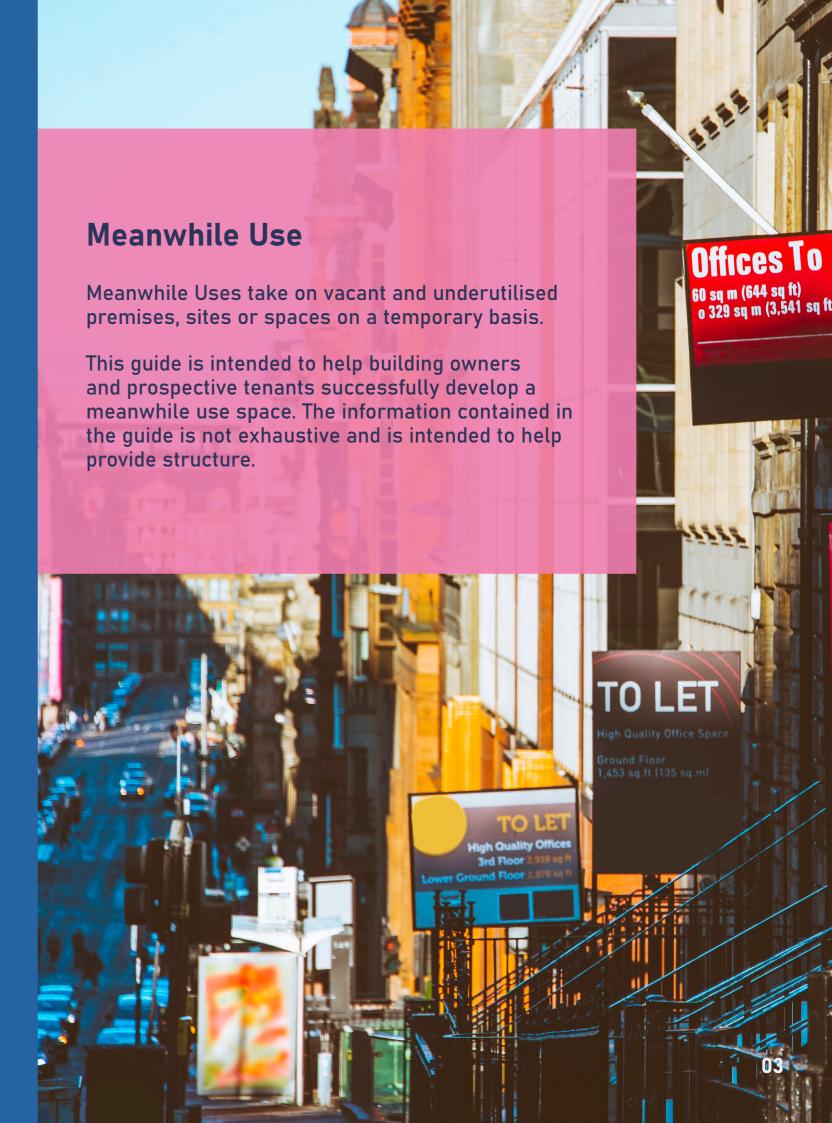


GLASGOW CITY CENTRE MEANWHILE USE TOOLKIT

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Meanwhile Use Space

A Meanwhile Use Space is concerned with temporarily occupying unused/vacant units and bringing them back into productive use. This allows tenants to utilise property on a short-term basis. Meanwhile use spaces are often considered as 'pop ups' and they can be an effective way of re-energising streets and places. This adds value for owners, occupiers and the area.

Meanwhile use spaces are becoming increasingly popular as a way to reactivate empty or underused spaces. However, to date, there has not been an overarching guide to developing a meanwhile use space in Glasgow.

This guide provides the necessary information for interested parties to consider whether a meanwhile use space meets their needs.



Benefits to Property Owners

A meanwhile use can provide a number of benefits to building owners. These include:

- Responsibility for Non-Domestic Rates may pass to the tenant.
- Increased chances of securing a long-term tenant.
- Increased footfall in the area and an improved sense of vibrancy and security.
- A positive economic impact on the local area.

Glasgow City Council recently implemented new regulations concerning Empty Property Relief (EPR). These changes could impact property owners currently benefiting from rates relief. Previously, certain property owners could claim 100% Empty Property Relief (EPR) if their property was vacant (for example listed buildings).

Empty Property Relief is now only available for new claims during an initial three-month period. Subsequently, the relief will decrease to 10% EPR for the subsequent 12 months. After this period, no further EPR claims will be permitted. Having a tenant on a temporary use basis transfers rates liability to the occupier. For full details of rates relief, please see: financial relief.

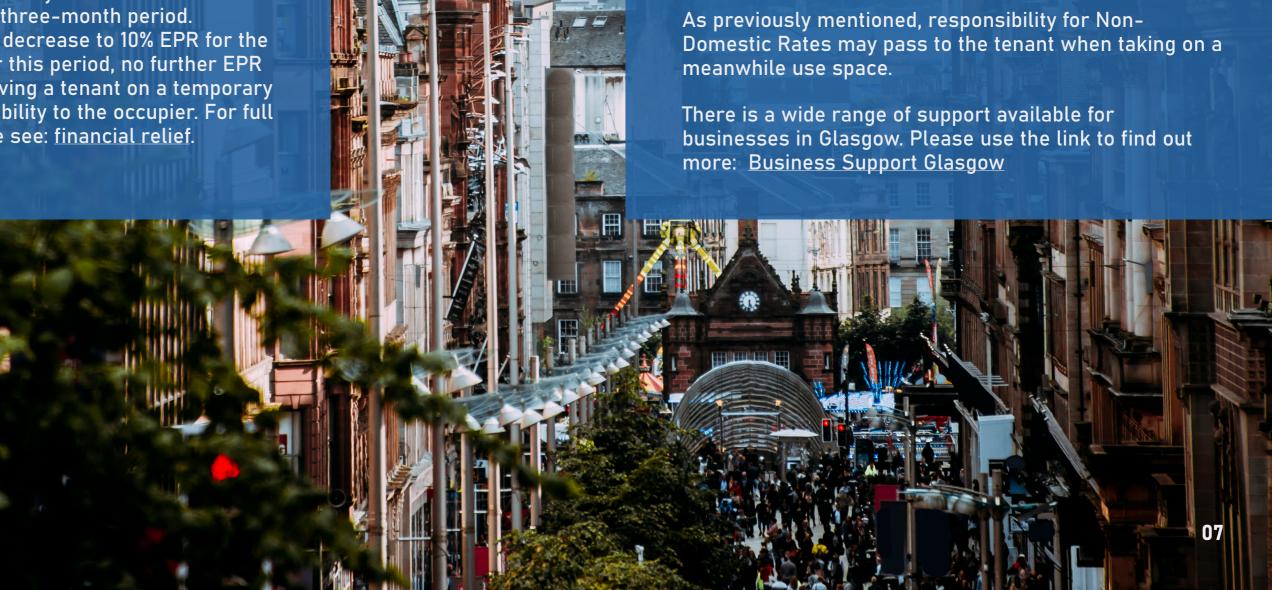
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Benefits to the Tenants

There are many benefits to engaging in a meanwhile use lease for potential tenants. Some of these are included below:

- The startup costs are relatively low.
- The risk involved is relatively low.
- Increased footfall to the local area.
- Social benefits such as increasing the area's sense of community.

The location of the meanwhile use space is essential. It should be an important part of the initial planning. Tenants may be dependent on footfall for their project to succeed, therefore, the project will ideally be in an area with enough footfall to support the meanwhile use. Other meanwhile projects may attract people to an area and increase its vibrancy.





Quality Control

The purpose of a meanwhile use space is to introduce viable attractive uses back into an area. Therefore, lower quality/less viable operations should not be considered. Unique, independent and interesting ideas are encouraged to bring a sense of vibrancy to the area. Projects that encourage footfall to the area will be likely to generate a sense of vibrancy.

Active Street Front

It is expected that active street frontage should form part of the meanwhile use. This will assist in bringing vibrancy to the area and demonstrates that the unit has been activated. If the unit has shutters, then these should be open most days of the week and lights should be on. These actions will highlight that things are changing.



HOW DOE



In order to develop your own meanwhile use agreement, building owners and potential tenants will need to come together and agree on the conditions of the lease.

If you are searching for a suitable building to set up in, then you should take into consideration the location of empty properties that can support the success of your venture. You should also consider areas where your venture can contribute to the vibrancy of the local area.

The private sector is likely to have the most numerous empty properties in the city centre. There will be varied owners, from individuals to organisations with large portfolios. It is worth considering 'easy wins', which could include local owners that you may know or easily contactable large nationals.

Empty properties owned by the local or central government can be a good starting point and may prove suitable. It is also worth considering properties owned by publicly funded bodies such as universities or third sector groups.

Some of these types of properties can be found at the following locations:

- Scottish property federations
- Savills
- Rightmove

Leases on a Meanwhile Basis

A meanwhile use is unlikely to be suited to a standard lease. Flexibility will be needed on things like maintenance of security equipment, shutters, etc. The use of the space is temporary, meaning that the owners' support with the items listed in the checklist section is important.

While a lease agreement may be negotiated on a short-term basis, legal agreements will still be required in order to provide protections for the landlord and the tenant.

Arrangements will need to be agreed in relation to any service charges incurred and this should form part of the lease (and fixed for the duration of the lease agreement). It is worth noting that some form of negotiation may be expected as the meanwhile user may not require all the aspects of the services available. For example, the tenant may not require the use of lifts if they are only using the ground floor.

Permitted Alterations

It is expected that there will be an allowance for basic alterations under a meanwhile use lease. The alterations allowable will be cosmetic in nature. Effectively, this is likely to relate to repairing/fixing parts of the building that are needed to make the space suitable for tenants and their customers.

Making alterations to the structure of the building is likely to be beyond the scope of a meanwhile use project. These types of alterations can be prohibitively expensive, meaning the project may not be viable.

Schedule of Condition

Entering into a meanwhile use lease will mean there are standard conditions associated with the building that are required to be met in order to make the property usable for the purpose of the meanwhile use.

The prospective tenant will be responsible for facilitating the tidying, removal of alterations made and the removal of any equipment brought in.

When vacating the building at the end of the lease, the building will need to be cleaned to a reasonable standard. This should be factored into any business planning and cost projections. If the landlord has agreed to allow specific changes to remain after the building has been vacated then this should be confirmed between the landlord and prospective tenant, by email or in writing.



CHECKLIST

Planning Permission

Some changes of use are permitted without the need for planning permission. Successfully obtaining planning permission can be time consuming and a landlord may not be in favour of a change of use on their property as it may lead to complications in securing a longer-term tenant.

To avoid potential complications, the solution is to work within existing use classes and try and implement a meanwhile use lease in buildings which already lend themselves to the intended activity.

Please note that use classes have recently changed in Scotland. The purpose of the change was to make it less onerous to change uses from one to another. Properties/spaces with a use class for food and beverage, as well as financial and professional services can now be used for shops/retail without the need to apply for planning permission. For more information please see here: <u>Use Class Guide</u>.

It is advisable to have any existing signage rules written into the meanwhile lease agreement with a requirement to operate within the permitted rules. If the prospective tenant wishes to have signage which is not included in the lease agreement, then they are responsible for getting the necessary permissions.

If you have any queries regarding planning permission, please feel free to contact the planning department here: <u>Planning Enquiry Form</u>.





Insurance

Tenants may require public liability insurance to take on a meanwhile use lease. The amount of cover necessary will vary depending on the use of the building and this should be negotiated directly with an insurance company. There are a wide variety of policies and prices available on the market.

The building owner will need to ensure the building is insured.

Security Measures

Included in the insurance conditions will be maintenance of reasonable security measures.

Security conditions can cover multiple areas such as specific locks, CCTV surveillance, shutters and specific alarms. The cost of implementing this will be dictated by the size of the area covered, the age of the building and any specific items required. Ultimately, most of the security costs will relate to what the building is used for and the value of the items stored in the property.

Listed Buildings

Meanwhile use can be developed in a listed building. As with all buildings that will be used for meanwhile use, the property should be in a usable standard (or through cosmetic improvements, brought up to a usable standard). The costs associated with fitting out a listed building may be higher due to the nature of the property and any consents that may be required. There may also be some limitations on what works can be undertaken in the building.

Accessibility

Disability access will need to be considered as with any other space. Many spaces that are suitable for meanwhile use were previously locations with flat and level access such as a café or restaurant and are therefore easier to access. Adaptations may be necessary, however, so this should be taken into consideration as it may be costly. This should be explored before entering any leases.



Compliance Works

The condition of buildings can vary considerably as they may have been empty for a long period. It is advisable to check over all buildings for safety (even recently vacated properties) with a qualified professional. Risk assessments will be the responsibility of the tenant, however, some fundamental issues to consider are as follows.

- Electrics: An electrical safety test performed by a qualified professional should be organised, even for recently vacated properties. Lifts, escalators and hand dryers should also be included in the electrical test (if applicable).
- PAT Testing: If there are electrical items that have been left behind in the building then these should be subject to a PAT test for safety reasons. For items that are regularly moved, such as chargers, these should be PAT tested annually. The landlord may have manual copies for items that have been left.
- Plumbing and Ducting: Checking that the plumbing system is in order is essential. Some examples of this are – any system for circulating air or water in and out of the building (and storage tanks), that water can be flushed through the correct systems and checking for legionella. Before entering a meanwhile use lease, toilet facilities will need to be usable and may require changing or upgrading to ensure there is disabled access.
- Funding: Compliance works (coupled with legal costs) can be the most expensive aspects of establishing a meanwhile use space. The costs of developing a meanwhile use space should be planned out ahead of entering into any lease agreements.

Fire Systems and Equipment

Fire safety is essential and you will be required to consider the following;

- Fire Alarms: Properties that have been empty for a while may not have working fire alarms. Working fire alarms in the property should be tested and logged. A qualified professional should test these at least once a year and certificates should be kept and retained.
- Firefighting Equipment and Signage: Firefighting signage, equipment and exit points are required to be provided for fire safety, even on a very short lease.
- Fire Risk Assessment: A fire risk assessment is required to be undertaken when entering into the lease on the building.

 Professional advice can be provided by the fire service or a private firm.
- Fire Exits: Fire exits should be tested. If the building's use is being changed then this may impact on the compliance of the fire exits. For example, if the building will be expected to accommodate more people than before, this may mean the fire exits are no longer suitable. Therefore, it may be easier to ensure the number of people allowed in the building is the same as before, otherwise new fire exits will be required and this can have a significant cost.



Reconnecting Utilities

The utilities in the building may have been used recently and only require the most recent meter readings to be provided. The landlord will also be required to transfer the utilities bills over to the new tenant. The meanwhile use of the building may require very little power; however the standing charges may be significant so landlords may downgrade or decommission the utilities to allow for flexibility. It is important that overhead costs are clear for both parties, particularly in lager venues. Tenants should identify the location of the gas, electricity and water meters. Finally, it should be clarified that the tenant will have sole supply of the utilities (multiple floors could use one meter).

CCTV

Some properties may use CCTV due to the storage of high value equipment or to prevent theft. This may be useful to continue to use.

Appropriate signage will be required due to GDPR requirements. This is to inform people that CCTV is in use in the area. If CCTV is installed, then relevant staff members will require training on the correct use under data protection regulations.

Doors and Windows

Telephone/Broadband

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It may be useful to speak to a broadband provider and enquire about short term solutions to utilising WiFi. For example, hotspotting from another device may provide you with enough internet coverage to run a meanwhile use project.

The security of windows and doors should be ensured. Closing mechanisms should be inspected and present no risks. Fire doors should be tested as well as automatic doors as part of the fire alarm procedure. If there are areas that are off limits, these should be

fitted with locks/padlocks. There should be keys for all doors and windows and ideally, a duplicate set kept in a

separate location to the building.

Key Holders

Responsibility for the management of keys will transfer between the building owner and the tenant once the lease has been agreed. The logging of keys is essential for insurance purposes. Therefore, a system should be developed. Any spare keys should also be logged. All keys should be labelled clearly and there should be at least one duplicate for every front door key.



Hazardous Materials

The landlord will be able to provide assurances that asbestos or other hazardous substances are not present in the building. However, some smaller operators may not have this information available. The assumption should be that asbestos could be present in any building built or refurbished before the year 2000.



Compliance Certificate

Compliance certificates such as gas and electrical certificates should be made available. This may be challenging for longer-term vacancies; however it might still be available for recently empty properties. All copies of certification should be retained.

Refuse and Recycling

Understanding when, what and where refuse is collected is important. There may be communal bin stores which require a keypad or padlock so this should be taken into consideration.

Factors/Caretakers

The building may have a factor, therefore the name and contact details of the factor should be noted.

Out of hours contacts for electrics, security alarms, locksmiths, plumbers, lifts/escalator (if applicable) and general maintenance for other emergencies should all be retained.

Other Emergency

An emergency, out of hours contact for the landlord or letting agent should be provided. Out of hours contacts for neighbouring properties/properties located in the same building should be clarified.











