in the same week. That is the most useful thing about instructing us on either side: we know what the other one will accept.

Arcadia Law is a specialist leasehold practice, and licences to alter are day-to-day work — from a single wall in a converted house to a whole-flat refurbishment in a mansion block with a head landlord and a lender to satisfy.

How we work

- **For leaseholders.** Advice on what the covenant permits, help assembling an application that will not be sent back, negotiation of the licence terms, and a realistic view on whether a refusal can be challenged.
- **For landlords.** Reviewing applications, advising on what may properly be required and where refusal carries risk, drafting licences that genuinely protect the reversion, and recovering costs.
- **Senior oversight throughout.** Every matter is supervised by a senior solicitor, with routine procedural work handled by our paralegal team so that costs stay proportionate.
- **Retrospective problems.** Unauthorised works discovered on a sale, missing certificates, retrospective licences and indemnity insurance, at the speed a transaction requires.
- **Beyond the licence.** Deeds of variation, grants of airspace and loft space, surrender and regrant where flats are combined, licences to assign, lease extensions and enfranchisement.

A NOTE ON ACTING FOR BOTH SIDES

Where we already act for the landlord of a building we cannot also act for a leaseholder applying to that landlord. We will say so at once and suggest alternatives. Acting for both sides across our practice is a strength; acting for both on the same matter is not something we do.



Arcadia Law is a member of the Association of Leasehold Enfranchisement Practitioners.

Where to start

Send us the lease. Almost every question about alterations is answered by the covenant.

01

Send us the lease

A SHORT CALL, AT NO COST

The lease, and whatever you have of the proposals. Landlords: the application as sent to you.

02

We tell you where you stand

WITHIN A FEW DAYS

Which covenant applies, whether consent can be refused, and what an application must contain.

03

We deal with it

FROM THAT POINT ON

The application, the negotiation and the licence — or advice on whether a refusal will stand.

SPEAK TO US

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