

# Commercial lettings and leasing

## Properties to let

We let council owned commercial properties on the open market as soon as they become vacant. By re-letting properties quickly, we aim to maximise rental income for the borough and minimise voids which impact negatively on Lewisham's street scene.

## Commercial Leases

The lease for a commercial unit will be in a **standard form**, with the main terms and conditions set out as below.

Incoming lessees are responsible for any takeover or connection charges and are liable for our surveyors costs of approximately £650, including a non-refundable deposit which is payable in advance.

A successful application to let a property is subject to the receipt of satisfactory references.

If a lease is taken in the name of a limited company we will require a personal guarantor.

Please be aware that the form of the final lease may vary slightly and this is provided only as an example.

1. The lease is for a term of five years, or such other period as agreed.
2. Rent is:
  1. payable quarterly in advance by direct debit
  2. exclusive of business rates
  3. exclusive of any VAT which may become payable
3. The tenant will reimburse the council the periodic premiums payable by the council in respect of the insurance of the structure.
4. The tenant will be responsible for internal and external repairs & decoration and gas / electrical safety checks, plate glass and fascia.
5. The tenant is not to make any alterations or additions which affect the structure or exterior of the building without the prior written consent of the Head of Property and Building Services. Such consent may be given or withheld at the landlords sole discretion.
6. The tenant must comply with all statutes and regulations relating to the demised premises including the [Health and Safety at Work Act](#). The tenant is not to cause nuisance from noise, odour or accumulation of materials or waste.
7. The tenant may assign the lease subject to the council's standard assignment conditions. The tenant may not sublet any part of the premises.
8. The tenant to take a lease in the form prepared by the Director of Legal and Democratic Services and pay all reasonable costs arising therefrom.
9. A [code for commercial property leases](#) has been prepared to guide business landlords and potential tenants. This is now available from the [Royal Institution of Chartered Surveyors](#) (telephone 020 7222 7000).

## Light Industrial Units Lease

The lease for a light industrial unit will be in a standard form, with the main terms and conditions set out as below.

Incoming lessees are responsible for any takeover or connection charges and are liable for our surveyors costs of approximately £650, including a non-refundable deposit which is payable in advance.

A successful application to let a property is subject to the receipt of satisfactory references.

If a lease is taken in the name of a limited company we will require a personal guarantor.

**Please be aware that the form of the final lease may vary slightly and this is provided only as an example.**

1. The lease is for a term of three years.
2. Rent is:
  1. payable quarterly in advance by direct debit
  2. exclusive of business rates
  3. exclusive of any VAT which may become payable
3. The tenant will reimburse the council the periodic premiums payable by the council in respect of the insurance of the structure.
4. The tenant will be responsible for internal non-structural repairs, internal decoration and gas and electrical safety checks.
5. The tenant is not to make any alterations or additions which affect the structure or exterior of the building without the prior written consent of the Head of Property and Building Services. Such consent may be given or withheld at the landlord's sole discretion.
6. The tenant must comply with all statutes and regulations relating to the demised premises including the [Health and Safety at Work Act](#). The tenant is not to cause nuisance from noise, odour or accumulation of materials or waste.
7. The tenant not to assign, underlet or otherwise part with possession of the whole or any part of the demised premises at any time.
8. The tenant may at any time after the expiry of the first 6 months of the lease, but prior to the commencement of the last 6 months, surrender the lease on giving of not less than three calendar month's notice in writing.
9. The tenant is to ensure that parking is restricted to the spaces provided and that no obstruction is caused to the service area, yard or highway.
10. The tenant to take a lease in the form prepared by the Council's appointed Legal Services and pay all reasonable costs arising there from.
11. A [code for commercial property leases](#) has been prepared to guide business landlords and potential tenants. This is now available from the [Royal Institution of Chartered Surveyors](#) (telephone 020 7222 7000).

### Planning Suitability

If an applicant wishes to use a property for a different use to the existing permitted use (for example, if the property is currently a retail shop falling under use class A1 and the applicant wants to use it as a restaurant, under use class A3), they should contact the [Planning Department](#).

If the property last operated with the benefit of planning permission, the next user will be required to comply with any conditions on that planning permission unless changes are sought. Some types of use are grouped within *Use Classes* and an application for planning permission isn't required for a use falling within the same use class (e.g. from one retail use to another) or, in some instances, between use classes.

For the latest guidance on Use Classes, please see the [Planning Portal](#) or call the Planning Service on 020 8314 7400. It is always best to check whether your ideas might be suitable and whether there is a need to apply for planning permission.

Generally speaking, our preference is for existing-use offers over alternative offers. This is due to the uncertainties and the time involved in changing the planning designation of a property via a planning application. Changing use can be a complicated process and will take time.

Please see the [guide to use classes](#) for information on all the planning Use Classes.

## **Lettings Fees**

Our offer of a tenancy will be dependant on the applicant agreeing to cover the Council's Surveyors and Legal Fees which are currently in the region of £1,100 but will be subject to review from time to time. Once paid, this fee is non-refundable.

## **Rateable Value & Business Rates**

Prospective applicants should be aware that all rents quoted in our agents particulars are exclusive of business rates (and service charge where applicable). Where possible, we will quote the rateable value of a unit however, enquiries should be made with the [Business Rates Department](#) or at: <http://www.voa.gov.uk/>, to verify this figure.

## **Lettings Information - Fees**

### **Legal, Surveyor and Administration Fees**

The prospective tenant is to be responsible for landlord's surveyors and legal fees (currently in the sum of £1,100. This may vary depending upon the complexity of the case). This will be payable prior to our instructing solicitors to prepare and forward a draft lease to the prospective tenant's solicitors.

### **Planning Fees**

The prospective tenant will be responsible for [planning fees](#) in connection with permission for a change of use. There may be additional fees associated with the submission of extra information requested.

### **Building Control Fees**

The prospective tenant will be responsible for fees (these are set according to the estimated cost of work, and are charged on a sliding scale) in connection with the submission of an application for refurbishment works to comply with any statutory requirements and Building Regulations. There may be additional fees involved with the submission of extra information requested.

## **Properties to let**

### **Lettings Information - Guide to Use Classes**

For up to date information on Use Classes, please visit the Planning Portal website [here](#).

## **Lease Renewal - Guidance Notes**

The majority of commercial leases are for a fixed term, in some instances tenants have the right to renew however, in all cases tenants should consider their options at least a year before lease expiry. Finding suitable property and moving your business takes time and is expensive.

**Are leases automatically renewed?**

Tenants will have the right to renew their leases upon expiry provided the Landlord does not successfully oppose the renewal however, If the leases are contracted out of the Landlord and Tenant Act then in these circumstances there is no right for a new lease.

**What happens if a lease is contracted out of the Act?**

You will need to determine whether your landlord is happy to extend your occupation and agree renewal terms if you wish to stay in occupation post your expiry date.

**What are the grounds that the landlord could use to oppose renewal?**

The grounds include non-payment of rent, failure to keep the property in a reasonable state of repair, the landlord has offered you alternative accommodation, that the landlord intends to demolish or reconstruct the premises or the landlord requires the premises for his own occupation.

**How do I get a new lease?**

Your lease will continue until a Section 25 notice is served either by you or by the landlord giving between 6 and 12 months written notice.

The landlord can also serve a notice on you, either stating an intention to grant a new lease or opposing to the grant of a new lease. If you wish to stay in occupation, it is important that you serve a counter notice on the landlord and you must make a Court application to protect your position whoever serves notice.

**What happens if I wish to leave the property?**

If your lease is protected and you wish to leave, then you will need to serve 3 month's written notice which must either expire on the last day of the lease or later. **This varies on the lease.**

**What to do next?**

If your lease is coming to an end then we would strongly recommend that you seek professional advice up to two years in advance. This will help you plan the best strategy so that your property can meet your future business needs at the minimum costs. **Due to current volume we will not entertain requests more than 8 months before expiry.**