



# Why Should You Register a Commercial Lease?

---



## Contents

---

Introduction	3
When does a commercial lease need to be registered?	3
Are there any exceptions to this?	3
'Assignments'	4
What is the deadline for registering commercial leases?	4
Why is the commercial lease required?	4
Is it possible to make a late registry?	5
Are there any consequences for the landlord if the lease is not registered?	5
Who is responsible for registering the lease?	5
About us	6

## Introduction

---

When dealing with your first commercial lease, the chances are you'll be uncertain about some aspects of the administration. After all, commercial leases can differ from private ones in a number of ways, so experience in one doesn't guarantee knowledge in the other.

One of the main issues is whether or not you'll need to register the lease with the Land Registry. Here's our guide on everything you need to now.

## When does a commercial lease need to be registered?

---

Modern commercial leases are normally required to be registered if they're granted for a period of more than seven years. If the period is for less than seven years, then registration typically isn't needed.

This is the case for both sub-leases and head-leases.

## Are there any exceptions to this?

---

Yes, there are a couple of situations where a lease that would normally be eligible for registration won't need to be filed with the Land Registry, and vice versa:

In some cases, it may be that a lease wasn't registered because it was created before the introduction of compulsory registration. This isn't guaranteed however, because a lease **is** still compulsorily registrable if the remaining term is more than seven years.

Any transfer of a registered lease must be registered **again**.

It's also possible to voluntarily register a lease on any older leases with more than seven years to run.

If a lease is for between three and seven years, then it can be noted against the landlord's title in the Land Registry.

## **‘Assignments’**

---

In some situations, an unregistered lease is passed to a new tenant. This is referred to as an ‘assignment’, and the passing of the tenancy is known as a ‘transfer’.

## **What is the deadline for registering commercial leases?**

---

If a lease needs to be registered, then the process should be completed within two months of the lease being created.

## **Why is the commercial lease required?**

---

Registration is carried out in order to protect the tenant should the property change ownership: it would help prevent the new owner renegeing on the agreement.

More importantly, it gives the lease a formal legal status, making it a ‘legal estate’. Should the registration not be carried out, it could be argued that it was instead an ‘equitable lease’ or ‘beneficial interest’, making it weaker in the eyes of the law.

The flip side of this is that should registration not be carried out within the two month deadline, then the assignee will not have the legal title to the lease: it will instead revert to the assignor, who will hold it on a bare trust for the assignee.

Essentially, a failure to register the commercial lease reduces the tenant’s level of security.

## Is it possible to make a late registry?

---

Yes, it is possible to apply to the Land Registry for a late registration, but there's no guarantee it will be obtained. Should a late registration occur, a new lease will be required and the tenant will be responsible for any additional costs that arise.

## Are there any consequences for the landlord if the lease is not registered?

---

The consequences for the landlord are similar to those within a residential lease: if the lease is not fully secured with the land registry, the landlord may not be able to recover unpaid rent from the guarantor should the tenant fail to meet their obligations.

It's also possible that the landlord could struggle to obtain any additional finance in future, should the lease be only contractual rather than fully legal.

## Who is responsible for registering the lease?

---

It's the tenant's responsibility to register the lease, so landlords will usually chase up tenants if they hear nothing about the registration by the end of the first month after lease creation.

The land registry will only register the original lease signed by the landlord with the tenant's solicitor, and only following completion.

# Thank you

---

**pallmallestates.co.uk**

020 8986 7221 / 0121 228 0000

[info@pallmallestates.co.uk](mailto:info@pallmallestates.co.uk)

8 Millfields Road  
London  
E5 0SB

## About us

Pall Mall Estates specialise in letting great value commercial property across the UK, accommodating all business sizes. Whether looking for a relocation or a first office, Pall Mall Estates' team of property experts will be happy to help.

Check out the [wide range of properties](#) we currently have on offer.