Commercial Tenant Resource Guides

No. 6: Resources

- Commercial Tenant Supports and Resources
- Glossary

6. Support, Resources and Glossary

Support for negotiating a lease

As a commercial tenant it is important to understand the terms of your lease. The lease is a contract between you and the landlord that defines the terms and conditions of your tenancy. We highly recommend that you get professional help to negotiate the best possible lease for you.



How to Find...

COMMERCIAL BROKERS

Commercial brokers are real estate specialists for matching tenants with landlords of commercial properties. There are many to choose from in Vancouver. You can check online listings such as SpaceList or YellowPages, or Better Business Bureau, Co-Star, LoopNet, BCFSA or talk to your Local Business Improvement Association (BIA) for a recommendation. Often brokers are specialized in certain neighborhoods, so be sure to utilize your local network. When considering brokers, look for someone who is familiar with your sector. You should also ask how they will be paid, if they will be representing both sides of any deal and if the broker has professional leasing services. If they do not, you should look for someone who can provide professional assistance with negotiating and drafting an offer to lease. The broker must also provide you with the Disclosure of Representation Form, which outlines the duties and responsibilities of the real estate professional.

COMMERCIAL LEASE PROFESSIONALS

To find professional commercial leasing professionals check with your local BIA, commercial brokers (listed above), websites for lawyers or real estate brokers. Another option might be to look for a "For Lease" sign near the desired location. There can be overlapping expertise as real estate brokers find commercial spaces and handle the transaction of commercial leases, and lawyers draft and negotiate leases. Brokers often have relationships with lawyers. You may also need to the help of an accountant and / or a financial advisor to handle the financial side.

A NEW SPACE

- YellowPages
- SpaceList
- <u>Better Business</u> <u>Bureau</u>
- <u>Co-Star</u>
- LoopNet
- Craigslist



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Where can commercial tenants get support?

Business Improvement Associations (BIAs)

As a commercial tenant, you may receive support from a non-profit Business Improvement Association (BIA). BIAs are specially funded business districts supported by levies paid by all commercial property owners in a BIA's designated area. The City of Vancouver helps local business groups form BIAs. Once a BIA is formed, it is managed by a volunteer board elected by commercial landlords and tenants within its boundary. If you are located within a BIA, they should be your first contact for resources and support.

Small Business BC

Small Business BC helps British Columbia's entrepreneurs to start their own business, grow successful and sustainable businesses through expert business advisors, educational services, easy-to-use free resources and engaging community events.

BizPal

Tool for searching business permit and licence information for a business based on business type. Lists all the possible types of permits or licences required by various governments and municipalities across Canada.

BizMap

A collaboration between Small Business BC, the City of Vancouver and Vancouver BIAs, Bizmap provides easy access to market data tailored to customized business districts. Presented in a clear and relatable way, the area-specific information will help local businesses and communities to grow.

Small business Commercial Renovation Centre (CRC) - City of Vancouver

The City of Vancouver has established a small business Commercial Renovation Centre (CRC) to assist small businesses owners navigate the regulations, permitting, and procedures for moving, setting-up or renovating a business.

Business Licence Office - City of Vancouver: to apply for, change or renew your business licence.

Business Communication and Support Office (BCSO) – City of Vancouver: Single point of contact for Vancouver's local business owners to get information about re-opening protocols and business support programs and learn about City initiatives and services to support businesses.

Starting or expanding a small business - City of Vancouver resources

The City of Vancouver has provided entrepreneurs with a set of useful articles, checklists, and templates to start or expand a business in Vancouver. It also includes information about which permits you may need and information on how to obtain them.

The Government of British Columbia

Disputes between landlords and tenants may be resolved by the courts or by arbitration according to contract law and the Commercial Tenancy Act. Unlike residential tenancy, there is no support agency for commercial tenants. The province also has programs to support local businesses. See more details about provincial supports.

BC Financial Services Authority (BCFSA)

Agency responsible for the supervision and regulation of the financial service sector, including Real Estate Professionals and Mortgage Brokers. The website includes many useful resources, e.g. the <u>Disclosure of Representation form.</u>

The Federal Government

The federal government provides financial support programs targeting certain sectors, businesses of certain sizes, and historically marginalized groups such as Indigenous, Black and People Of Colour (IBPOC) businesses. See more.

BOMA

BOMA is a business association for the real estate industry that among many other things maintains <u>a suite of floor measurement standards</u> for a variety of property types.

List of other Associations, Business Interest and Support Groups

Many business organizations and associations provide advocacy and support for local business such as Greater Vancouver Board of Trade, BC Chamber of Commerce, Vancouver Economic Commission, Restaurants Canada, Canadian Franchise Association, Black Business Association of BC, and the Canadian Council of Indigenous Businesses. Your industry or sector may have specific local or national associations that also provide advocacy and support.

Glossary

- Building permits are required for construction projects and most construction on private property will require a building permit. Generally, landlords/developers will be required to have a permit to begin construction.
- Building upgrades: changes to the building or its systems. This could be health and safety requirements such as sprinkler system or general building changes such as replacing the windows.
- Business Plan: Your business plan is vital for success and financing. It's your roadmap to your goals, strategies, target market, financial forecast, and it is therefore important to keep updated when your situation changes. More information on Small Business BC.
- Change of use: When a property or building goes from one type of use to another type of use that has different requirements. This often triggers new permitting and different requirements such as a bookstore being replaced by a restaurant.
- Commercial Broker/ Real estate agent: a real estate professional specializing in commercial properties.
- Commercial Lease: a contract between a property owner and a proposed tenant for the use of their space.
- Commercial tenant: is a person or organization with a contract (lease) to occupy and use non-residential premises. The lease is between the tenant (the 'lessee') and the landlord (the 'lessor').
- Developer: A term that refers to person or company the leads the entire process for developing a property. which can include acting as the agent for the property owner or as the property owner. They coordinate the demolition, financing, planning permissions, application process, engagement, construction, and sales depending on the project.
- Development Permit: A permit granted for a development proposal after it is reviewed by the City to ensure it meets the zoning regulations for the site. These regulations address land use, density and height. After the Development Permit is granted, a Building Permit has to be issued before construction can start. Even if no construction is proposed, a Development Permit may still be required to change a use in an existing building (e.g. from retail to office). Many changes of the land, construction, and change of use require a Development Permit. Your landlord will need a Development Permit to redevelop the building. You may also need a Development Permit to renovate or perform repairs.
- Legacy rents¹: apply old rents to new space. New space is typically priced at higher market rents than the space is replaces.
- · Landlord: The person or organization that has legal authority to lease out a property. This is typically the property owner but not necessarily.
- · Licence: A licence proves that you are lawfully operating in the City of Vancouver. When you pay to register or renew your business licence you are asking for permission to operate in the city.
- Market rent: the rent price at the highest rate the market will support, i.e. the highest rent someone will pay.
- Not-for-profit: The term "non-profit organization" (NPO) is used in the Canadian Income Tax Act to distinguish the sector from for-profit business organizations for tax purposes.
- Occupancy: living in or using premises or property as a tenant or owner.
- Permit: A permit is legal permission issued by the City of Vancouver to do a regulated activity. For example, patios are regulated in Vancouver so you need a patio permit to operate a patio.
- Pre-lease: an agreement to occupy a space before it is ready for occupation. See also Guide 3: Relocation and Finding a New Space

Legacy rents are also commonly referred to a "grandfathering rents" - however, the term "grandfather" has a racial history and is therefore not used in this document.

- **Property Owner**: The person or organization that is registered on the title for a property at the BC Land Title Office.
- **Public Hearing**: A meeting of City Council where members of the public can express their opinion on an issue prior to Council making a decision. A Public Hearing is a legal requirement for rezoning applications and amendments to zoning bylaws. To speak to City Council at a Public Hearing, you can register by phone or email before 5pm the day of the Public Hearing or in person between 5:30 and 6pm. More information on public hearings is available at vancouver.ca/publichearing. Written feedback can also be provided by post or at publichearing@vancouver.ca
- **Redevelopment**: building a new structure on a site with an existing structure.
- Rezoning: the process for changing the existing zoning. The City considers rezoning applications when the applicant wants to develop a site in a way that does not fit with the current zoning. The application should conform to the rezoning policy for an area, which defines what can and cannot be considered for the site. A rezoning does not mean that there are no restrictions on what can be built. City staff review applications with input from the community and advisory committees and make a recommendation to City Council. When evaluating an application, staff consider the building design, community feedback, public benefits, alignment with existing policy, and more. City Council votes whether to approve, modify, or refuse a rezoning application after a Public Hearing.
- **Right of first refusal**: an agreement for an existing tenant to have the first opportunity to accept a pre-lease offer before anyone else.
- **Tenant improvements**: modifications that are made to a commercial space by either the building owner or the tenant to configure the space to meet the tenant's requirements.
- Triple-net lease: A lease with conditions including the payment of utilities, taxes, and base rent.
- **Use**: the planning term for the category of activity taking place.
- **Zoning**: The legal tool used to regulate how land can be developed. Each part of the city has a district schedule that sets out rules for development. Zoning regulates the use of a site (retail, residential, office) and the characteristics of buildings on a site (height, density, and other physical aspects of the development). Zoning allows local governments to regulate and divide all areas of their jurisdiction for use, density, and form of development such as setbacks and parking. If a landlord wants to develop something that doesn't follow these existing rules (zoning) for their property, they need to go through a rezoning process.



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