

A Guide to Finding & Leasing Commercial Property

Properties Properties

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About North Lanarkshire Properties LLP

Our mission at North Lanarkshire Properties LLP is to provide affordable properties, locally, to support businesses to start, develop and grow. It is our vision to be the property company of choice within North Lanarkshire, and we have a portfolio of properties that includes shops, offices, workshops, stores and yards of different sizes which we hope includes the ideal property for both new and established businesses.

To be the property company of choice in North Lanarkshire, we know we have to offer the best customer service that we can, so have used our experience and knowledge to write this straightforward 'how-to' guide about finding and leasing business properties and have broken the process down.

You can get in touch with North Lanarkshire Properties in a range of ways:-

- online at www.northlanarkshireproperties.co.uk
- by email, our email address is property@northlan.gov.uk
- by 'phone on 01236 632 800
- in writing at North Lanarkshire Properties LLP

Suite G.3,
Dalziel Building,
7 Scott Street,
Motherwell,
ML1 1PN

This handbook is only a brief guide to letting commercial property. We would always recommend if you are considering leasing a property that you obtain the appropriate legal and other professional advice.



1.0 Step 1 – Property Requirements

There are a number of considerations which should help you to focus your property search.

1.1 Type of Property

As a Landlord, North Lanarkshire Properties has rules on what types of business can trade where, so always ask. Planning permission may be required for some uses. Please contact Planning (Tel **01236 632 500** or visit www.northlanarkshire.gov.uk). A change of planning use can be granted, but this will take time and cost money, with no guarantee of success.

Most properties are let on a Full Repairing & Insuring (FRI) Basis which means the tenant is responsible for all repairs either themselves or through a Service Charge if the property has various shared aspects/areas and the landlord deals with repairs and maintenance.

Shop Properties

Shops are relatively expensive commercial properties as you are effectively paying a rent for floor space and for advertising from the shop front. Specialist products could also be sold from an industrial unit, or if a business provides a service, accessible offices could also be considered.

Offices

North Lanarkshire Properties has a variety of office properties, ranging from accommodation in traditional sandstone buildings to modern, purpose built offices.

Business Centres

Within our portfolio are Airdrie Business Centre, Airdrie and Dalziel Building, Motherwell. Offices within these business centres are available on flexible terms at competitive rents. Both buildings have staffed receptions, 24 hour access, meeting and conference facilities, internet and telephone connections, and excellent accessibility. Other advantages of these buildings are:-

- monthly leases allowing maximum flexibility
- the opportunity to be part of a business community
- support from the centre management
- the ability to grow or shrink your business as you need without having to significantly change your address or telephone number



Industrial

Industrial buildings have the advantage of comparatively cheap rents and with our agreement you can adapt the inside of the building to your needs.

Yards and Land

We have commercial land and yards within our portfolio which vary in size.

Unusual Buildings

North Lanarkshire Properties also lets and manages a number of properties on behalf of North Lanarkshire Council. Often, these buildings are more unusual in nature and can often be quirky. This can also on occasions bring challenges that a tenant has to deal with.

1.2 Size

We have properties of varying size within our portfolio, from small units suitable for a business start-up, to larger properties for an established business.

Start-up units / sole trader:-

125 square feet (10 square metres) – suitable for one or two desks or as a small lock up.

200 square feet (20 square metres) – suitable for four desks or a single desk and small work area.

Starter units:-

500 square feet (50 square metres) – provides office accommodation for about 8 people or a starter workshop with office.

1,000 square feet (100 square metres) – provides accommodation for staff of about 16 to 18, whether that is as an office or a workshop.

Medium sized units:-

2,000 to 5,000 square feet (200 – 500 square metres).

Large units:-

5,000 plus square feet (500 plus square metres).



1.3 Location

North Lanarkshire offers a unique advantage to business in terms of location. There are excellent motorway and rail connections to other parts of Scotland and the UK and lower accommodation costs than Central Glasgow or Edinburgh.

Consider what your business needs in terms of location:-

Property type

Certain uses, in particular vehicle workshops are very difficult to find, so you may need to search outwith your preferred area.

Staff

Location can be very important to staff. Take into consideration that some excellent locations may be inaccessible without a car or too far away for existing staff.

Customers

Access should be easily gained by existing and new customers, either via public transport or through offering ample parking.

Suppliers

It may be important for your business to be accessible to your suppliers to keep costs down or ensure you can deliver a consistent service.

Local knowledge

Having particular local knowledge and a range of contacts in a locality may be advantageous.

Access

Accessibility is very important from motorway connections and parking or access via public transport.

Other information

There is a wide range of information available that might help you decide on suitable locations. Statistical information about the local economy is available from North Lanarkshire Council's website – www.northlanarkshire.gov.uk.



1.4 Affordability

The Business Support section of North Lanarkshire Council's website is a good source of information, and gives details of how the Council will be able to help, and of other bodies that can offer help and advice – www.northlanarkshire.gov.uk.

A) New Business

There is no strict set of criteria, and areas of consideration will vary depending on your circumstances. However, cost will almost always be a significant factor. You may think about cost slightly differently when you are a start-up business, to when you are relocating or upsizing your premises.

- Is there a market for my products and services?
- Who are my main competitors and what advantage do I have over them?
- What is a realistic price for my products and services?
- How much of that price is gross profit?
- How many of my products or services can I expect to sell at that price?

If the property costs of your business – including rent, business rates, insurance, heating and lighting and repair – are more than 15 – 20% of Gross Turnover, then you may put a strain on the business.

B) Existing Business

The costs and benefits can be summed up under the following broad headings:

The Costs

Moving costs

Including the costs of physically relocating, moving services like phone and internet and also costs of updating contact details on signage, letterheads and your website.

Lost custom

Will existing customers know where you are, and be able to get to you as easily?

Giving up your old property

Ending an existing lease may take time and have associated costs.

New property costs

The cost of setting up your new lease, which can include Solicitors, Accountants and Surveyors fees, and possibly a rent deposit.

Fitting out costs

The cost of adapting a property to suit your needs.



New operating costs

Consider if there are any additional costs of your new property, but also increased business running costs in moving.

The Benefits

• Increase business income

Moving could increase income if you find the right premises.

Operating costs

A new location could reduce your operating costs or offer better value for your money.

Space

The room to operate your business as you need, and possibly more efficient use of space.

Customer service

The right location to deliver an improved customer service.

Improved facilities

Helping you run your business more efficiently and possibly helping to retain staff.

C) Expanding your business

- Is there a market for the product/service in the new location?
- Who are the main competitors and what advantages do you have over them?
- What price can be realistically charged for the Product/Service?
- What is the gross profit of each item, at that price?
- How many products can be realistically sold at that price from the new property?
- Is the new property going to take business away from the existing property?
- How are the operating costs of the new property going to compare with the current operation and can the new property achieve a reasonable profit margin, without being subsidised by the existing property.



2.0 Step 2 – The Property Search

2.1 Initial Search

Our available properties are all advertised on our website at www.northlanarkshireproperties.co.uk

If a suitable property doesn't come up on your initial search, please keep searching regularly, or contact us as properties become available frequently.

We understand that you may not be familiar or entirely comfortable with leasing commercial property. We are friendly, helpful and happy to work with you to guide you through the steps to finding and leasing the right property for your business.

2.2 Making a Shortlist

Near the back of this guide, there is a **Property Price Comparison List** which should assist with comparing the total running costs of different buildings and help identify and budget property costs.

When enquiring about a property, a prospective landlord should disclose what the costs of the rent, building insurance and service charge will be.

2.3 Viewings

After a viewing, a property can be reserved with North Lanarkshire Properties by completing a Property Application Form. There is no financial commitment at this state and completion of a Property Application Form is not binding on you.

At each location consider the following questions:-

Location

- Does the area seem attractive to other businesses and is it generally busy?
- What is the condition of nearby properties?
- What is the public transport like in the area, where are the nearest train stations and bus stops?
- Are there local facilities like sandwich shops and restaurants for staff?
- Are there attractions that will draw customers?
- Are there crèches or nurseries nearby?
- Are there any known plans for development in the area?
- What is the crime level like in the area?
- How good is access to main roads and motorways?



- Will my use of the building comply with its current planning use?
- · Does the security on site meet your needs?
- Are any of the neighbouring businesses likely to disrupt your business?
- Is there adequate parking for you and your customers?
- At this location does North Lanarkshire Properties have other properties that we can move to later on if the business does well?

External

- Take pictures to compare different properties, note important points, and check sizes.
- What is included in the lease land, parking, etc?
- Are there any maintenance issues?
- How would you manage goods deliveries at this property?

Internal

- How energy efficient is the building?
- If I want to change the layout, will North Lanarkshire Properties allow it?
- Is the size and layout suitable for your needs?
- Is the property well maintained?

Utilities / Communications

- If I want to upgrade the electrical supply, heating or energy efficiency, will the North Lanarkshire Properties allow it?
- Do the communications on site meet your needs, i.e. telephone and broadband?
- Does the current electrical installation meet your needs, or will you have additional costs.

A **comparison list** can also be helpful. We have included a template near the back of this guide.



3.0 Step 3 – Agreeing a Lease

Leasing commercial property is a big responsibility. When you sign a lease, you accept all costs relating to that property until the end of the lease and at the lease end, the premises should be returned in no worse condition than it was at the start of the lease. This could mean you have to rebuild walls or replace the roof either during the lease or at the end of the lease, and that if anything goes wrong with the building before the end of the lease – the most common things are with electricity, gas, heating or plumbing – you will have to pay to fix it, and not your landlord.

When you sign a lease, your responsibility doesn't stop until the end of that lease – you cannot end it or walk away from it. If you don't keep paying the rent when you are supposed to, you will be taken to court to recover that money. The same applies to any repairs or other costs. Even once the lease has ended, you will have to pay for any outstanding cost that occurred while you were the tenant.

We always advertise what we consider to be a fair asking rental on our properties, these are set by our Chartered Surveyors. The rent on our property listing is what we believe to be the Market Rent, and is the rent we expect to achieve.

3.1 The Process

For most properties, we operate on a strict first come, first served basis. If you are interested in a property and complete our paperwork, we will reserve that property for you for a reasonable period of time to allow us to carry out financial checks and to agree all the terms of the lease with you. There is no cost involved in this, no penalty if the lease isn't finalised and no obligation to continue with the lease if circumstances change.

For some properties, we will carry out a tender exercise – advertising the property with a closing date, and inviting interested parties to make sealed bids. The winning tenders are decided on a combination of rental, suitability of use and security of income. Deciding the successful tender takes at least a week after the closing date, assuming no problems with the offers made, and much longer if there are issues.



3.2 Credit Checks and References

Before we will grant a lease, we will carry out credit and identity checks and ask for a bank reference. The following will be requested:-

- **Home address:** Proof of your home address
- Proof of identity: We will need to take a copy of your Passport, or Birth
 Certificate and a photographic proof of identity, e.g. Drivers Licence
- **Nationality:** If you are not a European citizen, you will be asked to provide proof that you are able to conduct a business in the UK for the period of the lease
- **Financial check:** A bank reference will be required and banks will usually provide this for a small fee. If a poor reference is given, this will require further discussion. Bank should be contacted early as they may take time to provide a reference.

3.3 Lease Period

Depending on the property, and your needs, we are able to offer leases of different lengths.

Month to month leases

A month to month lease has advantages:-

- If the business does well, a larger or second unit can be obtained.
- If the business struggles, downsizing is an option.

We are able to offer a month to month lease on a number of properties in our portfolio.

Year to year leases

Some businesses prefer to have year to year leases to make sure that they have secured premises for a minimum period of a year. Please note that if even if notice is served to leave the premises at the beginning of the year, there is an obligation to pay the remaining rent for the year.

Longer leases

If a unit requires significant investment or tenant fit out, a longer lease may be desirable. Most banks will also make it a requirement of a loan for that type of improvement that a longer lease is taken. At North Lanarkshire Properties, we can only grant a lease for more than five years if our Management Committee have agreed to it. This will add a time delay in concluding the lease agreement.



3.4 Lease Terms

North Lanarkshire Properties uses two main types of leases, In-House Leases and Custom Leases. Because of the responsibility a tenant is taking on when they sign a lease, we always suggest that tenants seek suitably qualified legal advice.

In-House Leases

This is a lease provided by our Solicitors which North Lanarkshire Properties can use to grant you a lease over one of its properties. We cannot change the terms or wording of this lease and any variation would have to be referred back to our Solicitors. Many of our properties are only available on an In-House Lease.

Custom leases

Produced following negotiations between our Solicitors and a prospective tenant's Solicitors. There are some properties within our portfolio where we are only able to use a custom lease. In some other circumstances, e.g. for a lease of over 5 years, we will use a custom lease. The majority of our leases are **In House Leases**, because they are quick and cost effective for both parties.

We are happy to discuss this with you as part of our negotiations.

3.5 Signing the lease

Once credit and identity checks are passed, the lease needs to be signed. A copy will be held by North Lanarkshire Properties and a copy will also be provided to the tenant. The lease details the financial, repairing and other obligations of the tenant as well as the landlord obligations during the term of the lease.



4.0 Step 4 – Moving In

4.1 Things to consider before the Date of Entry

Telephone/internet connection

- It can take new tenants 4 to 5 weeks to get a connection and telephone number. If you want to move an existing telephone number this will take even longer, around 8 to 10 weeks.
- At our two business centres, Dalziel Building and Airdrie Business Centre, we can, through our suppliers, arrange full access in under a week. We still have the same delay in moving existing telephone numbers, but we can provide tenants with a temporary telephone number until their old one is moved.

Post redirection

• We suggest contacting Royal Mail at the earliest possible opportunity to start putting the arrangements in place.

Insurance

 We provide buildings insurance, the cost of which we charge back to tenants and invoice with the rent. However we do not insure tenant possessions, or business equipment, stock, or any other aspects, including public liability.

Security

• If an alarm system or other security measures are required in your premises, you will need our agreement in writing, and a contractor to do the work.

Electricity and gas

• It will be the tenant responsibility upon moving in to arrange their own utility suppliers and take a note of gas and electric readings on their date of entry.

Non domestic Rates

• When a property is let, we write to North Lanarkshire Council's Non domestic Rates Section (telephone 01698 403903 email revenue@northlan.gov.uk), to give them the name of the new tenant and the date that they leased the property from. New tenants should also contact them to make sure details are correct and if applicable, apply for any rates relief they may be entitled to.

Water charges

 Business properties pay water and waste water charges separately to water utility companies. The water supply is measured by a water meter and the waste water is usually based on the Rateable Value of the premises. We contact the



- water utility company and tell them there is a new tenant, but you must also contact them and put a water contract in place for your business.
- In Business Centres, while the usage may be recharged by the landlord separately, the tenant will still be liable drainage charges to a water utility company.

Refuse collection

 North Lanarkshire Council can provide refuse collection services and a contract can be set up by phoning 01698 403 110. Alternatively, there are also private companies who provide this service.

Rent

 North Lanarkshire Properties requires an initial rent payment before we hand over our property. Payment can be made by cheque or bankers draft on the day. We can also accept card payments, but will need at least 5 working days' notice if you want to pay by card. Keys will not be released until payment has been received.

Direct Debit Form

 A Direct Debit form must be completed for future rental payments before keys are released.

4.2 What North Lanarkshire Properties will provide on the Date of Entry

Keys

• We usually provide at least 2 sets of keys. We do not keep keys for any property where a lease is in place and cannot access tenant's premises.

Electrical and gas test certificates

 We will give test certificates for the electrical systems in properties, but not appliances, and if there is gas we will also provide a test certificate for the system and any heating. Tenants maintain the systems and will test the gas and electrical systems as required by current law.

Asbestos survey

 We will provide an asbestos survey of properties if we are aware of any asbestos in properties. If there is any, it should not be disturbed. All occupiers must by law maintain an asbestos register; full information can be obtained from the HSE website <u>www.hse.gov.uk/asbestos/</u>.

Energy Performance Certificate

• Every property that is let will have an Energy Performance Certificate. This will be provided so that it can be displayed.



Tenant's Handbook

• If applicable at the property, this is a booklet we give to all our tenants to help them understand their lease, and provide useful information.

Copy of lease

 Remember this is a binding contract and the lease sets out your responsibilities to North Lanarkshire Properties as your landlord. Please keep this safe, as at some time you will probably need it.

Schedule of condition

 When a property is handed back to North Lanarkshire Properties by the tenant, it must be the same or better condition than detailed in the Schedule of Condition which will be agreed as part of your lease.

4.3 At Handover of Keys

- Check the Schedule of Condition
- Check heating and hot water system works (if applicable)
- Check electricity, and the sockets
- Check water (run the taps and flush the toilets)
- Check keys in the lock
- Find the meters and water cut off
- Go through Tenant's Handbook



Appendices

Comparison List

Property		
Address		
Location		
Condition		
Size/Layout		
Fitting out Costs		
Security/		
Neighbours		
Parking/Access		
Services		
Lease Flexibility		
Running Cost		
Rent		
Overall Impression		



Property Price Comparison List

Address:				
Costs	£	£	£	£
Rent Amount:				
VAT Amount: (Applicable if the unit is leased from North Lanarkshire Properties):				
Legal Costs:				
Deposit:				
Insurance				
Buildings:				
Contents:				
(Buildings recharged by the landlord and contents is arranged by the tenant)				
Service Charges:				
(To maintain the common areas in the estate/building)				
Maintenance & Repair Costs:				
(To maintain and repair common the tenant's premises)				
Non-Domestic Rates:				
(Further information at www.saa.gov.uk or revenue@northlan.gov.uk / 01698 403903)				
Water & Sewage Charges:				
(Even if Service Charge covers the water use, it				
is likely that drainage charges are payable by the tenant to an external company)				
Electricity				
Supply:				
Test:				
Test.				
Gas				
Supply:				
Service & Gas Safety				
Certificate:				
Refuse Collection:				
Talanhana/Intarnati				
Telephone/Internet:				
Post Office/ Redirection				
Service:				
Total Costs:				
	========	=======	=======	=======



Useful contacts~

Business Development & Support

BusinessDevelopment&Support@northlan.gov.uk

Business Gateway Lanarkshire

Cumbernauld College Cumbernauld G67 1HU

Tel: 01236 888602 www.bgateway.com

Building Standards

Tel: 01236 812440

Buildingstandards@northlan.gov.uk

Business Regulations (Food & Health & Safety)

Tel: 01236 856361

foodsafety@northlan.gov.uk

Food Standards Agency

www.goodstandards.gov.scot

Law Society of Scotland

Atria One 144 Morrison Street Edinburgh EH3 8EX

Tel: 0131 226 7411 lawscot@lawscot.org.uk www.lawscot.org.uk

North Lanarkshire Council - Non Domestic Rates

Dalziel Building
7 Scott Street
Motherwell
ML1 1SX
Tel 01698 403213
revenue@northlan.gov.uk
www.northlanarkshire.gov.uk

North Lanarkshire Council – Environmental Services – Environmental Health

Tel: 01698 403110



North Lanarkshire Council - Enterprise & Communities - Planning

Fleming House 2 Tryst Road Cumbernauld G67 1JW

Tel: 01236 632500

Esplanning@northlan.gov.uk

North Lanarkshire Council – Enterprise & Communities – Regeneration Services

Fleming House 2 Tryst Road Cumbernauld G67 1JW

Tel: 01236 632488

RegenerationAdmin@northlan.gov.uk

www.northlanarkshire.gov.uk

Royal Institution of Chartered Surveyors (RICS) Scotland

Third Floor 125 Princes Street Edinburgh EH2 4AD Tel: 02476 868555

Tel: 02476 868555 scotland@rics.org www.rics.org



Utilities

BT Business

Tel: 0800 7076320 www.business.bt.com

Virgin Media Business

Tel: 0800 0520800

www.virginmediabusiness.co.uk

British Gas Business

Tel: 0333 4142512

www.britishgas.co.uk/business

Scottish Power

Tel: 0800 0740052

www.scottishpower.com

Scottish and Southern Energy

Tel: 0800 3894466 www.hydro.co.uk

Business Stream (Water)

Tel: 0330 1232000

www.business-stream.co.uk

EDF Energy

Tel: 0333 0097085 www.edfenergy.com

Lanarkshire Joint Valuation Board

Tel: 01698 476000

www.lanarkshire-vjb.gov.uk

Royal Mail - Redirecting mail

Tel: 0345 7950950 www.royalmail.com

E-On

Tel: 0345 0550065

www.eonenergy.com/in-business



Other useful numbers

Police Scotland

In an emergency, please dial '999'.

For non-emergency incidents, please dial '101'

https://www.scotland.police.uk/your-community/lanarkshire/

Northline

If you require information from North Lanarkshire Council, please contact Northline. Tel: 01698 403200

Northline is open longer than normal office hours. The opening hours are:

- 8am to 6pm Monday to Friday
- 9am to 12 noon on Saturdays
- 10am to 3pm on public holidays (not Christmas and New Year)