

# Commercial Tenant Resource Guides

## No. 3: Relocation

- Relocation Options, Timing, and Steps
- Finding a Space: How to make sure it is a good fit
- Change of Use and Other Regulatory Requirements
- Renovating New Space and Permits

# 3. Relocation and Finding a Space

## Relocation: Best Practices and First Steps

### You become aware of redevelopment plans and the need to move

A notice board that your building is redeveloped went up on your building, you read about it in the media or your landlord gave you notice to terminate your lease. What are your options? How do you organize the relocation? This guide will lead you through the process step by step.

### Moving forward with support – things to remember

The notion of having to move can be overwhelming, especially if you have been in the same location for many years. Don't panic. There is a lot of support out there to help you through this step by step (see also [Guide 6: Support, Resources and Glossary](#)). Start planning as soon as you learn that your lease is going to be terminated or that your building will be redeveloped.

### Resource Guides Overview

- Guide 1 Commercial Tenancy Basics
- Guide 2 Commercial Lease Negotiation
- Guide 3 Relocation and Finding a Space**
- Guide 4 Redevelopment Timeline and Process
- Guide 5 Navigating City Permit and Licence Processes
- Guide 6 Support, Resources and Glossary

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## Relocation First Steps Checklist

### Step 1: Check your Lease

- Did you receive notice as specified in your lease?
  - Does it mention a notice period?
  - Is there a redevelopment or demolition clause?
  - What are your/your landlord's responsibilities?

### Step 2: Reach out to your landlord

- Talk to your landlord as soon as possible and confirm their plans.
  - When do you have to move out?
  - Are there options to stay short-term?

### Step 3: Get Organized

- Consider the time and cost to vacate the premises
- Update Business Plan
- Review contractual obligations
  - Plans for supplies and contracts
- Plans for staff
  - When do you have to give them notice?
  - Are you bringing them with you?

### Step 4: Find a Space and Move

- Moving Options
  - Are you relocating to a permanent new location?
  - Are you relocating temporarily?
    - Returning to new building?
    - Do you need storage?
- Find a Suitable Space
  - Do you need to apply for permits or change of use?
  - Negotiate tenant improvements



We highly recommend that you seek professional advice for anything concerning your tenancy and relocation. For more information on how to get support, please see [Guide 6: Support, Resources and Glossary](#).

**Please note:** This guide is intended to be a helpful service for business operators. It is not to be relied on for legal or other professional advice.

City staff recommend that you seek appropriate advice as the need arises.

## Relocation First Steps to Consider



### Step 1: Check your lease

- Did you receive notice as specified in your lease?
- Does it mention a notice period, is there a redevelopment or demolition clause? (See also [Guide 2: Commercial Lease Negotiations](#) and [Guide 6: Support, Resources and Glossary](#) for details).
- If you receive notice to end the lease or anticipate receiving that notice, you need to understand the details of your lease.
- What are your responsibilities? What are the landlord's responsibilities and obligations when ending the lease?



### Step 3: Get Organized

- Consider the time and cost to vacate the premises.
- Update your [business plan](#) in accordance with the timing of the redevelopment. It's your roadmap to your goals, strategies, target market, financial forecast and it's vital that it reflects your new situation.
- Review and consider your contractual obligations. What are your plans for your staff? Will they come with you? Do you have to give them notice?
- How about other obligations like leased equipment, service contracts, and orders?



### Step 2: Reach out to your landlord

- Talk to your landlord as soon as possible about their plans for the building and the tenants. But be clear what would work best for you. Your landlord may be open to a variety of options - see details below.
- Try to confirm a time and date for moving out, and the condition in which you are to leave the space. The landlord may also have an idea about the timing for the project and when you most likely need to move (see [Guide 4: Redevelopment Timeline and Process](#)).
- One option might be to switch to a month-to-month lease. Make sure this will work for you, as this kind of lease requires you to be able to vacate your space at a month's notice, but you might be able to stay longer in your current location.
- Get as many details from your landlord as you can. Check in with them regularly. Important correspondence should be in writing or by e-mail in case there is a dispute that requires adjudication.



### Step 4: Find a Space and Move

- Consider your options for relocation. Are you moving temporarily or permanently? See details below.
- Start looking for a space fitting your needs. Do you need permits or apply for a change of use? See more details below.
- If you do not have a new location yet, you also may need to secure storage.



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## Options for Relocation

It's crucial to start looking for a new location early – ideally as soon as you learn that your location is going to be redeveloped.



### 1. Relocating to a permanent new location

Relocation will require identifying a new space

- with rent you can afford
- that has zoning that allows your type of business or activity in the space
- in a (maybe new) neighborhood/location and building with a tenant mix that fits your business or organization profile, reflects your customer or client base, meets your operational needs, and many other market or locational considerations.

We strongly recommend working with a commercial broker or a tenant representative to find the ideal new location for you.



### 2. Relocating temporarily

You may need to consider relocating to a temporary location if you are unable to find a suitable location after the lease ends or if you have to wait until the new building is completed. Returning to the same location in the new building either through right of first refusal or pre-leasing requires early communication with your landlord or the developer.

Relocation temporarily in a new location can be expensive if the costs to make the temporary space ready are required (often also called “[tenant improvements](#)”). However, you may be able to negotiate with the landlord to pay all or part of tenant improvements..

#### Options to consider:

- **Consolidating locations temporarily** (if you operate multiple locations) to keep the business or organization operating while relocation planning is underway.
- **Shift your business online temporarily.** An online presence can maintain a customer base, and provide marketing opportunities while a permanent solution is worked on. This option may not work for all businesses or organizations, and may require some new investment such as leasing kitchen space for online food-related sales or storage for inventory. There are grants available to help businesses move online or improve their online presence. See [Guide 6: Support, Resources and Glossary](#).
- **Shift temporarily to a mobile operation.** [More information about street locations and permits.](#)
- **Closing temporarily** may be the most cost-effective option if the combined cost of temporary relocation and moving again into the permanent location are too high. But you may risk losing customers/clients and staff during a temporary business closure.

**RIGHT OF FIRST REFUSAL AND PRE-LEASING: RETURN TO THE SAME LOCATION IN THE NEW BUILDING**

Developers of new buildings often ‘pre-lease’ the commercial space up to 2 or 3 years before the construction is completed to secure financing for the new development. If you are interested in leasing space in the new building, you or your real estate agent should attempt to negotiate a lease with the developer before all the spaces are leased to other businesses.

Alternatively, if you know that your building will be redeveloped and you’ll have to move in a couple of years, signing a pre-lease in another location will give you planning security and a peace of mind that you’ll have another space to move to. If you plan to return to your old address, be sure your business plan allows for operating at a temporary location, moving online or moving to a secondary location for several years.

If your lease doesn’t include a “right of first refusal”-clause, we highly recommend to talk to your landlord or the developer as soon as you learn that the new building is being leased, to find out if there is an opportunity to return into the same location in the new building. As an existing tenant you may be able to demonstrate that you are a reliable tenant and good fit for the new building and its tenant mix. Landlords/developers are looking for stable income - so businesses or non-profits that have demonstrated many years as reliable tenants are typically seen as desirable tenants and have a better chance of being considered for pre-lease contracts.

**Finding a new space: Making sure it is a good fit****HOW TO FIND A NEW LOCATION**

There are also online resources that [list commercial premises available for lease](#). Once you have identified available premises, you will need to narrow your search to find the right space for you.

**Landlord Incentives**

Landlords often offer incentives to lease their space. These incentives are negotiable and vary by business category, market conditions as well as the experience of the prospective tenant, and can include cash, free rent or rent forgiveness for a period of time (e.g. 2 to 6 months), and free or subsidized renovations (tenant improvements). Balance the incentives being offered in comparison with the leasing costs. If the long-term rent is too expensive, the upfront incentives may not be in your best interest.

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Consider the services of a commercial real estate agent or tenant representative to help you find available space for lease.

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**Who pays for your move and getting support?**

Brokers are either paid for by the tenant leasing the space or by the landlord at the new location. This is negotiable and depends on each situation. It is always in the best interest of the tenant to obtain their own representation when leasing new premises.

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Please see also [Guide 6: Support, Resources and Glossary](#) for links to commercial listings and finding professional help as well the [City of Vancouver webpage for starting a small business](#).

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### Change of use and other regulatory requirements for your new space

To move to a new space, you need to meet regulatory requirements that apply to that space. Finding a space that is already a good match for your operations can mean avoiding long review periods by the City and expensive ‘upgrades’ or tenant improvements.



**City zoning by-laws regulate what kinds of activities or “uses” can happen on a property.** This affects what types of businesses and organization can happen in the space. Commercial spaces are usually already approved for certain types of uses based on the type of business that occupied the space immediately before it became available for lease. If the activity (“use”) of your business and the previously-approved use of a commercial space are the same or similar, they may be a good match. If they are not the same, it is called a “change of use”, which can lead to more review time, permit requirements, and may even trigger requirements for building upgrades.

If the previous use is not similar to your business or activity, you may want to consider other locations before deciding to sign a lease as getting a “change of use” permit can take a while.



**Look for spaces that don’t need large renovations, additions or tenant improvements.** Doing renovations or additions often require a building permit, and can trigger more upgrades to the commercial space or the whole building. Finding a space that doesn’t need much extra work can save a lot of time in permit review. If you decide to do renovations, ask at the [Development and Building Services Centre](#) to find out if the proposed renovations will trigger additional work to [upgrade the commercial space or the building](#).

In buildings that have been newly built or recently upgraded, renovations might not trigger additional work. Before leasing a space, ask the property owner about the building’s compliance with the Vancouver Building By-law. More details on renovations can be found below.



### Steps to find out if a space is a good match for you:

**Check the zoning** – is the activity of your business or organization an approved use for the property’s zone? Is it conditionally allowed (needs permission)? You can use [VanMap](#) to check ([tips on finding property info](#)).

**Check what business was in the space previously** – does it seem like the same kind of business or activity as yours? If you are using a commercial broker they can check what type of tenant previously occupied the space. (Make sure this is actually an approved use for this space!) If you are not sure of the previous tenant’s ‘use’, check the Zoning and Development By-law’s [“use” definitions](#) or reach out to the City’s Development, Building and Licenses staff [online](#) or by phone at 604-873-761. Note that in some cases, the previous tenant could have been occupying the space illegally, without zoning or other approval.

## Renovating your new space and getting permits

If you need to upgrade or do renovations in your new space before you can move in, you may need a City permit, unless the renovations are only minor, like painting or unclogging drains.



### Tips before starting renovations:

- Don't start any work before checking your lease, talking to your landlord, you got professional advice or contacted the [Small business Commercial Renovation Centre \(CRC\)](#). Your lease might include which kind of renovation you can or can't do without getting the landlord's approval.
- When in doubt if you need a permit or if you need additional guidance before submitting your application, please [contact the Development and Building Services Centre](#).
- In your lease negotiations, consider including a provision requiring the landlord to pay for renovations. Your landlord might be willing to pay for the work, or at least part of it. The landlord may also waive rent during the wait for permits and until renovations of the new space are complete. If the landlord is performing the work, they are required to get the same permits as would be required for anyone else.



### Types of renovation requiring a permit

- Any new construction (new buildings and/or renovations to existing buildings that create a new area)
- Changing commercial cooking equipment
- Renovation projects that include moving interior walls and/or existing plumbing, electrical, or gas lines
- Structural repairs (changes or work on parts of the critical components of the building)
- A building permit may be triggered even if no building alterations are being proposed but the use/occupancy of the space is changing (e.g. going from pool hall to restaurant)
- Sharing a space with another business or a business that has multiple uses may need approval from the City.

Make sure to check with the City to determine if the business activity / use can be considered in the space before signing a lease. You can also check the Zoning and Development By-law's ["use" definitions](#).



### Renovations that don't generally require a permit

- Carrying out non-structural maintenance
- Painting; Unclogging drains
- Replacing defective fuses, receptacles, or switches

For an overview of different types of permits and which work needs what, please also see our [Resource Guide 5: Navigating City Permits and Licence Processes](#).

## INFORMATION AND SUPPORT FOR RENOVATIONS

The City of Vancouver has a Small business [Commercial Renovation Centre \(CRC\)](#) to help small business owners planning a renovation or looking to move or start a business in Vancouver.