

# Finding the right premises

Your business will be easier to run – and more profitable – if you find the right premises, but unless you approach the search in a logical and organised way, and take advice where necessary, you risk overlooking some points which may turn out to be vital at a later stage.

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## Where should I look for details of available premises?

RICS members who handle the sale and letting of commercial premises will be able to help you. You can get a list of RICS members in your local area from RICS.

Get a feel for the area with a little research, touring around to spot For Sale or To Let boards. Get hold of all local newspapers or specialist business newspapers that you can. Most local papers run a commercial premises column at least once a week.

## What is the order of priorities in deciding on premises?

Think the process through logically. The best sequence may be:

- location. If you get this wrong there is no way of correcting your mistake except by moving again! If your business is in manufacturing, ease of access to sources of raw materials and to your markets may be essential. If you are running a shop, it should clearly be in a location where the public will notice it and find it easy to visit. For cost reasons you may have to accept some compromise
- you need to consider your **business strategy**, the number of people you will be employing, the processes used in the business and the machinery required. The type and location of property required for a manufacturing business with heavy plant will be different from that required for a software or distribution business. Consider also your ongoing plans. Should you ensure at the outset that there is space for expansion or will you rely on a move to larger premises at a later date as the business expands? Think about the quality of the workspace environment and how this may affect staff and their productivity. All of these considerations need to be thought through before you make a final choice about your premises
- next, prepare a **specification** of the premises you want. Sketch out a plan on graph paper, detailing your requirements. From this you can calculate the floor area you need. Do not forget car parking and loading and unloading facilities and remember your utilities requirements – what power supplies will your processes require, what telecommunications facilities, for example?
- the other key decision you have to make at the outset is whether you will be **purchasing or leasing** the premises
- calculating how much you can afford to pay in outgoings on the premises will determine, whether you buy or lease. In addition to rent or mortgage repayments you will need to allow for general rates, water rates, service charge for maintenance and cleaning of common areas, and insurance of the building.

Armed with this information, you will be able to give a chartered surveyor a succinct summary of what you are looking for. The chartered surveyor you retain to advise you will provide independent and professional advice on the size, type, form of tenure and location of premises that best suit your needs.



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## What are the pitfalls and safeguards when taking on premises?

Check the state of repair. Your chartered surveyor plays a key role here and will be able to advise you on the repair outlays that you are likely to face. If you are leasing the property, you need to be clear who is responsible for repairs: the landlord or you, the tenant.

Check that the property has planning permission for your use and that there are no restrictions on your ability to run your business, (e.g. a limitation on working hours or noise emissions). If you need to obtain planning permission for your use, remember to allow eight to 10 weeks (and, unfortunately, sometimes a lot longer) for the application to be processed. Altering services such as electricity and gas can be extremely expensive, so always ensure that the property has adequate mains services and that they are in good order. Ensure that the premises comply with health and safety requirements, including fire regulations and access requirements under disability legislation.

In checking the proposed lease with your chartered surveyor and solicitor, pay particular attention to the clauses relating to service charges, rent reviews, sub-letting and assignment, repairing and decorating obligations and personal guarantees. Also make sure you know whether you will have security of tenure.

You may wish to alter or adapt the building to suit your requirements. Almost certainly, you will have to obtain your landlord's approval for these works before carrying them out and you should, therefore, allow sufficient time.

If you are taking over a building which has been previously occupied, make sure you understand which fixtures and fittings will be removed when the previous occupier leaves.

If your business is a start-up operation, you might consider finding premises which you can occupy under a licence rather than a lease. Another option, mainly in the case of office space and mainly in major urban areas, is to look for serviced office space. Here you enter into a service contract rather than a lease, which may provide you with workstations, secretarial services and so on as well as the office space itself. Such contracts range from the very short term to long-term arrangements.

## Is there any financial help for businesses setting up in new premises?

Grants and other incentives might be available from central government or your local authority. Contact your local council which will be able to advise you.

## How long should I allow for finding premises?

Plan well in advance. It will vary with the circumstances but, as a rough guide, allow between three and six months. It is vital that you are in control of the timetable, so that you are not forced into hasty decisions.



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