

Guide to

Finding and Leasing Commercial Premises

from East Ayrshire Council

This guide has been produced to help prospective tenants identify suitable business premises available for let from East Ayrshire Council. It also explains the process of making an offer and agreeing a lease.

Introduction

East Ayrshire Council's portfolio includes a range of properties including shops, offices and industrial units located throughout the area. The Council offers a flexible leasing approach to businesses looking for commercial property to rent. Contact details: -

Estates Service
East Ayrshire Council
Opera House
8 John Finnie Street
Kilmarnock
KA1 1DD

Telephone: - 01563 576 000

E-mail: - estatesmanagement2@east-ayrshire.gov.uk

Office hours are: - 9.00am to 5.00pm, Monday to Thursday
9.00am to 4.00pm, Friday.

Independent Professional Advice

This document is for guidance only and should not be considered as a substitute for seeking independent professional advice.

Establishing Your Requirements

Drawing up a list of what you need from your premises is a good way to start your property search. This may include: -

- Location – proximity to suppliers, transport links, passing trade
- Property type – shop, office or industrial unit
- Size and layout of the premises – office space, production area, number of employees
- Any special requirements - high ceilings, wide doors, floor loading for heavy equipment, additional electrical supply, security, heating
- Facilities for employees and customers – toilets and kitchen facilities
- Use of the premises for your type of business – planning permission, landlord restrictions
- Access and parking space – delivery of supplies, car parking, access to public transport

Viewing a property

If you would like to view any of our available properties, please contact the Council's Estates Service by emailing estatesmanagement2@east-ayrshire.gov.uk. We will arrange a convenient time for you to visit the property during office hours and will be happy to discuss any questions you may have.

Costs associated with renting a commercial property

There are a number of factors to consider when assessing the costs related to leasing a property from us and some general costs related to your business. You may want to consult your business advisor or bank for advice on these matters.

- **Rent** - payable to the landlord in advance on a regular basis. VAT may be charged in some situations, including where a property is being predominately used for storage.
- **Rental Deposit** - equal to 3 months rental 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.
- **Non-domestic Rates** - you will need to know the rates payable, not just the Rateable Value of the property. You may be eligible for the Small Business Bonus Scheme which means you will pay reduced rates or no rates at all. To check your eligibility and to apply for this relief you should contact the Council's Finance Department.
- **Service Charge** – the tenants of some premises will have to pay a variable service charge for the maintenance and servicing of the common parts associated with the building. This charge is payable to East Ayrshire Council as landlord.
- **Insurance** - your property is insured by the Council under a common building insurance policy and a premium will be recharged. You must arrange your own insurance for contents, public and third party liability etc.
- **Gas, water, electricity, telephone etc** - these costs may vary according to your use of the premises and the time of year.
- **Statutory requirements** - you will be required to ensure your premises comply with relevant legislation. You will have to arrange, at your expense, the servicing and maintenance of any gas appliances, electrical installations, fire alarms and emergency lighting amongst others.
- **General repairs** - normally you will be responsible for internal and external repairs to the property. This may include windows, doors, shutters and toilet fittings. The property will also have to be re-decorated at certain intervals.

- **Dilapidations** - at the end of your lease, or sooner if you have to leave the property early, you will be responsible for handing the premises back to the Council in a good state of repair as noted in the schedule of condition which will be prepared at the start of the lease. There will be costs related to this.
- **Other costs** - these may include your labour, plant, materials and waste disposal.
- **Legal and other professional fees** - these may be payable at commencement, renewal and at the end of the lease. If you decide to rent a property from us, you may be responsible for the Council's surveyor and legal costs in connection with preparing the lease or tenancy.
- **Land and Buildings Transaction Tax (LBTT)** - Depending on your lease terms, you may need to submit a tax return and pay Land and Buildings Transaction Tax (LBTT) to Revenue Scotland. Leases that come under LBTT also come with additional ongoing responsibilities for the tenant. You must submit an LBTT return within **30 days** of the lease's effective date (i.e. usually the date of entry/when the lease starts). Your agent or solicitor can submit this for you. If submitting it yourself, contact Revenue Scotland to request a paper form.
- **Lease reviews - Tenant ongoing responsibilities** - As long as you are the tenant, it is **your responsibility** to submit a **Lease Review Return** to Revenue Scotland within 30 days of the following: -
 1. **Every three years** - Even if nothing has changed or no tax is due, you must submit a return every **third anniversary** (i.e. year 3, year 6, year 9 etc.) of the lease's effective date (i.e. usually the date of entry/when the lease starts).
 2. The date you **assign** (transfer) the lease to someone else - Once this is submitted, the new tenant will take over future returns.
 3. The date you **terminate** (end) the lease - A final return must be submitted when the lease is terminated.
- You, as the tenant, can submit it online via the [Revenue Scotland portal](#). Failure to comply with this responsibility will result in a penalty. For full details on ongoing lease responsibilities, visit [Revenue Scotland's website](#).

Are grants available?

Information on the support available for businesses can be found on East Ayrshire Council's Business Support Service website: -

<https://www.east-ayrshire.gov.uk/BusinessAndTrade/Businessandtrade.aspx>

Noting your interest and making an offer

If you are interested in leasing any of our properties, please contact the Council's Estates Service to confirm your interest and they will advise you on how to make an offer and will be happy to discuss possible lease terms.

If a closing date for offers has been set, you will have to return the application form in a sealed envelope by the specified closing date.

You will be required to provide the following information: -

- Your home address
- Company name and registration number
- Contact details for 2 suppliers / customers etc along with details of your bank or accountant.

This information will assist the Council in its request for a reference. References are required to confirm that you are able to pay your rent, before the offer can be progressed.

If you are a new business, you should provide a business plan. Help in preparing this is available from the Council's Business Support Team: - business@east-ayrshire.gov.uk

If your offer is successful

If your offer is successful, you will be required to submit supporting documents including proof of address and bank account statements. You will also be required to provide references as mentioned above. On receipt of supporting documents and satisfactory references, you will be sent 'Heads of Terms'. These will set out the main terms of your lease/tenancy agreement, and will include the following: -

- The area of the land or buildings to be let.
- The length of the lease/tenancy agreement.
- The rent payable. This is usually quoted on an annual basis but is paid monthly or quarterly subject to agreement.
- Permitted use of the property (the 'User' Clause in the lease). You should check that the intended use of the property is allowed under planning policy by contacting East Ayrshire Council Planning (see useful contact details).
- Repairing and insuring obligations.

The Council's industrial units are generally suitable for activities falling within Planning Use Classes 4, 5 and 6 (Light and general industrial use, and storage and distribution).

The following uses are not permitted in the Council's industrial units: -

- Vehicle repairs
- Retail
- Leisure uses such as a gym
- A crèche or children's nursery

You will also not be able to do the following outside the Council's industrial units:-

- Store a skip outside the unit
- Use the forecourt to store plant, equipment, etc
- Use the forecourt as part of your business

The Council's shops are suitable for Use Class 1 (Retail) but uses such as hot food sales, will require planning permission and the Council, in its role as landlord, must also agree to such a use.

You are welcome to discuss the Heads of Terms with the Estates Service, however it is advisable for you to seek independent professional advice at this point from a Solicitor and/or Chartered Surveyor. If the Heads of Terms are acceptable to you, you will be required to confirm your acceptance in writing to the Council's Estates Section.

At this stage, neither side is legally 'committed' to the agreement. The agreement remains 'subject to contract' (subject to signing of the lease) and either side can, withdraw at this point. On receipt of your written acceptance, the Council's solicitors will prepare the lease documents for signing.

You will then be asked to sign either: -

1. the lease effective from an agreed date, or
2. a licence to give you early occupation (followed by the lease).

Before you move in

When the lease documents have been signed by you and a representative of the Council, and all fees due to the Council have been paid in full, you will be given the keys to the property.

Moving In

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

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 records the condition of the unit at the start of your lease, may be attached to your lease. Your lease will describe the repair obligations in more detail.

Useful contact details

East Ayrshire Council Planning
Telephone: 01563 576 790
Email: submittoPlanning@east-ayrshire.gov.uk

East Ayrshire Council Building Standards
Telephone: 01563 576 790
Email: BuildingStandards@east-ayrshire.gov.uk

East Ayrshire Council Finance (Non-domestic Rates)
Website: <https://www.east-ayrshire.gov.uk/BusinessAndTrade/BusinessRates/business-rates-information.aspx>
Email: collections@east-ayrshire.gov.uk

Business Support Services
Telephone: 0330 678 1611
Email: business@east-ayrshire.gov.uk

Non-Domestic Rates (Rateable Value)
Telephone: 01292 612 000
Email: assessor@ayrshire-vjb.gov.uk