Commercial Property Sourcing

A beginner's step-by-step to finding, funding and buying UK commercial property — the routes, the finance and grants, the law you can't skip, and the people who actually know.

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Company and lender inclusion is descriptive, not an endorsement. Rates, schemes and rules change frequently — verify independently and take professional advice. This guide is not legal, tax or financial advice.

Your companion to the Commercial Property Suite. The Suite runs the numbers on a commercial deal — stamp duty, business rates, capital allowances, VAT and yield. This guide covers everything around it: where to find the deals, how to fund them (including government-backed routes), and the commercial-specific law that trips beginners up. Read Section 2 first for the full path from zero to completion.

1. Start here — how commercial is different

Commercial property (offices, warehouses and industrial units, shops, leisure and hotels, and mixed-use) is bought and valued on a different logic to residential. Get these five differences straight before you spend a penny:

- **It is valued on income, not on what the flat next door sold for.** Price is driven by the rent, the length and strength of the lease, and the yield an investor will accept — not by local comparables.
- **The tenant usually carries the costs.** Many commercial lets are on FRI (full repairing and insuring) terms, so the tenant pays for repairs, insurance and often business rates. That changes your net income completely.
- **The lease and the tenant's covenant are the asset.** A ten-year lease to a national chain is worth far more than the same building let to a new start-up. "Covenant strength" — the tenant's ability to keep paying — is central.
- Business rates replace council tax, VAT can apply to the price (the "option to tax"), and stamp duty uses the lower non-residential bands with no second-home surcharge.
- **Tenants have legal protection to stay.** Under the Landlord and Tenant Act 1954 a business tenant normally has "security of tenure" — a right to renew — unless the lease was formally "contracted out". This affects vacant possession and value.

This guide is a factual starting map, not advice. Commercial deals turn on specifics — always instruct a commercial solicitor and an RICS surveyor before you commit.

2. The beginner's path — from zero to completion

A realistic step-by-step order. Do them roughly in this sequence; steps 2 and 3 run in parallel.

1. **Pick a strategy and sector.** Owner-occupier (buying premises for your own business), investment (buy and let), or value-add (refurbish, re-let, or convert commercial-to-residential).

Choose a sector — industrial/warehouse, office, retail, leisure or mixed-use — and a target area. Vague criteria produce junk deal flow.

2. **Get your finance ready first.** Commercial offers are taken far more seriously with finance lined up. Speak to a whole-of-market commercial finance broker and get a decision in principle. See Section 4.
3. **Search every route in parallel.** Portals, auctions, commercial agents and off-market all carry different stock. See Section 3.
4. **Appraise the deal on the numbers.** Yield (gross and net), the lease terms, covenant strength, void risk, business rates, VAT position and any refurbishment. This is exactly what the Property Clues Commercial Property Suite is for.
5. **Do legal due diligence.** Commercial Property Standard Enquiries (CPSEs), the lease, the 1954 Act position, EPC/MEES, asbestos, planning use class and title. See Section 5.
6. **Offer or bid.** Private-treaty offers are "subject to contract"; at auction the fall of the hammer is legally binding, so all diligence and funding must be done before you bid.
7. **Survey and valuation.** Instruct an RICS building survey and a Red Book valuation — your lender will require the latter.
8. **Exchange and complete.** Commercial completions are often 28 days (immediate at auction). Budget for SDLT within 14 days of completion, legal fees, and any VAT.

3. Where to find commercial deals

Search several routes at once — the same lot rarely appears everywhere.

Portals and listing sites

Site	What it is	Note
Rightmove Commercial	The largest audience of any UK property portal, with a dedicated commercial section for sale and to let	Fed by member agents — you can browse but usually can't list without appointing one
NovaLoca	Commercial-only portal, ~20 years established, roughly 26,000 live UK listings	Picked up much of the market after EG Propertylink closed in early 2026
Zoopla Commercial	Commercial section of the second-biggest portal	Generally lower agent fees than Rightmove
Boxpod	Independent commercial listing site	Popular with smaller/regional agents and direct landlords

Note: EG Propertylink closed in early 2026. If an old guide points you there, it's out of date — NovaLoca and Boxpod absorbed much of that stock.

Auction houses (traditional and online)

Auctions are where motivated and unusual commercial stock trades — and three parts of the cycle are genuinely off-market: lots sold before the sale, unsold lots afterwards, and withdrawn lots.

Auction house	Focus
Allsop	The UK's highest-volume auctioneer; large commercial and residential catalogues, live-streamed

Auction house	Focus
Acuitus	Commercial-investment specialist; smaller, curated catalogues
Savills Auctions	National, premium and higher-value lots with international reach
Barnett Ross	London-focused commercial and retail; ~2–2.5% + VAT commission, ~28-day completion
Bond Wolfe / SDL	High-volume regional operators with strong commercial sections

Practical tip: get on every auctioneer's catalogue mailing list in your area, and ask specifically to be told about unsold lots after each sale — that's where post-auction negotiation happens.

Commercial agents and off-market

Most quality stock moves through commercial agents, and much of the best never gets advertised. Register directly with:

- **National firms:** Savills, CBRE, Knight Frank, JLL, Colliers, Lambert Smith Hampton, Avison Young.
- **Strong regional and local commercial agents** in your target town — often the first to know about a retiring owner or a lease coming to an end.
- **Direct-to-owner approaches,** using Land Registry and Companies House to identify owners (the same discipline as residential off-market sourcing — see your Off-Market Sourcing bonus guide).
- **Commercial-to-residential opportunities:** tired offices or shops that can convert under permitted development (Class MA) — check planning before you rely on it.

4. Funding it — government-backed finance, grants and who lends

Lenders are named to show the market, not as a recommendation — inclusion is descriptive, not an endorsement, and nothing here is advice to use a particular lender, broker or product.

Commercial mortgages: the basics (indicative, 2026)

Commercial lending is priced on risk and splits into two families:

Type	Typical LTV	Deposit	Indicative rate	Notes
Owner-occupier (your business trades from it)	70–80%	20–30%	~5.5–7.5%	Lowest rates; lender looks at your trading accounts
Investment (you let it out)	65–75%	25–35%	~6–9%	Rent must typically cover 125–145% of the mortgage payment
Semi-commercial / mixed-use	70–75%	25–30%	Between the two	Shop-with-flat, offices over retail, etc.

Terms usually run 10–25 years (sometimes 5–10 for investments). Variable products sit at margins of roughly 2–5.5% over the Bank of England base rate (3.75% in 2026). Rates change constantly — treat these as a guide, not a quote.

Where to borrow

High-street banks — Lloyds, NatWest, HSBC, Barclays, Santander — write most low-risk, owner-occupied deals at the sharpest rates. Specialist and challenger banks now account for roughly a third of new SME facilities and are the route for complex property, thinner accounts or investment lending: Allica Bank, Shawbrook, Aldermore, Paragon, Close Brothers, Metro Bank, Atom Bank, Together, InterBay (OSB), Redwood Bank, Cynergy Bank. For auction or heavy-refurbishment purchases, short-term bridging finance is common, refinanced onto a term commercial mortgage once the building is stabilised.

Use a broker. Many specialist lenders are intermediary-only, and a whole-of-market commercial finance broker will place a case far better than going bank by bank. The British Business Bank publishes a plain-English guide, *How to finance a commercial property purchase*, worth reading first.

Government-backed finance

There is no government scheme that simply hands you money to buy a commercial building — but the state does de-risk lending:

- **Growth Guarantee Scheme (GGS)** — delivered via the British Business Bank through accredited lenders. Facilities up to £2 million, with the government guaranteeing 70% of the loan to the lender. You remain fully liable for the debt, but it can unlock funding a lender would otherwise decline. (Successor to the Recovery Loan Scheme.)
- **Start Up Loans** — government-backed personal loans of £500–£25,000 at a fixed rate (around 6%), over 1–5 years, for newer businesses. Not property-specific, but can fund a deposit or fit-out for an owner-occupier.
- **CDFIs (Community Development Finance Institutions)** — responsible lenders (members of Responsible Finance, such as regional business-finance funds) that lend to viable businesses the banks have turned down, sometimes including premises. Worth approaching if mainstream finance says no.

Grants — set expectations correctly

Grants rarely fund the purchase of a building. Where public money exists, it is usually tied to works, energy efficiency, regeneration or job creation rather than acquisition:

- **UK Shared Prosperity Fund** and local council / combined-authority regeneration grants — area-specific, often for bringing empty units back into use, shopfront improvements or town-centre schemes.
- **Energy-efficiency support** (e.g. Salix-type public funding and local business decarbonisation grants) — for upgrading a building's EPC.

Check your local council and Growth Hub for what's live in your area, and treat any "grant to buy property" claim with suspicion.

5. The law you must not skip

Commercial due diligence is heavier than residential. The essentials:

- **Landlord and Tenant Act 1954 (security of tenure).** A business tenant in occupation normally has a statutory right to renew at lease-end unless the lease was formally "contracted out" before it was granted. This directly affects vacant possession, redevelopment plans and value — check every tenancy's status.
- **Commercial EPC / MEES.** Since April 2023 it is unlawful to let non-domestic property rated below EPC E without a valid exemption. The picture beyond that changed in June 2026: the government dropped the proposed interim EPC C milestone, and now only larger commercial buildings (over 1,000 m²) face an EPC B requirement, and only from 2031. Standards still tighten over time, so price in any upgrade cost — but ignore old guides quoting "EPC C by 2027".
- **Asbestos — Control of Asbestos Regulations 2012.** Every non-domestic building carries a "duty to manage" asbestos. For any building built before 2000, a credible asbestos management survey is essential diligence; the duty transfers to you on completion and breach is a criminal offence.
- **Planning and Use Class E.** Since 2020 most shops, offices, cafés, gyms and light industrial sit in the flexible Use Class E, so many changes of use no longer need a full application. Commercial-to-residential conversion may be possible under Class MA permitted development, subject to prior approval and conditions — confirm with a planning consultant before you bank on it.
- **CPSEs and title.** Your solicitor will raise Commercial Property Standard Enquiries and check title, rights of way, service charges and any environmental issues. Instruct a commercial solicitor, not a residential conveyancer.
- **VAT.** If the seller has "opted to tax", 20% VAT is added to the price (usually recoverable, but a real cashflow cost). A tenanted building may transfer VAT-free as a going concern (TOGC) if the conditions are met. Model this in the Commercial Property Suite.
- **If you source deals for others** (become a packager or finder), you are doing estate-agency work under the Estate Agents Act 1979 and need redress-scheme membership, HMRC anti-money-laundering supervision, ICO registration and professional indemnity insurance — the same four checks set out in your Off-Market Sourcing bonus guide.

6. Learn from the best — data, bodies and forums

- **Property Hub Forum** — founded by Rob Bence and Rob Dix of The Property Podcast; well-organised, beginner-friendly, with a dedicated commercial category. The best free starting point.
- **Investment Property Forum (IPF)** — the professional body for the UK commercial real-estate investment market; research, education and networking for when you go deeper.
- **RICS** — the surveying standard-setter. Use RICS-regulated surveyors and read the RICS Code for Leasing Business Premises before signing any lease.
- **Estates Gazette (EG) and CoStar** — the industry's news and data platforms; CoStar in particular holds deep commercial comparables and market data (subscription).
- **Property Tribes** — long-running UK landlord forum, useful for mixed-use and smaller commercial questions.

Treat any "insider" tip with the same discipline as a listed deal — verify the rent, the covenant and the comparables yourself.

7. Beginner mistakes and red flags

- Buying on gross yield alone and ignoring who pays rates, repairs and insurance.
- Overlooking a short lease or a weak tenant covenant — a high yield often signals exactly this.
- Forgetting the 1954 Act position and assuming you'll get vacant possession.
- Ignoring EPC/MEES and inheriting an expensive upgrade.
- Skipping an asbestos survey on a pre-2000 building.
- Bidding at auction before finance and legal diligence are done — the hammer is binding.
- Believing a "grant to buy the building" pitch, or paying a sourcing fee before you've seen the firm's compliance evidence.

8. Your first 90 days

1. Choose one sector and one target area; write your buy-box.
2. Talk to a commercial finance broker and get a decision in principle.
3. Register on Rightmove Commercial, NovaLoca, Zoopla Commercial and Boxpod, and with 5–10 local and national commercial agents.
4. Get on every regional auctioneer's catalogue list and watch two or three sales before you bid.
5. Join the Property Hub Forum's commercial category and read, for a month, before you buy.
6. Run every shortlisted deal through the Commercial Property Suite, then instruct a commercial solicitor and RICS surveyor before you commit.

Sources

- Allsop, Acuitus, Savills and Barnett Ross auction pages; NovaLoca (EG Propertylink closure, Feb 2026); Boxpod
- British Business Bank — How to finance a commercial property purchase; Growth Guarantee Scheme; Start Up Loans
- Allica Bank, Commercial Trust and FD Commercial — 2026 commercial mortgage rate/LTV guides; Bank of England base rate
- Landlord and Tenant Act 1954 (legislation.gov.uk); Harper James and Napthens on security of tenure
- Mayer Brown / BCLP — June 2026 non-domestic MEES update (interim EPC C dropped; EPC B for buildings over 1,000 m² from 2031); Control of Asbestos Regulations 2012 (HSE)
- Property Hub Forum; Investment Property Forum; RICS; Estates Gazette; CoStar; Property Tribes

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