

TAKING ON A LEASE

Many organisations require a dedicated space whether that be office, retail or storage. Often this will mean an organisation having to take on a lease on a property, most commonly with a private landlord. Taking on a lease is a big responsibility for an organisation and any lease should be fully researched and considered by the organisation before an agreement is made. There are basic considerations such as do we have the income or can we sustain an income to pay a monthly rent?

However rent is just one cost that is associated with taking on a lease, any agreement should be checked fully for costs, which may include:

- **Deposit** – is there an initial one off payment required?
- **Insurance** – Make sure what insurances your landlord has and what you will require, this may include Renters insurance, Public Liability Insurance, Contents Insurance
- **Maintaining the space** – know your responsibilities in maintaining the space, what is expected by the landlord? Is there a clause stipulating the responsibilities to return the space to its original state at the end of the lease?
- **Does the rent include VAT?** – is the advertised monthly rent inclusive of VAT or has that still to be added
- **Utility bills** – Make sure you find out upfront the costs of utility bills or request an estimate – remember if it is bulk bought by the landlord they will pay less than you will as an individual tenant. It should be noted that **registered charities** can apply for rates relief on water charges.
- **Landlord costs** – make sure you are aware of any additional cost such as Landlords charging back for any legal fees for the set-up of the lease.
- **Business rates** – as a registered charity an organisation can apply for business rates relief however it should be noted that CIC's and Companies Limited by Guarantee (without charitable status) are not eligible for this relief.

It should be noted that there is more to being a tenant than paying the bills, there are many responsibilities that come hand in hand with a lease. You must make sure that the organisation understands the lease, for items such as:

- **What is the permitted use of the space** – if its retail or office but the organisation wants to open a café, is this possible?
- **Alterations to the space** – does the lease allow for internal alterations to the space and would these have to be removed at the end of a lease?
- **Is there a clause on subleasing** – it is not possible to sublet space to any other organisation unless this is stipulated in the lease agreement.
- **Know your responsibilities as a tenant and a neighbour** – make sure you are disposing of waste correctly.