

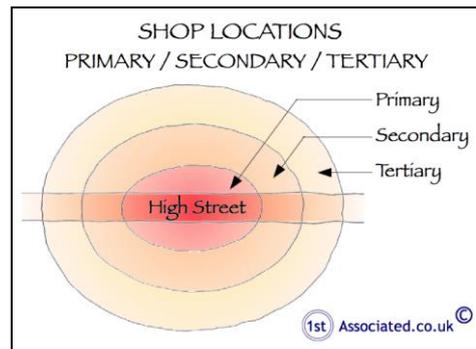
Should I lease a Grade II Listed Building or not?

Independent Chartered Building Surveyors

If you are in the process of purchasing or leasing a commercial property GEM Surveyors can provide help and advice on whether to take on a lease on a retail shop and look at other options together with a Schedule of Condition to protect you. We are experienced with regard to all commercial property types and can offer Schedules of Condition with regard to leases, Property Reports, Schedules of Dilapidations, Section 18 Valuations, Scott Schedules, Commercial Building Surveys, Structural Reports and Specific Defects Reports. Please Free phone us on 0800 298 5424 to discuss any property matters.

The Schedule of Condition

We recently carried out a Building Survey in the form of a Schedule of Condition and Property Report on a lock up shop for an Independent Designer who specialises in unique products and individual designs. They were looking to take on a lease and this is the only way to protect them against onerous clauses within a lease. The shop has a relatively high rent and although it is in what we term as a good primary location it does represent a risk for this family business that has been trading for many years.



Shop Locations

Location, location, location

The client already had a shop locally and so was familiar with the area. They were looking to move nearer to a High Street location with greater footfall than the shop that they were currently leasing. Interestingly they had identified that if they were close to some of their High Street competitors then their designer products may appeal to those people who want something more exclusive and not run of the mill items that can be found in



Shops in a primary high street location

National retailers in most major towns and cities. They also required more space so were looking for a larger property.

Footfall defined

This is the number of people that walk past the shop and are likely to spend money.

Meeting the client during the building survey helps everyone

We always try and meet the client at the property that we are surveying and again afterwards for a cup of tea and a discussion with them about taking on the lease or buying the building. We also discuss their business and other options that are available to them both with the surveyed property and other surrounding buildings that are available to lease or buy. In this particular instance we went for a walk around the area and looked at other retail property options where they explained a bit more about their business and we explained a bit more about property. They were nice enough to tell us that they had learned a lot from us during the time spent with them that will help them both with this property and with others in the future.

We will help you look at other options that are available and may be better for you?

The building that the client was looking to lease, although the location was superb from their point of view as it was close to their competitors, from a property point of view did have several major drawbacks. As there were a few other properties available for rent in the area we advised our client that they should investigate these options as well before committing to the property being surveyed. We were able to walk around looking at these other options to discuss the benefits and merits of them. The meeting after and during the Survey enabled us to understand their business better and why they were looking to move from a tertiary location to a primary location.



Shop to let

Tertiary retail sector defined

The tertiary retail sector is the area which is a step away from the main and secondary shopping areas possibly on the outskirts of a secondary retail area or perhaps on the periphery of a shopping

arcade or in a poor area with regard to passing traffic. These areas can be good for destination retail.

Primary retail sector defined

The primary location would be a shop in a high street or the main part of a shopping centre.

Just to complete the retail sector definitions there are also areas known as Secondary retail sectors.

Secondary retail sector defined

The secondary retail sector is out of the main shopping area where the national and branded shops tend to be located. This is taken up by one off or local shops of lesser brands and national companies.



Shops located in primary retail sector in the high street

A Full Repairing and Insuring lease or FRI should not be taken on light heartedly

The reason the lease should not be taken on lightly is because if the client decided to go ahead and move premises it involved them taking on a Full Repairing and Insuring lease or FRI which has various obligations which not only has the benefit of allowing you to rent the property but it also has various obligations with regard to maintenance and redecoration that should be carried out. We were asked to advise them on this within our building survey and report particularly with regard to the onerous dilapidations liability and also on negotiating the rent.

Dilapidations defined

Dilapidations come in many forms but as a general generic comment we would say that Dilapidations is a list of the repair issues in a property as set out within the lease (note not as the condition that you took the property on unless a Schedule of Condition is appended to the lease).

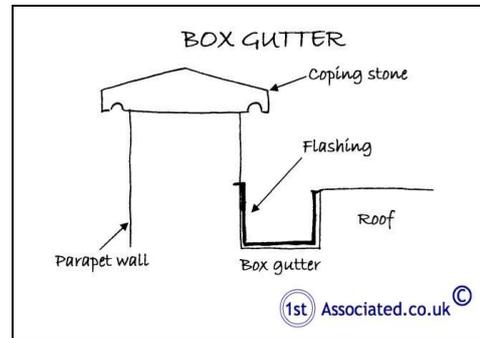
Characteristics and problems with the property

Whilst we are a great believer that all properties have good points it has to be said that most properties have bad points too and also some that we term as ugly points in our Good, Bad & Ugly Executive Summary within our reports. These

ugly points usually mean we would not recommend leasing or indeed buying the property. In this particular instance the property was a Grade II Listed Georgian building. This meant not only was it very old but it could have (and did) a number of problems associated with a building of this age. Damp was the main issue and was getting into the building in several ways including via the box gutter and also via the basement.



Georgian building with hidden box gutter



Box gutter

As the building had suffered from a lack of maintenance over the years we advised the client of the work that needed to be carried out on the property both in the short term to allow them to transfer the business into it and actively trade from it and also the type of work that a dilapidations served on them at the end of the lease may require. In this case there were only a few years left on the lease.



Timber in the basement deteriorating from dampness and woodworm



Staining to the ceiling caused by water pipes leaking above the shop ceiling and needs repairing.

Leases with very little time left on them.

Beware of anyone offering you a lease with very little time left on it, even if it's at a bargain rate or even next to nothing. We have recently dealt with a charity who received what is known as a tail end of a lease and are now very much regretting it as they have now had a six figure dilapidation notice served on them.

What do the circles and ovals mean in our reports?

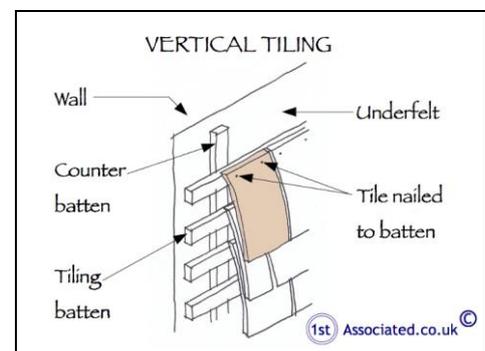
The ovals and circles are a system that we use within our structural surveys and building surveys to help explain to you or highlight problem areas or characteristics of a property such as the vertical tiling in the photo.



Our unique sketches to help you understand the survey

If the report, along with our photos, does not explain the problem or characteristics of a property enough then we also have a vast range of sketches that we have had commissioned exclusively for us that we can use in our reports.

Vertical tiling to the rear of the property



Vertical tiling

Independent Chartered Building Surveyors – we are experienced in surveying historic properties and listed properties

Unlike many Surveyors we are experienced in dealing with historic, Listed Buildings and properties within conservation areas, both commercial and residential. We like to meet you at the property during the survey to explain anything that you do not understand regarding the property and its characteristics. We are also more than happy to talk to you afterwards about the

report. Please free phone 0800 298 5424 for a friendly chat with one of our surveyors.

We can email you examples of our Schedules of Conditions

If you are thinking of buying a property either leasehold or freehold and are interested in having a building survey carried out please call us on free phone us for a friendly chat on 0800 298 5424. We would be happy to email you several examples of our tailor made Schedules of Conditions, Property Reports or Commercial Building Surveys.