



Lease Guide

Whether a club is leasing a dedicated centre or hiring a space in a non-dedicated facility, it must be ensured that the agreement is appropriate and enables stability and growth.

Length of Contracts

Clubs are advised to think carefully about the length of agreement they have on a facility. If a club is hiring space in a non-dedicated centre such as a leisure centre or school hall, is this agreement on a week-by-week basis or longer term for example an annual agreement. Clubs using a week-by-week agreement are at risk from sudden price increases, changes to timetabling or even termination of use. There are examples of gymnastics clubs who have had their use of a facility terminated following a change in management and finances at a facility. It is recommended that clubs hiring facilities gain a longer term agreement that is reviewed regularly to avoid any sudden changes that can have a negative effect.

Clubs who lease properties to develop dedicated centres must also think carefully about the length of their lease agreements. The longer term lease that a club has on a property, allows it to become more stable and sustained, as it will not be impacted on by sudden price increases or eviction. However clubs must consider what length of period is right for them and how long they are prepared to be tied into an agreement. For example if a club agrees a 20 year lease on a property and reaches capacity after 5 years, the club must be prepared to continue this lease for another 15 years without been able to grow its dedicated facility. Clubs looking for external funding to support the development of facilities should be aware that many funders will require a set long-term lease agreement on a facility to ensure a long-term impact of their funding contribution.

Other Aspects to Consider when Entering into a Lease Agreement

- Break clauses (may be useful for the Club but can limit funding opportunities)
- Service charges
- Dilapidations (an amount payable to the landlord at the end of the lease)
- Responsibility for maintenance and repairs to the building and external areas
- Changes and Improvements allowed to be made to a building
- Insurance requirements
- Business rates

Tips when Leasing a Facility

- Ensure every term and condition within the lease agreement is fully understood
- Make sure the agreement fully outlines the boundaries of the facility including access, times of use, restriction on type of use and floor plan
- Make sure the offer clearly states who the landlord is



- Request a written response from a landlord on anything you expect to rely on them for.
- It is useful to set out a checklist on the various costs associated with the facility and who is responsible and the cost for each, such as rent, VAT, rates, service charges, maintenance and repair, insurance and utilities.
- Ensure you are aware if a deposit is required and when you are able to get it back.
- If you are required to give a personal guarantee consider what the consequences are, can you afford to lose it? Try to avoid using your home as a guarantee.
- Fully understand how and when rent costs can be changed.
- Avoid strict time limits on rent review clauses as this may restrict your negotiating power.
- Ask if the landlord complies with the Service Charge Act 2006 and ask for a clear estimate of service charge for each year of the lease agreement.
- If you are responsible for any maintenance of the property make sure you are satisfied with the current state of the building. Consider taking photos as evidence.
- Make sure the landlord cannot change charges when space is available in other areas of the estate
- Make sure the landlord provides you with all relevant information and if possible confirms with you that your use complies with planning consent.
- If making alterations check whether you need permission and if these need to be removed at the end of the lease agreement
- Check that any changes to the property are covered by the landlord's insurance policy.
- Try and stay on good terms with your landlord.
- Stay aware of any new legislations or regulations.

It is advised that legal advice is sought throughout the agreement process of leasing a facility.

Source: www.businesslink.gov.uk

Source: www.leasingbusinesspremises.co.uk