

## Managing Your Commercial Property: Top Tips

Whether you are thinking of buying, selling or renting a commercial property, the first thing to remember is to contact us before you agree to anything! There are lots of issues which you will need to think about before you finalise terms for any deal.

### If you are selling or letting a property:

- Do try to agree a set of "heads of terms" for the new lease with the tenant at the outset. This will help to iron out any misunderstandings later on. We can suggest the sort of things you ought to include.
- Once terms are agreed, a Seller or Landlord has to provide an Energy Performance Certificate (EPC) as soon as possible. We can help you with this.
- If the sale or lease involves a plot of land, or only part of a building, you need to think about whether you want to retain any rights over the land in question. You are also likely to need to produce a professional plan which complies with Land Registry requirements. We can help you with all of this.
- Remember that after 6 months a tenant will automatically be entitled to apply for a new lease at the end of his lease, unless you take specific steps to avoid this at the start. If you want to keep your options open, we can help you to do what is necessary.
- Take advice from your accountant as well. He can advise you about whether you need to charge VAT on the sale price or on the rent, and will help you to minimise any tax.
- Make sure that your lender is aware of what you are planning to do. You cannot let a property without your lenders' consent.

### If you are buying or renting:

- Buyers should organise a survey as soon as possible. This will help to establish whether the property is sound and worth the asking price. It may help you to renegotiate the price.
- Tenants may wish to organise a survey of condition. This will help to prove what sort of condition the property was in when you acquired it, and can avoid problems with your landlord when your lease comes to an end.
- Organise any necessary funding as soon as possible. We can recommend various independent mortgage advisers if you would like us to.
- Try to clarify the position with regard to VAT as soon as possible. Will you have to pay VAT on the rent or the purchase price? You will not be able to recover any VAT unless you are registered too.
- Don't forget to budget for Stamp Duty Land Tax (SDLT) and Land Registry fees. SDLT will be payable if the purchase price or the rent exceed a certain limit, and a special return will have to be lodged with H M Revenue and Customs. All purchases, and any lease which is for 7 years or more, also need to be registered at the Land Registry.