

Guide to Premises

If your business requires trading premises in order to operate, then the obtaining of the premises themselves will become a key focus for your business advisor or loan assessor. Simply put, if without premises there is no business, then without premises there can be no loan either.



At the same time, we recognise that to commit legally and financially to commercial premises is a significant step.

The start-up loan scheme does not therefore require you to commit financially to premises

prior to being approved for a start-up loan, but does require clear evidence that progress is being made in the premises negotiations and that there is good will on all sides to conclude.

Evidence that is acceptable to the start-up loan scheme is as follows-

Signed Lease

Whilst this is NOT a requirement, if you are already in possession of a premises lease, this is the best evidence you can provide of your right to trade at the location identified in your business plan. Please therefore upload a PDF copy in support of your application.

Draft Lease

Typically, this is an unsigned lease. You have agreed the terms and conditions of the proposed lease with the landlord or his agents and the lease has been drawn up, though remains unsigned. If your negotiations have reached this stage, please provide a PDF copy in support of your application.

Heads of Terms

Similar if not identical, to a draft lease. Typically used once formal negotiations have commenced to confirm the key terms and conditions of the lease to be produced and signed. If your negotiations have reached this stage, please provide a copy PDF in support of your application.



No other evidence of premises will be accepted by the scheme. This includes, estate agent or commercial agent property details, email correspondence, floorplans or photographs.



Other Considerations with regard to Commercial Premises

In addition to evidencing your right to trade from your preferred premises location, the following other factors also need to be considered-



Upfront Payments of Rent

The start-up loan scheme will not provide any more than 3 months of premises rent within your loan. If you have agreed terms in excess of this with your landlord, then you must evidence your ability to afford these payments from your own cash-stake or you must renegotiate. If you are in any doubt, please contact your business advisor.



Break-Clause

If there is a significant period in the lease during which you are unable to break (cancel) your lease or renegotiate the terms and conditions, this may affect your application decision. It may be that if your business were to fail, you may be legally obliged to continue to pay the rent, which will in turn impact your Personal Survival Budget (PSB). Please contact your business advisor if you are in any doubt.



Change of Use

Whilst your landlord and yourself may have agreed on the lease terms and conditions, is a 'change of use' planning permission also required from your local council? For example, an estate agent's premises (A2) being turned into a hot-food takeaway (A5) would require exactly such a permission regardless of any lease being agreed with a new tenant. Please contact your business advisor if you need to apply for 'change of use' planning permission.



Market-Research or Validation

If your customers will need to visit your premises to purchase your products or services, then your local customer market-research or validation can only be carried out once the premises are established and the potential customer is aware of where he/she will need to travel to in order to purchase. Research conducted before the customer is aware of the site of your business will have little or no value in terms of your loan decision. self-assessment for instance? Or have you trialled an earlier version of your business and achieved success in a limited way among family and friends?



*Good Luck
with your application*



BizBritain

Find out more at

www.bizbritain.com



0800 888 6118



customerservice@bizbritain.com

Follow us:

