



## TfL Property

For businesses considering property with us

MAYOR OF LONDON



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# 01

## Getting to know us and finding the right fit

We are delighted that you are interested in joining one of London's best set of businesses.

We are committed to working in partnership with our customers, starting as early as we can to find the right space, support and service for you and your business. To help you get started, we want to tell you a bit about ourselves, how we work with our customers and about the process of renting and maintaining a property with us.

Here are the main things we think you should understand to help you decide which property is right for you and your business. Please read through this pack and use the checklist below for reference:

Checklist	
I understand how TfL property works and what their values are	
I understand the lettings process	
I understand I need to check that I can afford the property, including rent and other costs, for example business rates or utilities	
I understand the fit-out process	
I understand the maintenance responsibilities I will have	
I understand how rent is paid and managed	
I know where to go to get support and guidance for my business	



We work with you as partners, to help support your business

# 02

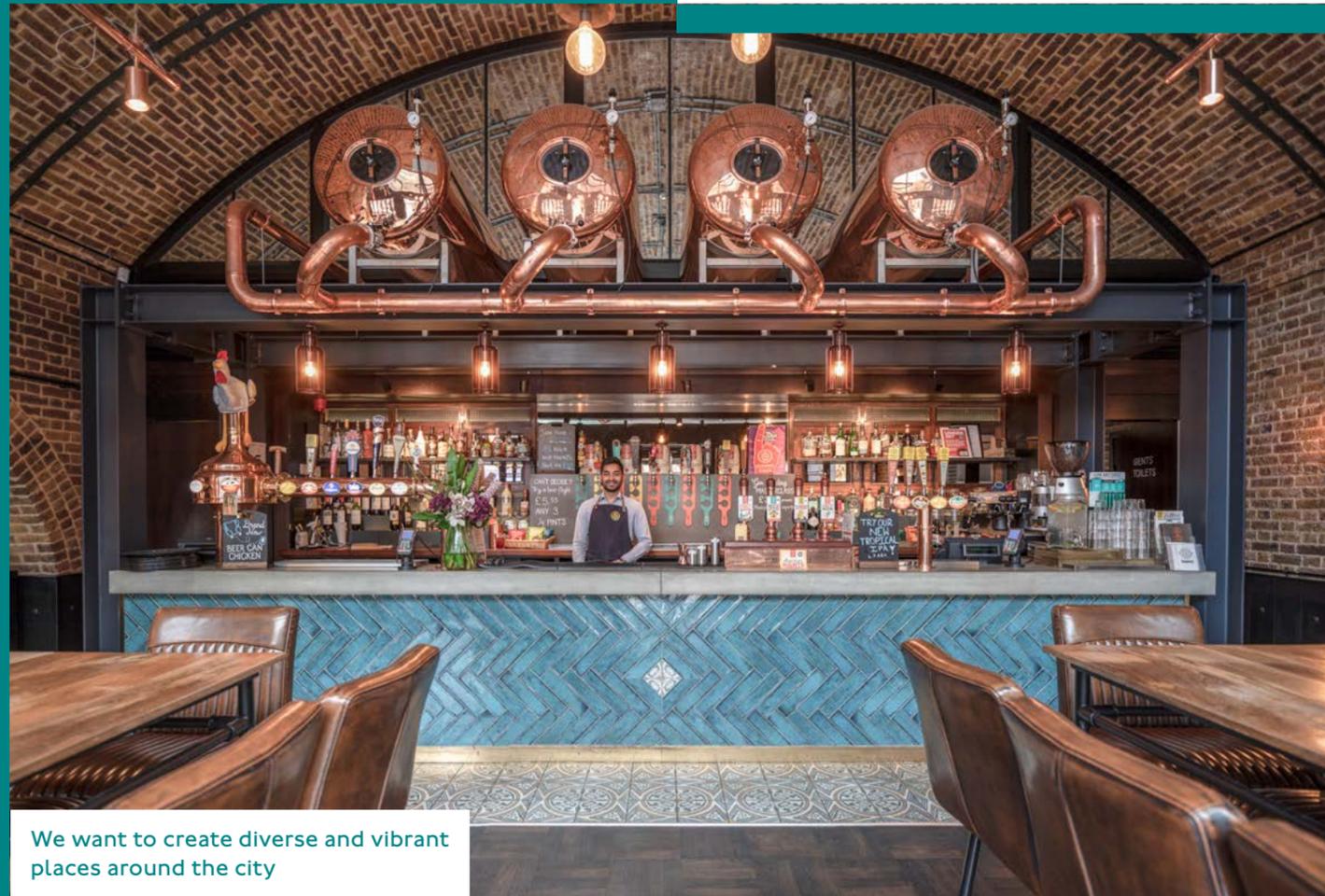
## Our vision

### Our property estate is a thriving, connected marketplace, giving excellent flexibility and access across London.

We own 2,500 properties across the city, including kiosks in stations, railway arches, high street shops and large spaces for cultural experiences.

We can support your business growth and development, from pop-ups and testing ideas, to expanding a growing chain across the city. Our properties are located in some of the highest footfall areas of the capital, and this ensures that we, and our customers, are an active part of the local community.

We want to do more for our customers, so we've included our vision and promises below.



We want to create diverse and vibrant places around the city

We work with you as partners. By getting to know you, understanding the support and services you need, we'll grow together. We will create the best spaces around London, ensuring our local communities flourish.

#### We are changing:

- ◆ We have a shared responsibility to create diverse, vibrant places across London
- ◆ We want to work in close partnership with you

#### We will get to know you better:

- ◆ We will listen and be active. We want two-way conversations. We will earn your trust, by being open, honest and transparent
- ◆ We want to hear your feedback – good, bad or ugly – and will always take feedback constructively

#### We are an active member of the community:

- ◆ Together we will always be part of the local community
- ◆ We will use our extensive network and expertise to support businesses and connect neighbours, creating strong, resilient communities

# 03

## Our shared customer experience

We need to understand each other's business so that our partnership is the best it can be.

We want you to understand everything you need to know at each stage so that you can make a straightforward start in your new property. No two customers are the same, but we know that there are common experiences that come with renting a property. We've split this experience into several phases in our customer experience map:

- ◆ Setting up or expanding my business
- ◆ Finding my premises
- ◆ Getting ready to move in
- ◆ Moving in
- ◆ Getting my business up and running
- ◆ Running and building my business
- ◆ Managing my premises

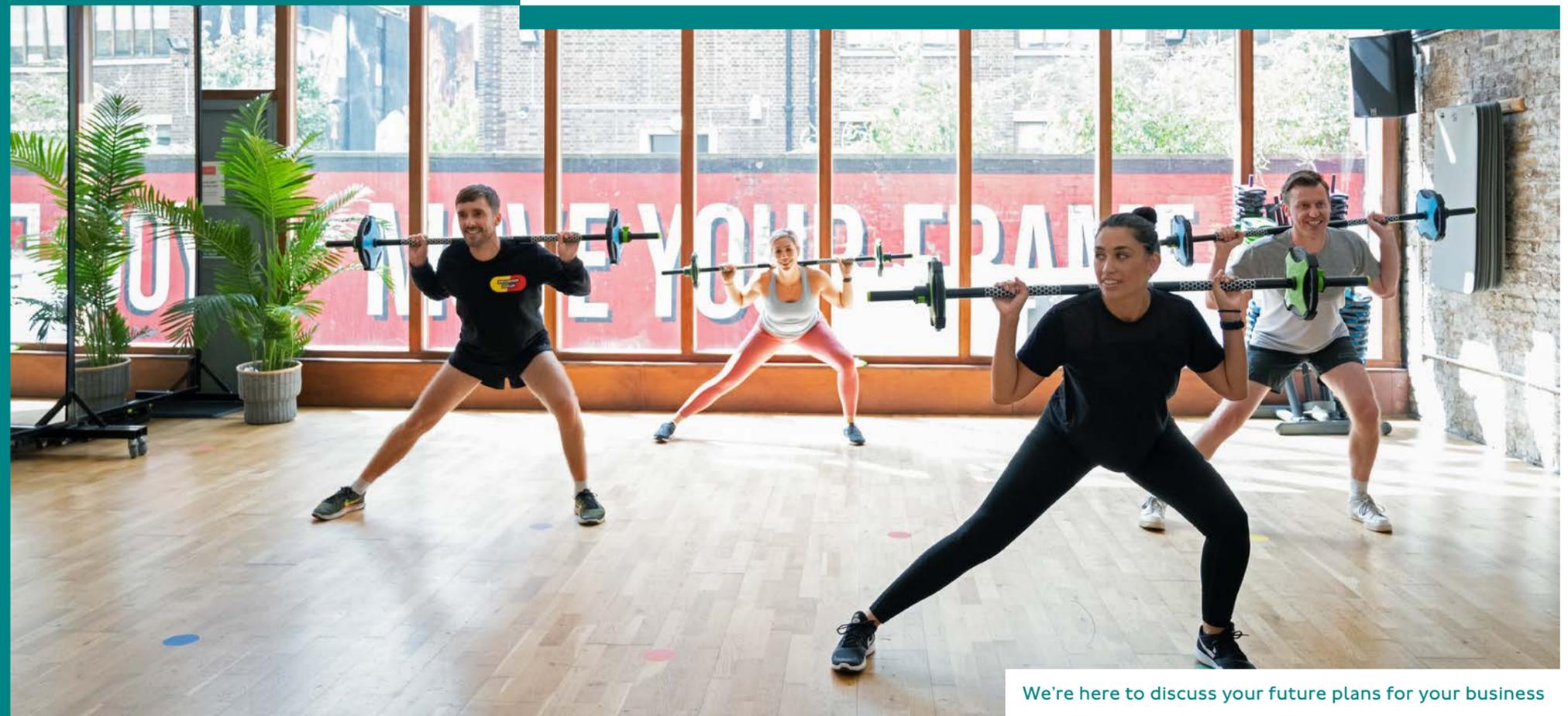
In this pack, we'll explain the first steps to renting a property with us, rather than the full information on how we'll work with you. We've concentrated on the different stages of a typical business's experience on our estate. We've also included a useful glossary at the end.

### Setting up or expanding my business

It is never too early to speak to us about

your business and thoughts on what property you need, including where you want to be and how much space you need. Get in touch with us at any time at [businessdevelopment@tfl.gov.uk](mailto:businessdevelopment@tfl.gov.uk) and we'd be happy to discuss your plans.

When setting up or expanding your business, we'd recommend you speak to the London Business Hub. They can provide guidance on business ideas, seeking funding to grow your company and much more.



We're here to discuss your future plans for your business



## Finding my premises, getting ready to move in and moving in

You might know the exact location you are interested in or you may have a set of requirements and only a rough idea of where you want to be. We will help you find the right property, specific to your business needs, to help you thrive.

We partner with agents to help us find the right customer and type of business for the right location, but do contact us at [businessdevelopment@tfl.gov.uk](mailto:businessdevelopment@tfl.gov.uk) and we'll be happy to discuss your business.

We've set out how you can find property on our estate in six simple steps:



### Stage 1

Finding your property



### Stage 2

Viewing the property



### Stage 3

Seek professional advice and provide turnover projections to us



### Stage 4

Making sure it is the right property for your business



### Stage 5

Initial design of your fit-out plans



### Stage 6

Negotiating the lease

#### Stage 1 – Finding your property

You might see our properties listed on our lettings website or by our partner agencies. You can also talk to us or our agents directly if you can't see anything suitable or aren't sure what is suitable.

#### Stage 2 – Viewing the property

We advise that you ask our partner agency to view the property you are interested in. It gives you the chance to get a feel for the area, your future neighbours and to start planning out how your business will use the property.

At the viewing, we will make sure you have the right information, including:

- ◆ We and our partner agency understand your business aspirations, budget, property requirements and what you will use the property for
- ◆ We will let you know local information such as local station footfall
- ◆ We will send you a blank version of our standard lease, so you can start reviewing it
- ◆ Ensure that you understand the costs to maintain and run the property
- ◆ Ensure that you understand which services are included, including waste collection
- ◆ Ensure that you understand any restrictions on the property, including trading hours, noise restrictions, access or planning constraints/requirements

#### Stage 3 – Seek professional advice and provide turnover projections to us

At this stage, you have chosen the property or properties you are interested in.

You should now seek professional advice from a chartered surveyor, accountant or business advisor. You can ask the London Business Hub for advice or to recommend who to speak to.

We will ask you to provide your turnover projections for the first three years in your property so we can better understand your business.



We provide detailed information to help you find the right property

#### Stage 4 – Making sure it is the right property for your business

It is our job to manage our estate so that all our customers can thrive. This means we need to put the right business in the right location and that we have made sure that your business is sustainable for at least the length of the lease. We will ask you for several things so that you can show us that you are prepared. Entering into a lease is a serious legal responsibility and both sides need to fully understand each other and their responsibilities.

We will ask you for:

- ◆ Your business plan
- ◆ Evidence of source of funds to cover your rent deposit and paying for your fit-out works
- ◆ References, for example from a previous landlord and/or a bank reference to show you can cover your business outgoings
- ◆ Your financial history and other information including any bankruptcies, other business interests, any conflict of interest, any ongoing legal action and the names of your business' directors
- ◆ Evidence of your personal stake to show your main source of income or savings that are being invested in the business

### Stage 5 – Initial design of your fit-out plans

We'd like to see your initial plans for your fit out, business concept and any mood boards and scrapbooks so we can see how you think your property will look.

We love seeing how our customers transform our properties to suit their businesses, whether it be installing a swimming pool, mechanics pit or craft distillery.

We've put together a guide to fitting out your property which is available on our website at [tfl.gov.uk/my-property](https://tfl.gov.uk/my-property). The guide will help you understand the whole process, including what we will require and when. Most importantly, we outline the support you need to seek to help you through the process.

### Stage 6 – Negotiating the lease

We have a standard lease that we use in all lettings, unless there are exceptional circumstances. The standard lease is as follows:

- ♦ Five years and outside the Landlord and Tenant Act. Please note that this means that you won't have an automatic right to a lease renewal
- ♦ Rent reviews each year linked to the retail pricing index (RPI). This means you will have an idea of what the rent increase will be each year, to help with your financial and business planning

- ♦ Rent paid monthly in advance by direct debit
- ♦ A user clause which sets out what kind of activities you can do in your property and means that we don't breach any local restrictions or avoid having competition between customers that could damage both
- ♦ Turnover provisions will be discussed from the start (some leases include some rent paid as a percentage of your turnover)
- ♦ Service charge provisions and any recoveries
- ♦ Trading hours (so we don't breach any restrictions and respect our neighbours)
- ♦ A deposit of six month's rent or a personal guarantor (so we can make sure your responsibilities in the lease, including for maintenance and repairs in the property, are honoured)

#### *i*

For a full explanation of how we work with you, please read our customer handbook, which is available on our website at [tfl.gov.uk/my-property](https://tfl.gov.uk/my-property)



We love seeing how our customers transform their properties

## Getting my business up and running and building my business

Your property manager is your main point of contact and will run through your responsibilities, our responsibilities and anything else you should know well before you first open. This includes going through the full customer handbook.

You may meet several members of our team over the year. We work with VINCI Facilities on the maintenance of our properties and shared areas. Your property manager will explain to you what is your responsibility to maintain, and what is our responsibility.

We work with BNP Paribas Real Estate who manage our accounts, send out invoices and collect your rent. They will be in touch in advance of your rent payment dates or on other rent-related issues.

Our wider team at TfL will help you with things like the lettings process, marketing campaigns and any refurbishment or fit-out projects. We are all here to help, so do not hesitate to get in touch.

We want to do more to support you than just provide the right space and services, and we are active in helping your business development.

Alongside our team, we have collated a list of organisations you should seek support from when thinking about your business.

Who	Link	What they can help with
London Business Hub	<a href="http://www.businesshub.london">www.businesshub.london</a>	Free to use service from the Mayor's team to help businesses start, sustain and grow their business. Highlights include the property advice service, that can assist with all things involving leases and property
Federation of Small Businesses	<a href="http://www.fsb.org.uk">www.fsb.org.uk</a>	The Federation of Small Businesses is the membership body for small businesses in the UK offering advice, support and local networking groups
Guardians of the Arches	<a href="http://www.guardiansofthearches.co.uk">www.guardiansofthearches.co.uk</a>	Guardians of the Arches was set up to provide support to businesses in railway arches
Small Business Britain	<a href="http://www.smallbusinessbritain.uk">www.smallbusinessbritain.uk</a>	Small Business Britain is dedicated to supporting small business in the UK
The Prince's Trust	<a href="http://www.princes-trust.org.uk/help-for-young-people/tools-resources">www.princes-trust.org.uk/help-for-young-people/tools-resources</a>	The Prince's Trust may be aimed at people aged 18-30, but the tools and resources for setting up and running your business are useful no matter what your experience. Best piece is how to build a business plan
Save the High Street	<a href="http://www.savethehighstreet.org">www.savethehighstreet.org</a>	Save the High Street works with businesses and local communities to help build diverse and sustainable high streets
RICS	<a href="http://www.rics.org.uk">www.rics.org.uk</a>	Many of our property managers are members of the Royal Institution of Chartered Surveyors and we aim to hold ourselves to their standards and guides. You may find their guides to leases and other aspects of property useful
Enterprise Nation	<a href="http://www.enterprisenation.com">www.enterprisenation.com</a>	Enterprise Nation work to increase the number of small businesses in the UK and to make sure they thrive, offering support and funding
ACAS	<a href="http://www.acas.org.uk">www.acas.org.uk</a>	ACAS provides guidance on employment issues and may be helpful as you manage your staff or first think about recruiting
Small Business Commissioner	<a href="http://www.smallbusinesscommissioner.gov.uk">www.smallbusinesscommissioner.gov.uk</a>	The Small Business Commissioner can help with a range of disputes and campaigns to stop issues like late payment to small businesses
Government Business Support Helpline	<a href="http://www.gov.uk/business-support-helpline">www.gov.uk/business-support-helpline</a>	The Government has its own dedicated business support helpline and a range of information on setting up and running your business online

# 04

## Managing my premises

When you take on a property with us you will also take on some responsibilities related to the safety of the property.

### Health, safety and compliance

Your responsibilities around health, safety and compliance will be outlined in your lease and we will help you understand them when you move in. However, we have outlined the areas you need to think about here.

As a customer, you will be responsible for the internal repairs. This isn't an exhaustive list but it includes things such as internal decorations, painting of the wall finishes, replacement of the floor finishes, replacement of any internal cracked or broken glass and the maintenance of any assets that have been installed by you inside the property.



We have outlined your roles and responsibilities related to safety

You're required to carry out minor repairs internal to your property, including but not limited to:

- ◆ Electrical fittings and wiring within your premises
- ◆ Plumbing (including appliances supplied by you)
- ◆ Individual heaters, heating systems and hot water appliances previously installed by London Underground and exclusively serving your premises
- ◆ Intruder alarm systems you have either inherited or installed
- ◆ Roller shutters you have either inherited or installed Internal decorations including painting of wall finishes
- ◆ Replacement of floor finishes
- ◆ Replacement of any internal cracked or broken glass
- ◆ Letter boxes, flaps, door knockers and doorbells, door locks, latches and bolts
- ◆ Kitchen cupboard door handles, catches and hinges
- ◆ Kitchen drawer handles
- ◆ Plugs and chains to sinks, wash-hand basins and baths
- ◆ Hat and coat rails and hooks
- ◆ Pull chain or cord to high level toilet flushing cistern
- ◆ Fire grates, surrounds and bars
- ◆ Electric plugs (but excluding plug sockets)
- ◆ Draught proofing of doors and windows
- ◆ Plasterwork inside your unit
- ◆ Shopfront and entrance door, unless it is a communal door shared with other customers
- ◆ Basins, sinks, baths, toilets and cisterns within your premises
- ◆ Waste pipes, overflows and other plumbing serving your premises

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We are committed to making London a cleaner, greener city and we need your help. When choosing your supplier, renewable energy will reduce your carbon emissions and can even be cheaper.

You can learn more about how to reduce carbon at The Carbon Trust's website [www.carbontrust.com](http://www.carbontrust.com) or just ask us and we can help you.

You may also be required to carry out repairs to items fitted by us internal to your property, including fitted kitchens or bathrooms. Your property manager will make sure you understand your responsibilities before you move in.

You must take reasonable care of the property and report any repairs to us. You should inform us of any damage to your property caused by neglect or negligence by you or a visitor.

## Full statutory compliance review

As part of our maintenance services we undertake a full compliance review of our property estate, including your property. The purpose is to keep you, your staff and your customers safe; to understand the compliance of the properties under our ownership; and to make sure that compliance with all health and safety regulations is visible in our capacity as landlord.

You will be required by law to provide us with the current copy of certificates and supporting documentation related to all statutory maintenance requirements for our records.

We've included a full list of these certificates and documents in our customer handbook, which you should read and is available on the TfL website.

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You can find further information in our customer handbook and supplementary guides at our managing my property page at [tfl.gov.uk/my-property](http://tfl.gov.uk/my-property)



Our compliance review ensures your staff and customers are safe

# 05

## Commercial property glossary

Sometimes we use property language. This may be because it is the right legal term and sometimes it is because we can't help it.

We want to speak your language, not you to speak ours, but just in case, we've included a glossary and jargon buster.

Jargon	Definition
Alienation	Alienation is the legal transfer of ownership from one part to another, or creation of a new estate in premises. Within the lease there will be a clause referred to as 'alienation provisions'. This clause informs a customer on how to dispose of leasehold interest by way of assignment or create a new estate through a subletting
Alterations	Alterations are the works that are undertaken by the customer that alter, cut, divide, relocate or modify the property. This can include the erection of non-structural partitions, mechanical and electrical services or finishes
Alternative Dispute Resolutions (ADR)	ADR is a range of processes for resolving commercial disputes without going to courts
Arbitration	A lease may refer disputes to a specialist arbitrator; the arbitrator's award is final and binding and is based on evidence put forward. This is a popular way of resolving property disputes where privacy and speed are important
Arrears	Where a customer's account shows payments due that have not been received
Assignee	The new tenant where we have agreed to an assignment
Assignment	An assignment of a lease is where the customer transfers/sells its entire interest in the property for the unexpired term of the lease (see also pre-emption rights)
Assignor	The tenant assigning their lease
Authorised Guarantee (AGA)	An agreement between the landlord and outgoing customer when they assign their lease. The outgoing customer is then the guarantor for the new customer. It can include the payment of rent, keeping the property in repair etc
Break clause	Also referred to as a 'break option'. This clause allows the landlord/customer to terminate (break) the lease before the expiry date if conditions are met
Break notice	A break notice is the formal notice that the landlord/customer will serve if they want to terminate the lease. The lease sets out if and how a break notice can be served. If serving this notice, seek legal advice
BREEAM	BREEAM (Building Research Establishment Environmental Assessment Method) is one of the standards used in sustainable building design and the construction and operation. It measures a building's environmental performance
Building insurance	The landlord normally arranges the cover, and the cost of the insurance premium is then reimbursed by the customer
Business health check	An annual visit where we review how you are getting on, what you need from us and check the property is in good condition
Business rates	Business rates are a tax on commercial property and other non-domestic property
Capital Expenditure (Capex)	Capex is money used by business to upgrade property or equipment within

Jargon	Definition
Cashflow	The cash receipts minus cash payments over a defined period of time
CDM	The Construction (Design and Management) Regulations 2015 (CDM) are the main set of regulations for managing health and safety and welfare on projects, and it applies to all building and construction work
Completion	Point at which the lease document is legally binding with no further action on both sides
Contracting out	Some commercial property leases generally enable customers to be granted a new lease on expiry of the old lease. This platform comes from the Landlord and Tenant Act 1954 Part II. Contracting out of this Act must be agreed by both parties as it removes the customer's rights of automatic renewal and eligibility for compensation
COSHH	Control of Substances Hazardous to Health. This is legislation covering how harmful substances must be managed in the workplace
Covenant	A covenant in a lease is an agreement to do something or refrain from a specified action. A customer's covenant strength refers to the customer's financial status
Consumer Price Index (CPI)	CPI is a measure that reviews the average prices of a basket of consumer goods and services. It is used to track price changes associated with the costs of living. A rent review within the lease may refer to the CPI
Demise	This is the area/property that is included within the lease
Dilapidations	Dilapidations' is the breach of a customer's repairing covenants. This will include repair, the reinstatement of alterations and redecoration. A landlord can serve an interim dilapidations schedule during the lease term. Prior to the expiry of the lease a landlord would serve a terminal dilapidations report
Energy Performance Certificates (EPC)	EPCs are required for buildings when they are sold, built or let. The certificate identifies how energy efficient a building is by providing a rating A (most efficient) to G (least efficient)
Estate charge	An estate charge is part of a customer's service charge liability that relates to the maintenance of common parts of the estate on which the property is situated and which are not normally let to individual customers, for example, service roads, communal staircases, shared toilets or landscaped areas. It will include landscaping, maintenance and lighting of the estate roads, as well as security
Excluded lease	A tenancy that is not protected by the Landlord and Tenant Act (1954). This is also sometimes called a protected lease
Expert determination	Expert determination involves an independent third party acting as an expert and deciding a dispute using their own knowledge and experience. This is a common and quick way of resolving rent review and valuation disputes
Exchange of contracts	The action of passing signed leases between parties which binds all to the agreement, subject to activities and events occurring, including payment of deposit and finalising compliance information

Jargon	Definition
Fire Risk Assessment (FRA)	It is a legal requirement for all business premises to detail an assessment of their fire risks and provide recommendations to control/make them safer as needed so that people can escape from a fire safely. Your FRA should be reviewed on an ongoing basis
Fit-out costs	Incurred by the customer prior to moving into the property. This may include decoration, furnishing and electrical installation
Forfeiture	If a customer is in rent arrears or serious breach of the lease terms, then the landlord in some cases has the right to end the tenancy
Freeholder	The owner of the freehold interest
Full repairing and insuring (FRI Lease)	FRI is a term used to describe a lease where the customer is responsible for all repairs (external and internal) and for insuring the property. However, a lease can also be referred to as an effective FRI, there are leases where the landlord pays for external repairs and insurance and recovers the cost via service charge
Gross income	The total current income receivable before allowing for any deductions
Gross Internal Area (GIA)	GIA is the internal floor area of a building measured (square feet or square meters) to the internal face of the external walls. It is most commonly used in the industrial/warehouse sector, food stores and retail warehousing
Ground lease	Usually a long lease, granted at a ground rent and may be subject to an initial premium payment. A ground lease can vary in length. It can also be a lease of land upon which the customer is granted consent by the landlord to build or develop the land
Headline rent	A headline rent is the rent paid under a lease at the end of any rent-free or reduced periods. It creates an artificially inflated rent by ignoring the rent-free/reduced periods, or any other concessions given to the customer in return for a higher headline rate
Heads of terms	Heads of terms are the agreed terms between the landlord and customer for a new letting or lease renewal. The heads of terms form the basis of the contract and will be provided to the parties' solicitors to draft the lease
HSE	Health, Safety and Environment
Interim rent	This is the rent payable during a period of holding over, while a new protected lease is negotiated
Internal repairing lease (IRL)	This is a lease where the landlord retains responsibility for the external repairs
Landlord's consent	Many clauses in the leases allow the customer to make changes, do something or undertake alterations to the property. However, the customer will need the landlord's approval to do so. The landlord cannot unreasonably withhold or delay this approval
Lease	A legally binding contract between a landlord and the customer that sets out the basis on which the customer is permitted to occupy a property

Jargon	Definition
Lease re-gear	A lease re-gear is the renegotiation of a lease during the term. Often linked to another lease event, for example a break option or rent review
Lease surrender	A lease surrender is an agreement between both parties to bring the lease to an early end. Customers many need to pay a surrender premium
Lessee	Lessee is the legal term for tenant (we call you customers)
Lessor	Lessor is the legal term for landlord
Licence	Document that allows customers to use the property, land etc during certain hours or in conjunction with others having a similar right
Licence of alternations	A licence that records works that the landlord has agreed for the customer to undertake. It may request the customer to reinstate the works at lease expiry
Market rent (MR)	MR is the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion
Net effective rent	The equivalent rent that would be available after all incentives (ie rent-free periods) are taken into consideration. It is used in lease negotiations to identify the appropriate level for rent
Net internal area	The 'useable' measured internal floor area of a building, which is measured to the internal face of external walls by excluding 'non-useable' areas such as stairwells, WCs and common parts
Open market rent	Also known as open market rental value (OMRV). This is the rent at which the property might be expected to let in the open market, at the review date.
Pre-emption rights	We have the first right of refusal as the landlord to take back a lease where a customer chooses to assign a lease and has proposed an assignee
Protected tenancy	A tenancy covered by the Landlord and Tenant Act (1954) Part II
Rent review memorandum	A rent review memorandum is the document that details the rent review that has been agreed. Document is signed by both parties
Rateable Value (RV)	The RV is the Valuation Office's opinion of rental value of a unit (hereditament) at the valuation date, subject to assumptions about repair. The lease is assumed to for a term of one year
Rent review	A rent review is the periodic review of rent during the term of a lease
Repair covenants	Repair covenants are the contractual obligations within the lease that identify the liability of the landlord and the customer
Retail Price Index (RPI)	RPI is a measure that examines the average price of a basket of consumer foods and services. Tracking price changes with the cost of living (including mortgages). It is also used in the rent review of commercial leases
RICS	Royal Institution of Chartered Surveyors

Jargon	Definition
Schedule of condition	A document that records the condition of premises at the commencement of a lease. Usually attached to the lease, the document will limit the customer's repairing and dilapidations liabilities
Section 25 notice	A landlord's notice served at lease renewal (Landlord and Tenant Act 1954). The notice cannot be served less than six months or more than 12 months before the lease expiry date. It must state if the landlord is willing or not to renew the lease, and if a new lease is being offered it must state on what terms. This does not apply to most leases granted by TfL
Section 26 notice	This is the customer notice at lease renewal (Landlord and Tenant Act 1954). The notice cannot be served less than six months or more than 12 months before the lease expiry date. It must confirm the terms that the customer wants for the new lease This does not apply to most leases granted by TfL
Stepped rent	Where we help you pay your rent after a review, in smaller stepped increases
Service charge	A service charge is payable by the customer for services provided by the landlord for the repair and maintenance of common parts and the external structure of the property. The service charge usually includes a managing agent's fee. It is collected at the same time as the rent
Shared or communal area	An area that you will share with your neighbours and we maintain
Statutory certificate	The documents produced by the inspector/maintainer of things in your property like electrical wiring or your boiler. You hold these to show us you are safe and compliant, and as evidence that maintenance/inspection activities required by legislation have been carried out
Sub-letting	A sub-letting is when the customer grants a new lease for the whole or part of their property to a new customer. The landlord's agreement to sublet must be obtained and the sub-lease must expire at least one day before your unexpired lease
Tenancy	Our agreement with you. This is agreed in the lease we issue you
Tenancy at will	This document is a form of licence. Customers occupy the property 'at the will of' the landlord while a lease is being finalised
Turnover rent	All or part of the rent is calculated by reviewing the customer's turnover. The customer may pay a base rate, known as the minimal guaranteed rent (MGR)
User clause	A clause that specifies the use or uses to which a property may be used
Vacant possession	Vacant possession is a legal term and requires a property to be handed back vacant, to the landlord, free from all rubbish, belongings and any sub-tenants
Water Risk Assessment	It is a legal requirement for commercial or residential premises that contain any water systems to have an assessment of potential legionella bacteria risks and then describe how these will be managed to safeguard users of those premises

