

LOOKING FOR A SHOP?

A few suggestions to consider



Before you start making inspections of available retail premises a good degree of preparatory work is required. Based on our experience we suggest that you consider the following matters:-

- * **The Tenant/Occupier** - the most important piece of information that Landlords and their Agents require is the identity of the Tenant. Will the letting be to an individual, a partnership, an unlimited company, a limited liability company, a limited liability partnership, a public company, etc.? This piece of information will greatly influence the landlord's stance in negotiations. Supporting information in the form of financial information, references, etc. will be needed. Most Landlords will look to past performance for guidance on the security that a particular party offers. Landlords or their Agents will regularly seek details of trading history (by reference to trading accounts), sight of a Bank reference, References from trade suppliers and a current or past Landlord. For those 'new start' situations sight of a Business Plan will be an essential and the likelihood is that a Rent Deposit will be needed (see information on our site on the implication of a Rent Deposit).
- * **Location** - not every street will suit your business. It is essential that you consider not only the volume of pedestrians in any particular location but also the type of shopper. In York City Centre is your target the tourist sector? If it is then you need to study which streets benefit from the highest proportion of visitors. Much time needs to be spent studying pedestrian activity in any town or City Centre. As the Managing Director of one leading retailer told us recently when looking at a shop in York "I probably know just as much about coffee shops as I spend so much time in them watching pedestrian activity to make sure a pitch is right for us". We are sure that you do not need us to tell you the three most important factors in retailing! It is surprising how often those who have retail premises come back to us after 12 to 18 months with plans to relocate to locations that they feel are more appropriate. Get it right the first time seems to be the message.
- * **Size** - this might be hard to believe that we still have people looking at shops of 400 sq.ft. only to say "this property is too small for us, I think that we need twice this amount of space". Another one of the most important decisions that needs to be made relates to the size of property required for a particular operation to achieve maximum revenue per square foot. Not surprisingly our particulars do include details of the floor areas and often a sketch plan can be provided, where a property Owner has not provided us with an Architect prepared plan. Any plan provided will be for general guidance only and will obviously be unsuitable for shop fitting or other purposes.
- * **Use** - In addition to planning constraints many property Owners restrict the use of a property and the details need to be read carefully. There is little point in looking for a hot food outlet in a property where either planning consent, the existing lease or the Owner restricts use to retail. Where a property is available for A3 or A5 uses (relating to food/drink) this will be stated. Many Owners of property with residential upper parts are reluctant to accept food uses on a ground floor.
- * **Lease Details** - the minimum length of term being sought by the Owner of a retail unit will often be stated in particulars. If you are looking for a 'toe in the water' situation we recommend that you make this clear to us before undertaking inspections. This will enable the position to be checked with the Owner of a particular property before a viewing takes place.
- * **Business Rates** - rents are stated on particulars as being 'exclusive'. This means that some additional charges such as V.A.T. and business rates are specifically not included. The liability for general rates can be established by contacting the rating authority (Business Rates Section). For properties in York and its suburbs this is City of York Council (Tel: 01904 551140). Our particulars normally state the Rateable Value (the assessment on the date of the enquiry) upon which the rates bill is based and the actual liability for the year (April - March) that results. We ask you to check this information before making an offer for any property.
- * **V.A.T.** - some rents are subject to V.A.T. and others not. If you are in a business that is unable to recover V.A.T. on a rent please enquire whether a particular property's rent is subject to V.A.T.