#### NewCo Helsinki



# HOW TO RENT BUSINESS PREMISES

7 STEPS TO RENTING
BUSINESS
PREMISES

- 1. Define your needs for the premises
- 2. Find out your legal obligations
- 3. Define your budget
- 4. Find a suitable location
- 5. Search and visit
- 6. Negotiate rental terms & check documents
- 7. Sign a rental contract



#### CONTENT OF THIS GUIDE

- 1. Your needs for business premises
- 2. Find the right location
- 3. Rental contracts and legal rights & obligations
- 4. Funding
- 5. Different kinds of business premises
  - Restaurants & cafés
  - Small shop
  - Wellbeing services
  - Offices
- 6. Think alternatives
- 7. Searching for business premises
- 8. Useful links





## YOUR NEEDS FOR BUSINESS PREMISES

- Customer space
- Serving fresh products
- Storage room quantity of stock and type of products (e.g. need for cold storage)
- Machinery and intensive production chains
- Need for office & working space
- Parking area & logistics
- Location



#### FIND A SUITABLE LOCATION

- A suitable location depends on your target customers, business model, strategy and brand
- Who are your customers? Do they live in specific areas, use cars or public transport, go to work of spend free time in specific locations?
- Where are your competitors? Does close proximity to your competitors or being the only service provider in the area serve your strategy the best?
- Other aspects? What other services are nearby, accessibility, logistics of your products, reputation of the area



#### TERMS OF A RENTAL CONTRACT

- The permission to use the space for intended business activity
- The payment of electricity, water and heating: Can be part of the rent or an additional cost. The payment can be a fixed monthly price or paid according to usage.
- Length of the contract and the notice period for termination (see following slides).
- Rent deposit: amount of money paid as deposit when starting the contract, usually worth of the rent of 1-3 months. You will get back the rent deposit after finishing the contract without any violations or damages to property.
- Get a translation if you are unsure of understanding the terms of the contract.



#### LENGTH OF THE CONTRACT

- **Fixed term contract:** Has a specified ending date and can be terminated only on a date to special cases mentioned in the law (e.g. 1.1.2021–1.1.2023):
  - Good when you want to continue your business activities in the same location for a longer time
  - Requires stable business activity and finances
- Continuous contract: Does not have a specified ending date and can be terminated flexibly by both of the parties of the agreement
  - Good when your business is flexible regarding location needs





Information and contact details of the tenant and landlord

Permission and regulation to use the premises for the intended business activity



#### LIIKEHUONEISTON VUOKRASOPIMUS

Huoneiston yllänidosta yuokrasuhteen aikana on sovittu liitteessä

#### 1. OSAPUOLET

Vuokranantaja

Lähiosoite	Postinumero	Postitoimipaikka	
Vuokranantajan yhteyshenkilö	Puhelin	Sähköposti	
Vuokralainen			
Nimi		Y-tunnus tai syntymäaika	
Lähiosoite	Postinumero	Postitoimipaikka	
Vuokralaisen yhteyshenkilö	Puhelin	Sähköposti	
2. VUOKRAUSKOHDE			
Lähiosoite	Postinumero	Postitoimipaikka	
Vuokrattavat tilat		Pinta-ala noin m²	
Pinta-alaa ei ole tarkistusmitattu.			
Vuokran määrittelyssä ei ole käytetty perusteena aino	astaan pinta-alaa.		Agreement on
uokrauskohde on merkitty liitteessä olevaan	piirrokseen.		
laisen käytössä olevat yhteiset tilat Yksinomaan vuokralaisen käytössä olevat muut tilat			the condition of
Käyttötarkoitus			the property
Vuokralainen sitoutuu noudattamaan yllä mainittua käyt	tötarkoitusta ja harjoittamaan aino	astaan yllä määriteltyä toimintaa.	
Käyttötarkoituksesta ja sovitusta toiminnasta ei saa poi	keta ilman vuokranantajan kirjallis	ta suostumusta.	
Vuokralainen vastaa oman toimintansa huoneistolle ase	ettamien vaatimusten täyttämisestä	ä.	
Vuokralainen on velvollinen antamaan vuokranantajalle tarkastamiseksi vuokranantajan asettamassa kohtuulli		harjoitetun toiminnan ja muiden edellä m	jen
Vuokralainen on todennut huoneiston laitteineen oleva siinä kunnossa kuin se nyt on.	n siinä kunnossa, kuin paikalliset o	olosuhteet huomioon ottaen kohtuudella voi vaatia ja hyväk	ksyy sen
Huoneiston kunnosta vuokrasuhteen alkaessa ja päät	tvessä on sovittu liitteessä		

Y-tunnus tai syntymäaika

Agreement on changes or renovations to

Length of the contract and conditions for termination

possible

the property



3. MUUTOSTYÖT					
Vuokralainen ei saa suorittaa n	nuutos- tai parannustöitä ilman vuol	kranantajan kirj	allista lupaa.		
laiselle on annettu lupa	iitteessä mainittuihin muuto	oksiin.			
sapuolet ovat sopineet, että h	uoneistossa tehdään ennen vuokra	asuhteen alkam	ista liitteessä	mainitut muutos	styöt.
Muutostöiden rahoittamiseksi v	uokralainen maksaa lisävuokraa liit	teessä	_ olevan maksut	aulukon mukaisesti.	
4. VUOKRA-AIKA					
Toistaiseksi voimassa oleva so	Alkamispäivä				
tisanomisaika vuokralaisella	kk ja vuokranantajalla kk	ζ.			
ıksen ensimmäinen mahdollii	nen irtisanomisajan alkamispäivä or	າ		<u>_</u> .	
asopimuksen irtisanomisaika l	asketaan sen kalenterikuukauden v	viimeisestä päiv	ästä, jonka aika	ına irtisanominen on s	uoritettu.
Määräaikainen sopimus		Alk	amispäivä		Päättymispäivä
Suro / kk		Vuokranmaks Kalenteril		Muu, mikä	
Huoneistosta on hakeuduttu aı	vonlisäverovelvolliseksi.	Kalenteril	kuukausi	Muu, mikä	
Sovittuun vuokraan lisätään ar	vonlisävero kulloinkin voimassa ole	van verokannar	n mukaisesti.		
Eräpäivä		Viivästyskork	0		
LHVL:n mukainen	Лии, mikä	Korkolain	mukainen	Muu, mikä	
/uokranmaksutili (IBAN)					
Erilliskorvaukset ja niiden korottamii	nen (esim. vesi-, sähkö- ja autopaik	kamaksu)			
6. VUOKRAN KOROTT	AMINEN				
Vuokraa korotetaan vuosittain		Vuokra sidota			
kuitenkin vähintään p			nnusindeksi	Muu, mikä	
Perusindeksin julkaisukuukausi ja –	vuosi	Pisteluku		Tarkistusajankohta/-	kohdat

Template from toimitilat.fi

Rental price, payment and terms of increasing rent

7. VUOKRAENNAKKO			
Vuokralainen maksaa vuokraennakkoa	Ennakon määrä	Ennakon maksupäivä	
Ennakko hyvitetään	Ensimmäisistä vuokrista	- Wakrista	Rent deposit
8. VAKUUS			amount and
Tämän sopimuksen velvoitteiden täyttämisen vakuudeksi toimitetaan vakuus.	Vakuus ja sen arvo	Viimeinen toimituspäivä	terms
Vakuuden antaja	Vuokranantaja	Vuokralainen	
9. HUONEISTON VUOKRAOIKEUDEN SIIRTÄ	MINEN		
Vuokralainen ei saa ilman vuokranantajan kirjallista lupaa siirtää alivuokralaisia. Tämä koskee myös liikkeen luovutustilannetta.	vuokraoikeuttaan tai luovuttaa huoneiston tai ser	n osan hallintaa toiselle eikä ottaa huone	Terms of
Vuokralainen on velvollinen hoitamaan huoneistoa huolellisesti ja huole huoneiston käyttöön sisältyviä määräyksiä sekä mitä muutoin terveyo			changing tenant or sub-leasing
10. PÄIVÄYS JA ALLEKIRJOITUS			
Ellei sopimuksessa tai liitteissä ole muuta sovittu, sopimukseen sovell Tämä sopimus on laadittu ja allekirjoitettu kahtena samasanaisena alk			
Paikka ja päivämäärä	Liitteet		
Vuokranantajan allekirjoitus ja nimenselvennys	Vuokralaisen allekirjoitus ja nimens	elvennys	
			Date, place and
Allekirjoitukset molempiin kappaleisiin erikseen.			signatures from both parties

START

UPREF

UGEES

## TIPS FOR NEGOTIATIONS

- Upcoming construction work: Ask for a certificate from the property maintenance company of scheduled constructions
- Negotiate a clause for 'force majeure' -situations
- Negotiate a reasonable penalty for terminating contract (if fixed term)
- Agree to the primary use of the space and the responsibilities of making renovations inside the space





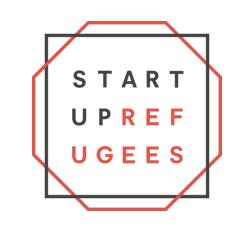
#### LEGAL RIGHTS & OBLIGATIONS



- Right to know the truthful condition of the property before signing contract. If a relevant property defect which was impossible to detect by a normal premises inspection is found after the handing over of the premises, the tenant has the right to terminate the contract
- Right to conduct business as defined in the rental contract
- Right for a notice period (3 months unless defined in the contract) before termination of a contract by the landlord
- Right to terminate contract if the property becomes a health risk (e.g. damage in the building, air contamination)
- Right to be notified of not urgent renovations 6 months prior. If a renovation is considered urgent and necessary to avoid health risk or property damage, the landowner can start the renovation without the consent of the tenant

#### LEGAL RIGHTS & OBLIGATIONS

- Obligation to conduct only the intended business activity as defined in the rental contract: This includes also the specific regulations and agreements made by other parties such as the property management company, the building control authority etc.
- Responsible for damages to property which are made on purpose or due to negligence
- Usually obliged to have a property insurance that is suitable for the intended business activity
- Responsibility to follow business specific regulations (food production, heavy production, chemicals, environmental issues & waste management)



### RISKS IN RENTING PREMISES

- Rental costs can easily be a big percentage of your budget
- Choosing the wrong location can affect your sales and reputation
- Having a fixed term contract might leave you stuck with unsuitable business premises for a long time without ability to end it
- Damages in property are expensive costs make necessary insurance agreements







### CAFÉ & RESTAURANT PREMISES

- Who is your target customer? Where are they? location is important
- Do background research on the area: How many restaurants are there already? Would there be enough customers for you, too? E.g. you can find information online how many people live in the area
- Suitable facilities: kitchen, customer toilets, personnel space, waste management. Maximum capacity & take-away options
- Accessibility: Street-level entrance, (parking)

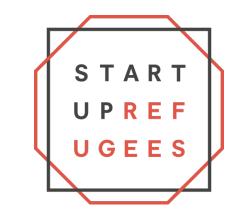
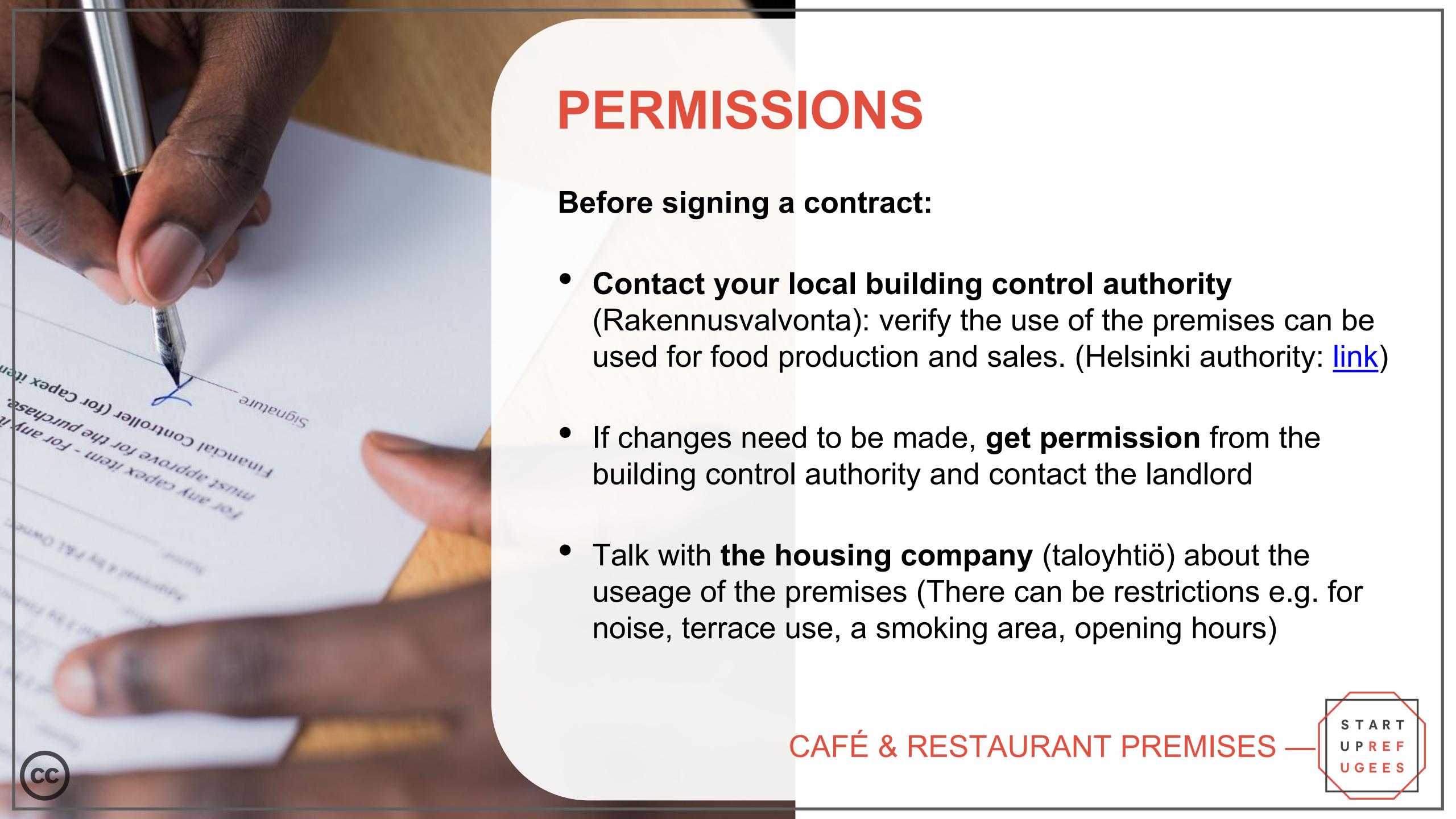
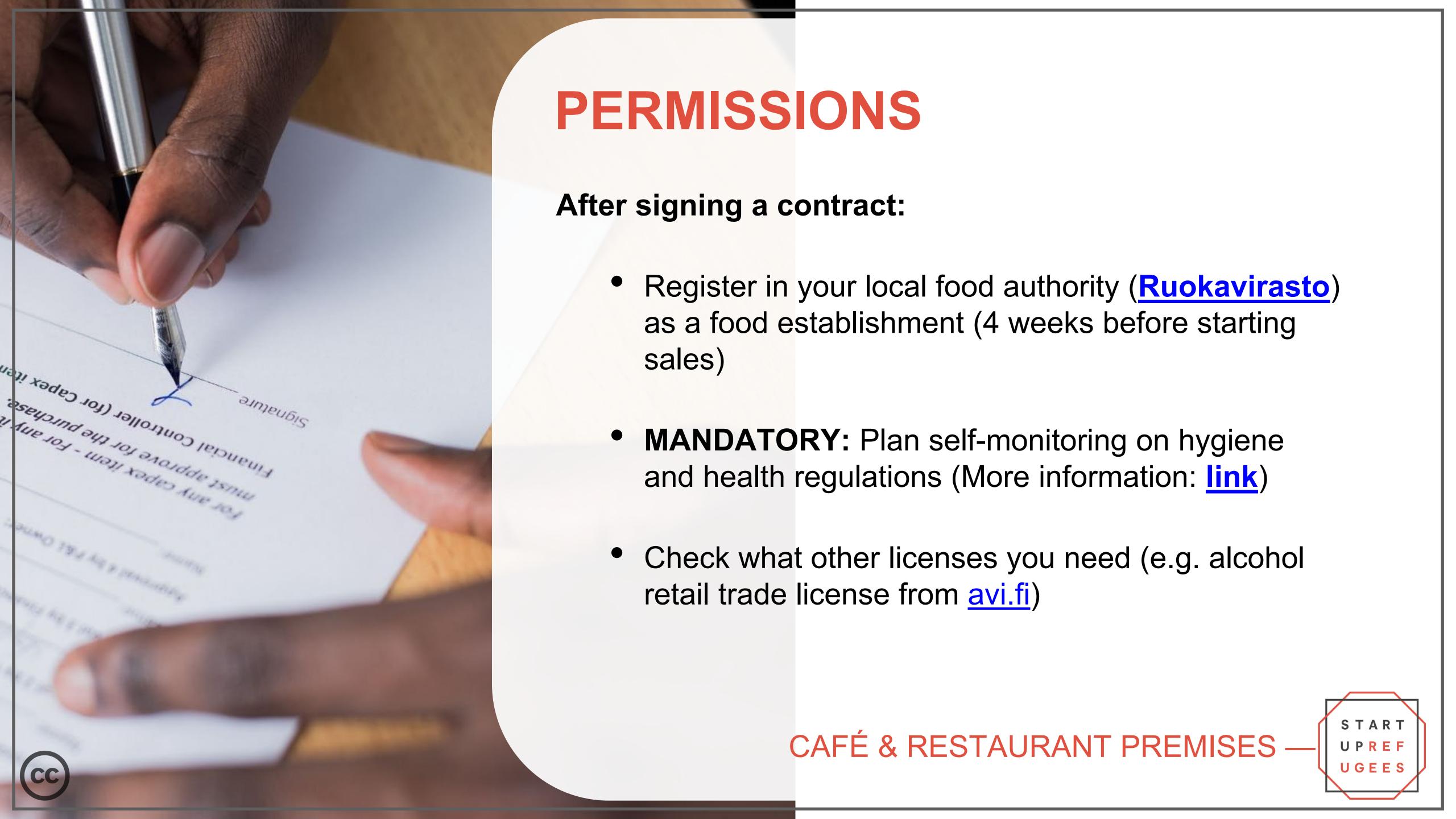


Photo: Sanni Siira







#### KITCHEN REQUIREMENTS

Safety: Safety plan, fire blankets, fire extinguisher, smoke detector

 Waste management: Safely separated from food, frequent emptying, grease separation drain

Cool storage: specific temperatures for meat, dairy products and frozen products

 Separation of allergy sensitive products and of different meat products

 Enough water sinks: separate for washing food, hands and dishes

CAFÉ & RESTAURANT PREMISES -

#### **FACILITIES**

- Separate dressing room and toilet for employees
- Toilet facilities for customers (if max capacity over 6) number of toilets according to customer capacity
- Separated storage for cleaning equipment
- Close by waste collection point
- Separated smoking area
- Further information for new restaurant owners <u>here</u> (NewCo Helsinki)



CAFÉ & RESTAURANT PREMISES



Photo: Gegi Ekin





#### SHOP PREMISES

 Logistics: Possibility for easy and fast offloading of your products and supplies. A large quantity of stock and heavy products usually require a back entrance with a loading dock

 Accessibility for customers: elderly or handicapped people, parents with baby strollers and other people with limited mobility, especially if they are important customer groups for you

 Suitable facilities: space for counter desk, product shelves, back room for personnel, storage room







#### SHOP PREMISES

- Location depends on your target customers and types of products you sell
- The type of products: Can define where is the best location (e.g. design stores locate usually close to each other), heavy products need big parking space and back entrance (e.g. furniture stores)
- Kiosks, small food shops: close to public transport networks and on busy streets
- Design shops, other specialty products: on shopping streets or shopping malls in the city centre
- Specific equipment stores: can be further away from city centre on central road connections and with parking possibility

UPREF

UGEES

Photo: Mia Hyvärinen

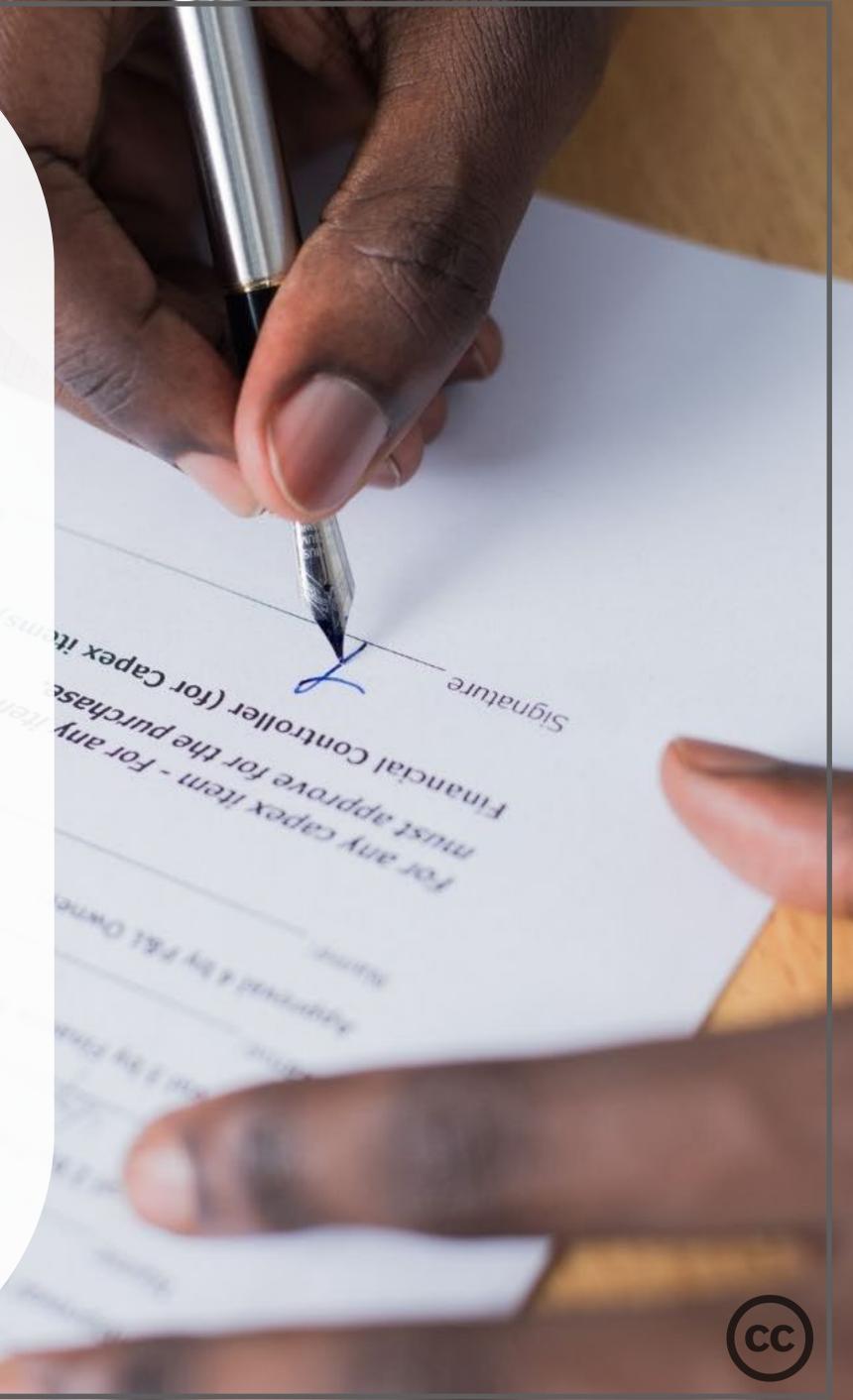
#### PERMISSIONS

• Renovations in the premises: talk to your landlord before signing the contract, contact building control authority

 Storage space: Meat, dairy and frozen products have specific temperature requirements (For more information, Food Authority: <u>link</u>)

- Selling alcohol and tobacco products require a license
- Waste management
- Security risks & theft prevention







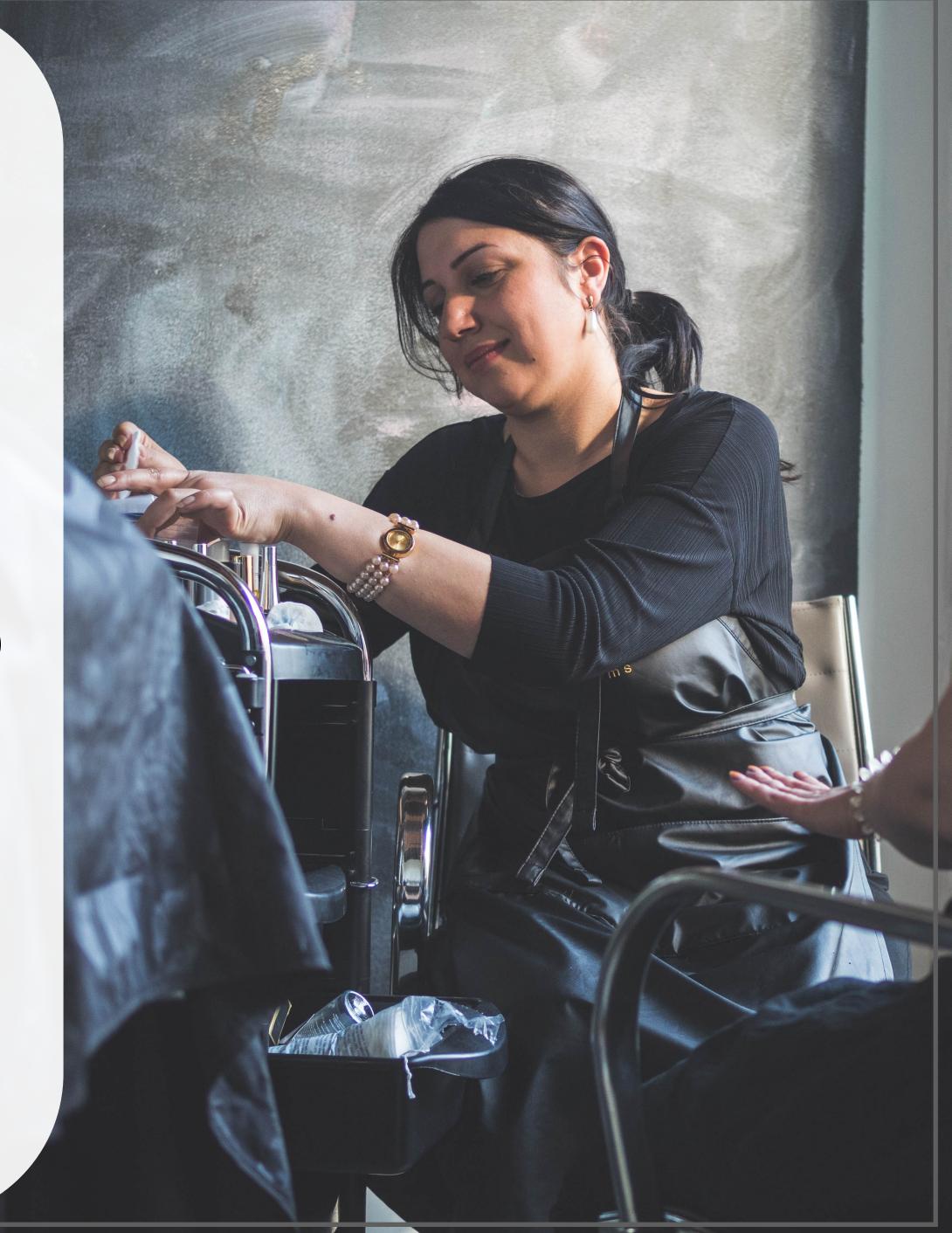
## WELLBEING SERVICE PREMISES

- Take care of necessary and comfortable hygiene and suitable space for customers and service personnel
  - Furniture that is easy to clean, cleaning equipment is stored in a separate space (e.g. cleaning closet)
  - Customer facilities: Space for customers' clothes and changing rooms if necessary, separate waiting room if needed and toilet facilities
  - Suitable air ventilation for the business activity



#### SAFETY & HYGIENE

- Wellbeing services can include many different fields of business, which all can have specific requirements
- Safe handling of chemicals: e.g. storage of flammable cosmetics and hygiene products (more information, visit <u>Finnish Safety and Chemicals Agency</u>)
- Environmental regulations: e.g. safe waste management (more information, visit <u>Regional State</u> <u>Administrative Agency</u>)





- WELLBEING SERVICE PREMISES

#### THINK OF ALTERNATIVES

- Home production and delivery: What can you produce at home? (Check regulations, e.g. food production)
- Sell your products in existing facilities like a café or a shop-in-a-shop: a stand, theme area or a sales booth in a bigger retail store or shopping centre
- Pop-up and seasonal sales
- **Sell online:** in stead or in addition to a physical store; more and more items are bought through online stores only, which way do your target customers prefer?
- Collaborate with other businesses
- Use shared office spaces or share a warehouse





#### COWORKING OFFICES

- Office hotels and co-working spaces where you can rent a table or an office room
- Can include other services: negotiating rooms, mail box, reception services where someone is always able to answer the phone even when you would be serving a customer elsewhere
- Usually a monthly fee with fixed or tailored services
- Benefits of a coworking space: networking with other entrepreneurs happens naturally - peer support, easier to make business partnerships
- Helsinki: Mothership of Work, Mesta Coworking, Sofia Future Farm, Oulu: Njetworking Inn, Rovaniemi: Y-North





## POP-UP & SEASONAL SALES

- Easy way to get started
  - Low risk / small investment
  - Testing your product
  - Marketing and visibility
  - Sales income for your future
- Usually seasonal shopping stands or cabins are rented out by the city, different large-scale events or shopping malls





#### **FUNDING OPTIONS**

- Make a sub-contract with another company or rent a space together with another business owner. Be creative: You can join forces with a very different type of a business that has the same target customer groups as you, e.g. beauty salon & flower shop, street wear store & café-bar
- Start your business without renting premises to be able to: 1. estimate your monthly income, 2. save money for the first months of the rent in advance
- Different sources for financial support / startup financing: starttiraha, bank loans, external investment



#### SEARCHING FOR BUSINESS PREMISES

- Contact a real estate agent
- Websites: <u>Toimitilat.fi</u>, <u>Turku toimitilat</u>, <u>Oikotie.fi</u>, <u>Kauppalehti.fi</u>, <u>Tiloja.fi</u>, <u>Nettivuokraus.com</u>, <u>sponda.fi</u>
- Pop-up spaces & open air market stands are usually rented by the municipality
- You can also buy business premises: check also businesses for sale, retiring entrepreneurs might be selling also business premises (<u>yritysporssi.fi</u>, <u>yrityskauppa.fi</u>, <u>omistajanvaihdosseura.fi</u>, <u>tori.fi</u>)



#### LINKS

- A Guide to starting a restaurant or café: Restaurant Business ABC (NewCo Helsinki)
- The authority to contact for regulations regarding food production: Finnish Food Authority
- More information on environmental and health regulations (e.g. alcohol and tobacco sales): <u>The National Supervisory Authority for Welfare and Health</u> (Valvira)
- More information on heavy production, safety and chemical safety: <u>Finnish Safety and Chemicals Agency</u>
- Law on renting business premises (in Finnish only): <u>Finlex</u>
- Information on renting premises: <a href="Expat Finland"><u>Expat Finland</u></a>, <a href="Yrittäjät">Yrittäjät</a>
- Guides to office space renting: Sponda.fi

