



How to find the right property for your business

Finding the right location for your business is one of the biggest challenges you are likely to face.

Of course, many fledgling enterprises begin at home and there are plenty of examples of kitchen table entrepreneurs.

But at some point, you may well need to have your own business premises, either because you are growing, or simply because yours is type of business which needs its own base.

So what are your options?

You may want to rent or buy your own premises, or you could go down the flexible route and opt for a shared office or managed work space.

Your decision will be based on a number of things, of which the most critical will be whether you have enough cash in the business both now and in the future to cover the costs of any mortgage or rent agreements and additional running and maintenance costs.

For renting you can find out more in our [Guide to Renting Business Premises](#) factsheet.

However, just like when you are looking for a home of your own, the other critical thing to consider is location, location, location.

Eight things you need to know when finding the right business property for you

Property location has a big effect on cost. But cost is just one of the factors to consider when choosing a location.

Here are some things to consider which might help:

1. What are the local amenities like? Banks, cafes, shops, public transport and parking. These all make it easier for you to attract and keep employees. The same applies for customers and suppliers.
2. Is the general image of the area right for your business?
3. Are there any planning restrictions on what can be done in this area?
4. How much are the business rates? Unlike taxes these are a fixed cost based on the property. They don't reflect on your turnover or profits.
5. Are there congestion charges or delivery restrictions that could cause problems for your suppliers?
6. What are the local authority charges for services such as waste collection? These can add greatly to the ongoing costs of locating to a particular area.
7. What is the level and demographics of the passing trade? This can have a big impact on the chances of success for some types of business.
8. Are there competitors nearby that could have an impact on your sales or poach your staff?

Drawing up your specification

Alongside deciding on where to locate, you should draw up a list of what you need from your premises. You may need to revise this wish list to make it fit your budget. You may also have to trade off some aspects of location to fit with what you want to do.

There are a number of factors to consider when choosing a workspace, such as:

- What planning classification will you need?

Commercial property in the UK is based around a number of classifications. These restrict what can be done on and from the premises. This is to limit disturbance to neighbouring premises.

There are some twenty different categories from A1 through to D2. For instance an A1 property is good for running a shop. But you will need to apply for extra permission if you want to run a financial services business. This will require A2 classification. A restaurant will need A3, and a pub A4.

As a general rule, it's possible to use premises with a higher planning classification for a purpose under a lower classification of the same type.

For example, if you buy a pub, which is A4 classified, you should be able to run a restaurant in it, as the required planning classification for a restaurant is A3.

You can find a detailed explanation of the classes [right here](#).

Consider what size and layout you need

You have to provide enough space to meet your legal obligations both to your employees and your customers. This is the case whether you rent or buy. For example, 11 cubic metres per employee is the minimum. This may be insufficient depending on the layout, contents and the nature of the work.

You can view the regulations in full [here](#).

Also, you're going to have to think about the building itself:

- Are there any special structural requirements such as high ceilings or heavy load bearings needed?
- What facilities do you need for employees and visitors such as toilets, disabled access, kitchen and dining area?
- What utilities will you need? These include power and drainage, and any special requirements such as three-phase electricity.
- What options are there to expand or extend facilities as you grow?
- Are there any restrictions on times when deliveries are allowed, noise and pollution levels, and how you or your customers dispose of waste?
- What is your total budget? Bear in mind as well the purchase or rental cost you need to budget for stamp duty, legal and survey costs, alterations, fitting out and decoration. You may also have to make alterations to meet building, health and safety and fire regulations.

Understanding your responsibilities

Deciding to take on premises is a big step for your business, and will mean you have some additional responsibilities.

Firstly, health and safety

According to the government Health and Safety department: 'Managing health and safety doesn't have to be complicated, costly or time-consuming. In fact, it's easier than you think.'

Indeed, if you have fewer than five employees you don't have to have a written health and safety policy. However, the risks themselves won't go away just because your business is small and the work you do seems straight forward.

You should have a health and safety policy that everyone working for you understands and follows. Check out Gov.uk for [policy templates](#) including a section on risk assessments.

The way you operate your business premises will have an impact on the environment. There are an increasing number of regulations that you should be aware of. In particular, air and water quality, waste, chemicals and spillages. Some industries will also need a permit to operate.

You can find out about the environmental management areas that might affect operations at your premises right [here](#).

And check [here](#) to find out if you need a permit to operate.

A word on insurance

You will need to ensure that your insurance covers your premises, employees and any visitors to your premises including customers.

Employers' liability insurance can be purchased through insurers, brokers or trade associations. You may find that it comes as part of an insurance package designed to cover a range of business needs.

Whatever form it takes, your policy must cover you for at least £5 million and be provided by an insurer authorised by the [Financial Conduct Authority](#).

Business continuity and disaster recovery

The challenge is to understand what events could disrupt your business. This could be losing access to the office, a staff shortage, loss of your website server, transport network disruption or the failure of a vital piece of machinery.

You need to assess the impact of ANY of these events. Then come up with a simple plan so you can keep going and most importantly, keep the cash flowing.

You can find more information on this subject from the [Business Continuity Institute](#).

Disaster recovery and business continuity are actually closely related. The key difference lies in their scope. Business continuity covers the whole business, whereas disaster recovery refers to security planning for specific crucial processes. Often key IT infrastructure is covered by a disaster recovery plan, safeguarding your operations in the event of an outage.