**HEADS OF TERMS**

**364 Barlow Moor Road, Chorlton, M21 8AS**

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|  | **Type of Transaction & Background** | New Lease for a term of 10 years.  Lease demise to include ground floor and basement plan attached. |
|  | **Landlord** | Sixteen Retail SSAS & Calvita Limited  35 Erlington Avenue, Old Trafford, M16 0FA |
|  | **Landlord’s Solicitor** | **Davitt Jones Bould**  **Exchange House, The Crescent, Taunton TA1 4EB**  FAO: Richard Holmes  Tel: 07970541947  Email: Richard.Holmes@djblaw.co.uk |
|  | **Tenant** | Bohee Café Limited  **Unit C1 Kestrel Court, Kestrel Road, Trafford Park, Manchester, United Kingdom, M17 1SF**  FAO: Chris Parker Loftus  Tel: 07718 782117  Email: chirs@bohee.coffee |
|  | **Tenant’s Solicitor** | Details to be sent direct. |
|  | **Demise** | All those premises known as ground floor and basement at 364 Barlow Moor Road, Chorlton  Demise plan to be provided and will be agreed between solicitors.  Outside seating area under the canopy to be included. Yard area to be shared with flat above. |
|  | **Tenure** | The premises will be let by way of a new full repairing and insuring lease for a term of 10 years, subject to a service charge levied when appropriate. |
|  | **Break Clause** | The tenant has an option to break at end of year 5.  Break to require 6 months prior written notice and be conditional on payment of rent. |
|  | **Rent** | £22,000 pax  The rent is quoted per annum exclusive of rates and all other outgoings and to be paid monthly in advance  Currently no VAT but landlord retains right to nominate for VAT. |
|  | **Rent Review** | Upward only rent reviews, five yearly. Rent reviews are to be upwards only to the open market value for the premises OR CPI increases at 1-3%, standard assumptions and disregards apply |
|  | **Rent Free Period /**  **Incentive** | 5 months’ rent free package from completion of the lease. |
|  | **Rent Deposit** | 3 months' rent plus VAT to be held as a deposit  1 month to be paid on completion, remainder to be paid within 6 months of completion.  If all payments made on time by the end of year 3 50% of deposit to be returned. |
|  | **Use** | The premises are believed to have a Class E use consent and the proposed use is as a café/coffee shop with a class E  Any other use subject to Landlord’s prior consent such consent not to be unreasonably withheld. |
|  | **Insurance** | The tenant will pay the insurance premium, 50% share split with the upper floors. |
|  | **Repairs/Service charge** | Internal repairing with the tenant to be responsible for plate glass. Fabric of the building by way of service charge  Service charge to be levied where appropriate to maintain the fabric of the building split 50/50 with upper floor flat. |
|  | **Planning** | If required Tenant to be responsible for any planning applications required for signage or alterations |
|  | **Signage/Tenants Alterations** | Non-Structural alterations may be permitted subject to the Tenant first obtaining the Landlord’s prior written approval and will be subject to re-instatement at the end of the Term Structural alterations are strictly prohibited.  Please forward details of any proposed works prior to commencement. Simple letter licence to be agreed for tenants initial fit out. |
|  | **Timing** | Lease to be agreed as soon as possible, target completion August 2024 |
|  | **Alienation** | Assignment of the whole premises will be permitted subject to obtaining landlord’s consent which will not be unreasonably withheld or delayed. The landlord will require an AGA and/or a suitable rental deposit.  Subletting of whole is permitted although any under lease is to be excluded from the Landlord & Tenant Act 1954 and at a rent not less than passing rent. Sub-letting of part is strictly prohibited |
|  | **Conditions** | Subject to:-   * Contract * SASS approval |
|  | **Handover** | 1. Window glass to be replaced above the door 2. Floor to be sanded and varnished. 3. Trap door and basement door to be repaired 4. Air conditioning to be installed or to meet the cost once installed. |
|  | **References** | To comply with HMRC legislation – reference checks are required to include ID (Passport/Driving Licence) and Proof of Address by way of a minimum of 2 utility bills confirming a home address. Further detail may be required in addition. |
|  | **General Data Protection Regulation** | To comply with GDPR, personal data will be processed lawfully, fairly and transparently, and protected from unauthorised access, disclosure or alteration. |
|  | **Costs** | Each party shall be responsible for their own costs incurred in connection with this transaction. |

**Date: 17/07/2024**