

# Meanwhile Use

## Benefits to Landlords

**'Meanwhile use'** is the temporary use of vacant buildings or land for a socially beneficial purpose until such a time that they can be brought back into commercial use again. It makes practical use of the 'pauses' in property processes, giving the space over to uses that can contribute to quality of life and better places whilst the search for a commercial use is ongoing.

As leader of the Meanwhile Project, the Development Trusts Association (DTA) commissioned SQW Consulting in April 2010 to research the nature and extent of 'meanwhile use' in the UK today and to prepare a business case for this activity. This document has extracted these findings to highlight the specific benefits to Landlords to support proposals.

The full document and wider information on the Meanwhile Project is available at [www.meanwhile.org.uk](http://www.meanwhile.org.uk)



## The benefits of meanwhile use

Meanwhile projects have begun to spring up around the UK, offering an array of services and uses in a diverse range and size of spaces. From 'pop-up shops' on struggling high streets to community organising space in back-offices through to the greening of or community growing on becalmed building sites, it is clear that meanwhile use represents a very flexible response to short-term opportunities.

Drawing on our consultations with property owners and communities alike, including some in-depth case studies, we have sought to define the benefits of engaging in meanwhile use for:

### ***Property owners or leaseholders***

The owners of property or land which is vacant or unused, even for short periods of time, usually incur costs during those periods – whether it is business rates on empty space, ongoing buildings insurance, or the maintenance and security costs of protecting sites. Together with the 'opportunity cost' of the lost income stream from the property being out of use, it means that there is nearly always a very real cost to 'doing nothing'. The core advantage of a meanwhile use for property owners (or the leaseholders letting out the space) is that it can remove some of the costs of 'doing nothing' with a relatively simple process that is also designed to limit any risks to the owners.

Typical benefits to the property owner or leaseholder from meanwhile use include the following:

- **The security of active occupation** – By having an active occupier in a property or using a space, the building will continue to be maintained in good repair and it will actively discourage vandalism (or even squatting), which can be a real risk to vacant premises, particularly if left unused over the longer term.
- **Lower costs during vacant periods** – During most meanwhile uses, utility bills, security and insurance costs will be covered by the occupiers, providing direct savings to the owner/leaseholder. They can also save money by not having to pay empty property business rates as the responsibility for business rates passes to the tenant and many meanwhile uses are eligible for business rate relief. In our case studies, the landlord of the city centre property in Cambridge saved £18,000 of business rates over 6 months, whereas the landlord in Hastings saved £4,500 over 6 months.
- **Increased prospect of future commercial use** – Meanwhile use often increases the level of awareness of the property to prospective tenants or owners, particularly if it provides a home for

an eye-catching project. It also gives prospective tenants an easier opportunity to access the property and see its potential, while it is in use. This is particularly advantageous for retail and leisure spaces, where profile is a key issue for tenants.

Clearly, property owners/leaseholders have legitimate concerns over any use of their property – particularly how to ensure that any appropriate maintenance/repair costs can be recovered and above all, how to ensure full vacant possession at relatively short notice when commercial use becomes viable again. The Meanwhile Lease addresses both of these concerns, ensuring that landlords are protected:

*'The ability to point to 'meanwhile' as a recognised term was comforting for the developer, it reassured them that it was a recognised feature of regeneration and a solution being explored by others' (Gideon Seymour, Fabric, Bradford)*

In some areas, the risk for property owners is removed virtually altogether where local authorities or other established organisations step in as intermediaries and take on the leases themselves and then in turn sub-let to community groups, taking on any risks themselves.

In the main, meanwhile uses are for charitable or socially beneficial purposes, run by community or voluntary groups. As noted earlier, there are also sometimes commercial occupiers who are interested in such spaces, which obviously increases the potential for landlords to make profits out of such arrangements as the occupiers are profit-making, although this represents a small proportion of meanwhile use today.

## Costs, risks and issues

Clearly, the process of establishing meanwhile use does entail some costs, as already noted:

- For the property owners/leaseholders there is usually a financial upside to most arrangements. The main issue is in managing any risks from a short term occupation, and the costs of establishing the new lease, which is why the standard Meanwhile Lease was developed to address these concerns. Practical experience suggests that this is sufficient for most owners' purposes and is easy to use.

The savings that accrue to each stakeholder in both the short term and long term makes meanwhile use a viable and intelligent option in many circumstances.