

# Blake Laphorn Tarlo Lyons' nursery and childcare news

February 2007

## leasing premises

**Although many nursery operators prefer to operate their settings from freehold premises, that is not always an option and a lease may be the only possibility. What, then, should you watch out for if you are going to lease premises?**

1. What is the length of the lease? Is it long enough for your purposes?
2. What are the financial outgoings? How much is the rent, when is it next due to increase and on what basis. Do you have to pay a service charge to the landlord? Are you responsible for all repairs and insurance?
3. Will you be able to renew your tenancy at the end of the lease? Even if your tenancy is "protected", you will not be able to renew if you fail to comply with your obligations in the lease or fail to pay the rent, if the landlord is going to redevelop the premises or if the landlord wants them for his own use.
4. Does the lease allow you to use the premises in the way you want? Does it give you enough flexibility for the future? If you have plans to open a breakfast club, can you use the premises early enough in the morning?
5. Can you sell the lease if you sell your business or transfer it to another company you own? Do you need the agreement of the landlord?
6. Does the lease allow you sufficient access to the premises? Do you need access over land belonging to somebody else? Do you need to go on to the landlord's land to carry out repairs or alterations? Consider where your drains, gas pipes and electricity cables run.
7. What can the landlord do on your land or on neighbouring land he owns?
8. Is there enough car parking for staff and parents? Are the parking spaces 'yours' under the lease, or do you just have a right to use them? Could that right be removed or altered? Is the car parking shared with other buildings on the same site?
9. What rights does the landlord have to end the lease?
10. Do you want (and can you have) the right to buy the freehold? If so, now is the time to negotiate the terms.

### leasing from a school

- Can you operate the setting all year or are you limited to term time operation only?
- Many schools are selling their playing fields. What was once green open space around you could become a housing development.
- The premises may be available only for use as a nursery. You may also be restricted to transferring the lease to another nursery operator.



### CONTACT

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