

A GUIDE TO LEASING EAST RENFREWSHIRE COUNCIL

COMMERCIAL PROPERTY

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ABOUT THIS GUIDE

East Renfrewshire Council (the Council) owns a number of commercial premises, including shops, industrial units/workshops and offices. These properties are let on a commercial basis to generate income for the Council to use to support the services it provides to local residents, and to support the economic development in the area.

STEP 1- ESTABLISH YOUR BUSINESS NEEDS

Before making a commitment to taking any commercial property you should make sure that you are happy that it meets your needs. It is extremely important you spend time to establish some of the general property questions below;

- What size of property do you need?
- What monthly rental can the business afford to pay?
- Does it have sufficient office accommodation?
- Is the production area the correct size for your business?
- Is it suitable for the type of work you will be doing?
- Will you need additional plant and equipment for your business?
- Are there any restrictions on the type of use that the property can be put to?
- Is it in a location where my customers / potential customers can easily access?

This list is not exhaustive and is there to help you start to think about some of the fundamental aspects your business might need for its commercial property.

When you have thought about the more general requirements of your business, it is helpful to then look at some of the special requirements you may need, including;

Utilities & Waste

- 1. Power requirements. Is the electrical supply sufficient for your proposed demand?
- What level of heating has been provided?
 You may need additional heating dependent on the activity to be carried out and the number of staff you will have.
- 3. Do you need specific security arrangements?

You may need a certain type of intruder alarm. This may be a requirement of your insurers.

4. How will I dispose of my waste? You will be required to dispose of your waste appropriately. You may do this through the Council's Cleansing Department or through a private company. You will not be able to store a skip outside your unit.

Location

- 5. If your business generates many visitors, what is the access like?
- 6. Are there enough car parking spaces for your type of business?
- 7. Is it easy to get to if you have lorries delivering supplies?
- 8. Will your staff be able to get there by public transport?
- 9. What are your transport links?
- 10. Is it close to your suppliers?

Property Requirements

11. For an industrial property, is the ceiling height sufficient?

Each unit's height may differ, which may restrict the use of forklift trucks, etc. Check your proposed clear ceiling height.

12. Is the floor loading sufficient?

The strength of the concrete floor and the loading it can take may differ between units. Please check the floor loading if it is intended that any large equipment is to be brought into the unit.

13. Is the property restricted by "use category"?

For example, the Council does not allow retailing from its industrial units, although specialised trade counters may be allowed.

14. Are the doors wide and high enough for deliveries?

Industrial doors differ in height and width. Check that the unit's door is suitable.

STEP 2- FINDING A PROPERTY

The Council advertises any available property that it owns on its website and via its Facebook page as and when premises become vacant.

For information on what the Council has available please enter "Commercial Property" on the "Search" function on the Council's website which can be found at:

www.eastrenfrewshire.gov.uk

Alternatively please contact our Estates Team by e-mailing us at estatesenquiries@eastrenfrewshire.gov.uk.

Commercial property within the East Renfrewshire area owned by other bodies or private companies can also be found on websites such as NovaLoca, CoStar or the Commercial section of Rightmove.

STEP 3 – ARRANGING A VIEWING OF THE PROPERTY

You can view council property by appointment only at a mutually convenient time on Monday to Friday, generally between the hours of 10:00 am and 4:00 pm.

Contact our Estates Team by e-mail at estatesequiries@eastrenfrewshire.gov.uk.

When viewing remember all the questions you had thought about under **Step 1** and ensure as many of the points raised are met by the vacant property.

STEP 4- ARE THERE ANY RESTRICTIONS?

The use of Council property is controlled under the Cabinet approved "Granting of Commercial Leases Policy and Procedures" paper (April 2022) and the terms of our leases. Detailed management regulations are included in these documents and the Council's Tenant Handbook.

For example, you will **not be able** to use the premises for any other purpose than is lawfully permitted or that may cause a nuisance to neighbours. You may also need planning permission which is your responsibility to find out and make an application. This would be at a cost to you. <u>Our industrial units</u> should be suitable for activities falling within Planning Use Classes 4, 5 and 6 (Light and general industrial use, and storage and distribution)

THE COUNCIL'S INDUSTRIAL UNITS ARE <u>NOT</u> SUITABLE FOR

- VEHICLE REPAIRS

-FOR RETAIL

-LEISURE USE

-OR FOR A CRÈCHE OR NURSERY.

You will **not be able to** do the following in and around one of the council's industrial units: -

1. Store a skip outside the unit

2. Use the forecourt to store plant, equipment, etc

3. Use the forecourt as part of your business.

<u>Our Shops</u> for Use Class 1 (Retail) however, some uses of our shops – for example hot food sales – will need planning permission and the Council must agree to such a use for the property.

<u>Our offices</u> generally fall into Use Class 4 however some professional services may require to lodge a planning application for a change of use consent from Use Class 4 to Use Class 2

Please check if there are any other restrictions relating to the unit that you intend to occupy.

STEP 5 – WHAT ARE THE FINANCIAL IMPLICATIONS?

The financial outgoings will be a major consideration. Will you be able to afford the following:-

1. Rent - the cost of using the premises.

2. **Rates** - make sure you know the actual cost of the rates payable, not just the rateable value. Check your eligibility for relief under the Small Business Bonus Scheme.

3. **Service Charges** will apply in some of our offices/ industrial premises – covering costs of repair maintenance and the provision of services to common areas.

4. **A deposit** equal to **three months' rent** is payable before you take entry. This will be returned at the end of your lease if you have complied with all your obligations under the lease.

5. **Gas, water, electricity and telephone** - these costs will vary according to your use of the premises and the time of year.

6. **Insurance** – while the council insures the building and then issues a charge to cover this cost, you will need to make sure that you have cover for the contents (including any damage caused by theft or attempted theft) and Public Liability.

7. **Statutory requirements** - you will be required to that ensure your premises comply with the relevant legislation. More details are given in our Tenant's Handbook. For example, you will have to service and maintain any gas appliances.

8. **Repairs and Maintenance** - under the terms of the lease you will be responsible for specific repairs to the building, which will also have to be kept well decorated.

9. **Dilapidations** - at the end of your lease, or sooner if you require to come out of the unit, you will be responsible for handing it back to the Council in a good state of repair. There may be costs associated with this.

10. Other costs associated with your business - including your labour, plant, materials, waste disposal, etc.

11. **Payment** - Are the above charges payable weekly, monthly or quarterly? Are they payable in advance or in arrears?

Our rent is payable monthly in advance by Direct Debit typically charged on the 28th of each month.

12. **Legal Fees**- Our leases are prepared by the Council's Legal Services team and any potential tenant would be asked to pay the fee for the solicitor's time in drafting and in some cases recording the lease in the Books of Council and Session.

STEP 6- UNDERSTANDING YOUR COMMITMENTS

Check out what other liabilities you will be responsible for under the terms of the lease.

We have standard lease agreements for our shops, offices and industrial properties which will be provided by the Council's Legal Services. These have been written in a way that should be easily understandable, and are intended to allow tenants to take quick entry to one of our properties.

Our leases are supplemented by Tenant Handbooks which provide a fuller explanation of the rights and responsibilities of both the landlord and tenant, and give more detail on things you will need to know about being a council tenant.

Entry to the property will not be granted until the lease has been agreed and signed by the tenant. The lease is a legally binding contract between the tenant and the East Renfrewshire Council and signing it will have legal consequences for both parties. We therefore advise the tenant to seek **independent legal advice** on the terms of the lease before signing it.

STEP 7 – CONFIRM YOUR INTEREST

Once you have all the information you need, and have decided that you wish to lease one of our properties we ask that you complete an application form.

The form will be issued by a member of the Estates Team and they will advise if the property can be let on a *first come first served basis* or via a *closing date with offers invited* depending on the level of demand for the property.

This form provides us with the information we need to consider you as a tenant. Please ensure that you have completed the form fully and accurately. The information requested is essential to enable the Council to clarify whether you or your business is financially sound for the proposed agreement. If you are a new business you will need to provide a business plan including financial forecasts. You can obtain help with preparing this from an advisor of Business Gateway.

A member of the Estates team will notify where and when the form has to be returned.

STEP 8 – BEFORE YOU MOVE IN

When we are satisfied with your application and your two references have been returned, we will issue a lease. Once this document is signed by you, and by a representative of the Council you will be given the keys to the unit.

You must pay the deposit and the first month's rent before the keys can be released.

Your Tenant's Handbook gives more information on things that you will need to do as you get ready to move in.

STEP 9 – MOVING IN

The gas, water and electricity must be transferred into your name. You will be responsible for applying to the relevant authorities to arrange for all services to be switched on, including electricity, water and telephone. The council will also be providing the utility companies with information on the change of responsibility, and current meter readings.

If you want services to be available from the day that you move in, remember to apply early!

The property is available as it stands, and you will have to keep it in **good repair and condition during the lease**. A Schedule of Condition, which specifies the condition of the unit at the start of your lease, may be attached to your lease. Your lease and the Tenant's Handbook will describe the repair obligations in more detail.

STEP 10 – COMMENTS AND COMPLAINTS

The Estates team aims to provide a courteous and helpful service to all our tenants, and their representatives, at all times. Staff will be available to discuss any matters relating to your interest in one of our properties, or your future tenancy, during normal office hours.

We regularly consult with our customers to make sure that we meet their expectations and needs, and to help us to continually improve the delivery of our services. If you have any comments or suggestions about leasing a property from the Council, or the contents of this Guide, please do not hesitate to contact us at estatesenquiries@eastrenfrewshire.gov.uk.

Our complaints procedure is available on our website or a copy can be sent to you on request. If you have a complaint about our service please tell us and we will try to resolve it immediately. If you are not satisfied with our response you may take the matter further by lodging a complaint at https://www.eastrenfrewshire.gov.uk/make-a-complaint.