How To OPEN a Shop, Café or Restaurant in

STEPS

The guide that demystifies the entire process from planning to opening day

Karyn O'Brien



⊗ Setting<u>U</u>pShop

CONTENTS

Introduction How To Use This Book	3
STEP 1: FINDING THE RIGHT PREMISES TO LEASE 1.1 Tenancy Inspection – Checklist	7 10
STEP 2: WORKING OUT THE BUDGET FOR YOUR SHOP 2.1 Project Budget – Worksheet 2.2 Creating Your Budget – Advice From Karyn 2.3 Key Items From Your Project Budget – Guide	14 17 19 21
3.1 Build Your Program – Worksheet 3.2 Working Out Your Program – Advice From Karyn	27 30 34
STEP 4: REVIEWING YOUR LEASE & OFFER 4.1 Reviewing Your Offer – Guide 4.2 Reviewing Your Lease – Guide 4.3 Reviewing Your Referenced Documents – Guide	37 40 42 45
STEP 5: UPDATING THE BUDGET FOR YOUR SHOP - OFFER STAGE 5.1 Offer Stage Budget Update - Guide 5.2 Project Budget Update 1 - Worksheet	48 51 53
STEP 6: FINDING A DESIGNER FOR YOUR SHOP 6.1 The Design Stages Explained – Guide 6.2 How To Find A Designer – Guide	55 58 66
STEP 7: GETTING YOUR SHOP PLANS IN PLACE 7.1 How To Brief Your Designer – Guide 7.2 Designer Brief & Plans – Guide	68 71 74
STEP 8: FINDING A SHOPFITTER 8.1 How To Find A Shopfitter – Guide 8.2 Tender Pack – Checklist 8.3 Assessing the Tender – Guide	76 79 81 83
STEP 9: UPDATING THE BUDGET FOR YOUR SHOP – TENDER STAGE 9.1 Tender Stage Where To Save – Guide 9.2 Project Budget Update 2 – Worksheet	85 88 90
STEP 10: MONITORING THE BUILD OF YOUR SHOP 10.1 Tips For Monitoring Your Fitout – Guide 10.2 Monitoring Your Fitout – Checklist 10.3 The Final Week – Advice From Karyn 10.4 Certification & Defecting – Guide 10.5 Defecting – Checklist	92 95 97 99 100 102
Conclusion: Opening Day – Advice From Karyn Appendix A: Helpful Resources By State Appendix B: Glossary	103 104 112



Hi there and thanks for downloading

How to Open a Shop, Café or Restaurant in 10 Steps:

The guide that demystifies the entire process from planning to opening day.



At each step, I will let you know the questions you should be asking, the problems to watch out for and my top tips for success. The guide is filled with templates and checklists that you can use to make sure you stay informed and on top of the challenges. I've included a glossary to explain the industry terms that you might not have come across yet as well as a helpful resources page with links to other important information that you will need.

WHAT MAKES ME AN EXPERT?

I've been working in retail for over 20 years now and I have opened literally hundreds of shops – from 10 square-metre coffee kiosks to 1500 square-metre boutique grocers, nationally franchised gym chains to an award-winning Chef's Hat restaurant. I've also brought to life some not-quite-retail spaces like a childcare centre, a call centre, a couple of art galleries and a theatre.

I've set up shop for butchers, bakers, and artisan coffee makers! I've worked on projects that cost as little as \$20,000 right up to \$7.5 million fitouts. I've worked to set up shops everywhere from huge shopping centres to boutique stores in heritage buildings on old street corners.

Throughout my career, I've seen pretty much everything that you can see in the world of retail design and fitout.





As time went by helping retailers get through the design and build process to open their shops, I realised one of the critical differences between big retailers and smaller "mum and dad" operators was that the big guys have a lot of resources at their fingertips that the smaller guys don't have easy access to - like leasing managers, property managers, and project managers plus property criteria, design guidelines and big budgets.

Plus, the big retailers have people like me on staff with years of experience from having opened shops all over the country. And there's a huge advantage in having access to the knowhow of someone like me.

So, this guide is me giving you, the smaller retailer, access to my decades of experience and fitout knowhow.

This guide will help you identify what to watch out for so you can keep your fitout project under control (and in budget).

With the checklists and worksheets in this guide, you'll be better informed, more confident and able to project manage the successful opening of your store.

One of the many reasons I love working in retail is that I get to see people with a passion for retailing get to open day and begin to live their dream of owning and operating their own business.

This guide will help you on that journey to successfully setting up shop, and I'm delighted to be supporting you along the way.

Best of luck, and get in touch if you need help with any aspect of opening your new shop!

karyn

from Setting Up Shop

HOW TO USE THIS BOOK

This book is designed to help anyone who is new to opening up a shop, café or restaurant learn about all the steps required to open and fitout their store (fitout is the term for everything you have to build inside the walls of the shop to create your physical store, from shelves and floor finishes to signage and electrical wiring).

This book will help you set a budget and stick to it, review your lease, plan the build of your shop, learn about the professionals you will need to employ along the way, and much, much more.

WARNING

We've divided this book into 10 steps, and we recommend you read and complete the steps one at a time.

Please don't attempt to read the entire book in one sitting as this would be an overwhelming amount of information to take in!

One aim of this book is to reduce your stress...so please take it easy and take your time reading the book. We'll let you know throughout the steps anywhere you need to read ahead before completing an activity.

THROUGHOUT THIS BOOK YOU WILL FIND:



An overview page for each step that tells you what to expect and how to proceed.



Top Tips with key insights from an experienced project manager and fitout expert, to help you get the most out of each step of this guide.



Guides to read and Worksheets for you to print out and fill in – from checklists to budget worksheets – all with easy-to-follow instructions. Just look out for this icon:

GLOSSARY



Advice sections where I share stories and tips on what works well and how it can all go wrong to help you avoid some of the major pitfalls when opening your own shop, restaurant or café.

A RESOURCE	S BY STATE
A OUTTHELAND	
▲ QUEENSLAND	
CONTRACTS Australian Standards (national) www.tachstreet.com/so/searches/28872663 STARTING A NEW BISINESS Queensland State Envernment www.business.adi.gov.ou/stanting-business Brisbase City Council www.business.adi.gov.ou/planning- business-projects BUILDING LICENSE CHECK QUECT www.qubo.cqid.gov.ou/about-us/our-lists- registers BUILDING CERTIFIER SEARCH AIBS (national) www.oibs.com.ou/Public/Public/find_a_ building_surveyor.aspx PBRTABLE LONG-SERVICE LEAVE [ILEAVE Www.qlecove.qld.gov.ou	FIND YOUR LOCAL COUNCIL Bet Beady Queensland www.getreachy.old.gov.ou/find- your-local-council FROD LICENCINS Brisbane City Council www.brisbane.gid.gov.ou/lowe-and- wow.brisbane.gid.gov.ou/lowe-and- wow.brisbane.gid.gov.ou/lowe-and- wow.brisbane.gid.gov.ou/lowe-and- wow.brisbane.gid.gov.ou/lowe-and- wow.brisbane.gid.gov.ou/lowe-and- wow.locate.gov.ou-licences-for-fixed- premises FROD SAFETY Australian Institute of Food Safety www.locate.gov.ou- www.locate.gov.ou- Queenlsand liquor license www.business.gov.ou- Queenlsand liquor license www.business.gov.ou- Queenlsand liquor license Queenlsand deat & seafond licenses Www.sofefood.gov.ou- Queenlsand meat & seafond licenses

A helpful resources section

with links to other sites you'll need along the way (e.g. for information on liquor licensing in your state or to check council regulations).



You may find this list of key terms handy to help you understand any unfamiliar terms in this guide, your lease and key documents.

It may also help you communicate with your landlord, shopfitter, designer and other trades.

Access Paels

Square holes with cover in your Ceiling that allow the designer and other trades.

Access Paels

Square holes with cover in your Ceiling that allow the designer and ceiling space to the designer and ceiling space to the property of the designer and ceiling space to the property of the designer and ceirne these. Building Accessing and the designer and ceirne these. Building hour these red ceiling has been pred accessite testing when you apply for some pred accessite testing when you apply for this property of the designer to design the space of the designer and ceirne the space will be a space of the designer and ceirne these. Building has the space of the designer and ceirne these spaces will often in port to an asset theraper.

Asset legister

To umy be asset to provide an Asset Register to
than what you have been provided and the second to
than what you have been your found. Compiled to
than what you have been provided to compile the
register their intensic in the copial till lems you
nominate. The purpose of this is twofact it allows
the landards to depredate the assets against the
landards to depredate the assets against the
landards to depredate the assets against the
whole the landards to depredate the assets against the
more importantly, it moons that of your business folls
whole the provided the second of the second of the
liters on the Asset Register. That means they can
see the letter on the public man of you the time to no ew
note that must be seen to great the control to
note that must know any of your connect have from the
order than the sess story you cannot have fromce
over an time on the sess tregister.

⊗ Setting<u>U</u>pShop

Bank Guarantee (B)
As port of the security for your lease, most tandords will wan you to provide a bank Quarantee (bd), will wan you to provide a bank Quarantee (bd), needs to be made out in the same name as the lease is held, so typically this will be your company name, and can take several days or even weeks to arrange. Your bank will also want collateral gapinst.

And a glossary to explain all the confusing but important terms you may come across when talking to trades, designers, lawyers or your landlord.





STEP FINDING THE RIGHT PREMISES TO LEASE

Step 1 will help you find a premises to lease to run your business from. This section includes a comprehensive *Tenancy Inspection Checklist* to help you find the right property to suit your business. It will also help you keep a record of all the important details – including anything you've discussed with the landlord – which will be useful when negotiating your lease (in Step 4).



STEP WORKING OUT THE BUDGET FOR YOUR SHOP

Step 2 will help you work out a realistic budget for opening your store. This step includes a comprehensive *Project Budget Worksheet*, Advice, and a *Key Items Guide*. At this stage, you won't have firm details for many of your costs, but this step will guide you in being as specific as possible to help create your vital initial budget.



STEP WORKING OUT THE PROGRAM FOR YOUR SHOP

"Program" is the term for the plan or timeline for all the activities that are required to build your shop fitout. This step will help you create your own timeline showing all the activities and trades you need scheduled in from day one to opening day. Setting a realistic opening day is critical before you agree to a lease. This step includes a *Build Your Own Program Worksheet* and Advice section.



TEP REVIEWING YOUR LEASE & OFFER

This step includes three comprehensive guides to help you review your lease, your offer, and your referenced documents thoroughly before signing. There are also some tips to help you negotiate for terms that best suit you and your shop.



STEP UPDATING THE BUDGET FOR YOUR SHOP - OFFER STAGE

In this step, you will update the budget you set in Step 2 to reflect any new information you have regarding costs and estimates. It's important as your project progresses that you review your budget from time to time, adding in the actual costs and estimates along the way.



STEP FINDING A DESIGNER FOR YOUR SHOP

This step will help you find the right interior designer to bring your vision for your shop to life and will coach you in how to brief a designer on your vision and needs. This step includes a guide to explain the 11 stages of the design process and will help you learn all the terminology you'll need when talking plans with your designer.



STEP GETTING YOUR SHOP PLANS IN PLACE

This step will ensure you know how to get all of the formal plans you will need produced – from floor plans and reflected ceiling plans to elevations and electrical plans – before the build of your shop can begin. This section includes a *Designer Brief and Plans Guide*.



STEP FINDING A SHOPFITTER

This step will help you find the key specialist builder you'll need to bring your shop to life: a shopfitter. It includes a *How to Find a Shopfitter Guide* and a *Tender Pack Checklist* that will help you get more accurate quotes and pricing back from the shopfitters you contact. This step also includes a guide that will help you assess the tenders that you receive from your shopfitters.



STEP UPDATING THE BUDGET FOR YOUR SHOP - TENDER STAGE

This step will guide you in creating your most complete budget to date. With a full set of plans and pricing back from your shopfitter, you'll be able to fill in specific prices for most of the items you estimated in earlier versions of your budget. This step also helps you work out where to save if your budget has crept over your upper limit with a very handy Tender Stage – Where to Save Guide.



MONITORING THE BUILD OF YOUR SHOP

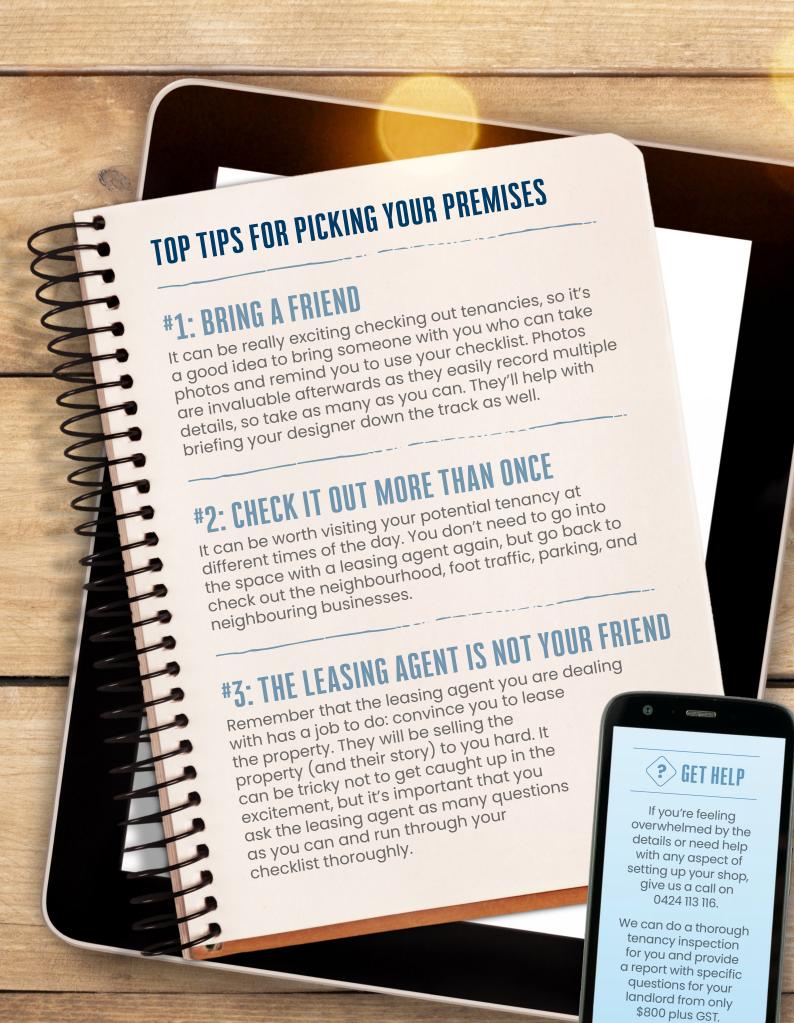
This is the last step that takes you all the way to opening day. This step helps you monitor the build of your shop with guides and checklists to help you ensure everything is being built to the quality you expect and is proceeding on-time and on budget. This step also includes advice for your final week and a guide and a checklist to help you identify defects you may need rectified at the end of the build process.

FINDING THE RIGHT PREMISES TO LEASE

Now you've read a brief overview of the 10 steps required to set up a shop, it's time to start Step 1 with your first activity: finding a home for your shop.

The comprehensive Tenancy Inspection Checklist in this section will help you find out many details about the property that can affect the cost of setting up your shop.

What might seem like a small item that's not included in your lease or tenancy may end up costing you a lot of money down the track, so it's important to get as much information about what is included as early as possible. This will ensure you can make an informed decision and will help you brief your shopfitter and designer as well, meaning you'll source more accurate quotes.



© Setting Up Your Shop 2020 settingupyourshop.com.au/terms-of-use



questions and write down the answers

the leasing agent gives you.

TENANCY INSPECTION -**CHECKLIST**

later. Print a copy out for each tenancy

you inspect.

LANDLORD:	
ADDRESS:	
LEASING AGENT:	
NSTRUCTIONS:	
Use this checklist when you are looking at a tenancy to see if it suits your needs. Use the notes section at the end to record anything you might forget	Take lots of photographs in case you don't get a chance to write everything down. And ask the leasing agent for the answers to your questions. Ask lots of



SHOPFRONT
□ Is there good visibility for customers?
□ Is there signage, in place or available? □ Any special landlord requirements?
□ Is there room for promotional signage (specials etc.)?
If you are to build a shopfront, what does the landlord/leasing agent want? For example: bifolds / opening windows / auto doors / special finishes (e.g. timber) / are A-frame signs for specials allowed?
If there is a shopfront, are the doors intact and operational? □ Easy to operate?
Do the doors have closers if required?
□ Are they disabled compliant?
□ Are there locks in place? □ Are they on a master-key system?
SERVICES
□ Electricity – switchboard size (number of circuits)? Power supply?
□ Is there an air-conditioning/ heating system? What capacity / system size?
□ Fire services (e.g. fire hose reels / sprinklers)?
Water supply? — Het water supply? — Or de you install your ewp?

FLOOR
What is the flooring? □ Bare concrete □ Existing finish?
What is the condition? \square Good \square Poor
□ Any height differences / steps / trip hazards?
CEILING
□ Is there a ceiling installed? What type? □ Plasterboard □ Tile
□ If there is existing lighting, is it sufficient for your needs?
□ Is there exit signage (at least one running man sign)?
□ Is there emergency lighting (spitfires or LEDS)?
WALLS
□ Are the tenancy walls in good condition, ready for painting or other finishes?
□ Are they full height (if required)?
AMENITIES
□ Are there toilets for staff & customers? How many? □ Compliant for disabled?
□ Do customers / staff need to go outside to access toilets? □ If so, is there weather protection?
□ Is there customer car parking?
□ Is there staff car parking?
RUBBISH ROOM & LOADING FACILITIES
□ Is there a dedicated rubbish area?
□ Is rubbish removal included in outgoings?
□ Is the bin room air-conditioned?
□ Are bins provided?
🗆 Is a tap available?
□ Is there a loading dock? □ With rear access to the tenancy?
OTHER NOTES

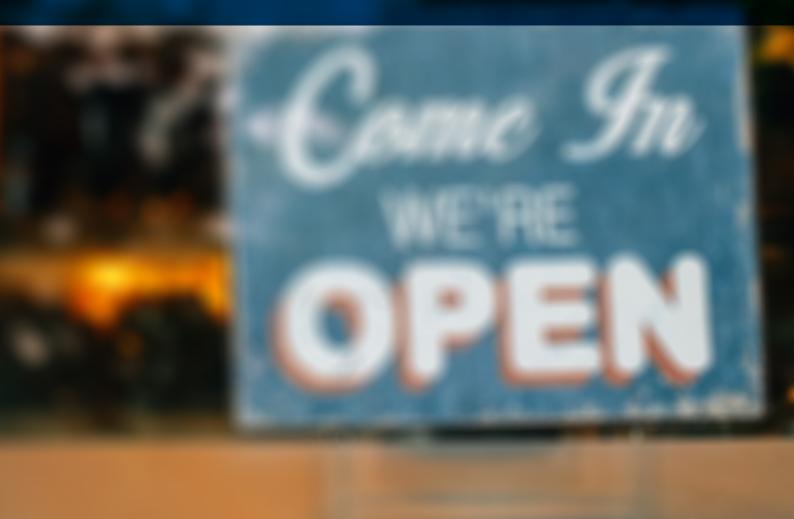
SPECIAL SECTION FOR FOOD TENANTS

FOR ALL TENANCIES

□ What is the kitchen exhaust provision? □ Is there duct work to connect to? □ Does it go to the roof?
□ Are there any special exhaust requirements? □ UV □ ESP □ Other:
□ Is there make up air for the kitchen exhaust system provided?
□ Is there an existing kitchen exhaust hood? □ Treatment / filters? □ Capacity:
□ Is there gas? □ Natural □ LPG □ Capacity: □ Existing meter?
□ Is there a grease trap? Size: □ Shared?
□ Is grease trap cleaning included in the outgoings?
□ Are there sufficient toilets for Liquor licence? □ Are they shared with other tenants?
□ Is the tenancy zoned for food usage?
□ Is the tenancy zoned for a liquor licence?
□ Is there an outdoor seating area? □ Is this council land or owned by the landlord?
□ Is there an area for delivery drivers to wait?
FOR TENANOIFO WITH AN EVICTING FITCHT
FOR TENANCIES WITH AN EXISTING FITOUT
□ Is the kitchen floor suitable: □ Slip resistant? □ Light colour? □ Easily cleaned?
□ Is the main dining floor suitable? □ Any steps or trip hazards?
□ Are any areas of flooring lifting, damaged etc.?
□ Are floor wastes in place in the kitchen for mopping?
□ Is the flooring in the kitchen coved up the walls to aid cleaning?
□ Is the ceiling in the kitchen smooth and impervious – i.e. painted plasterboard?
□ Are all gaps sealed with silicon?
□ Is the flow of the kitchen correct: delivery → prep → serving → washing?
□ Is there sufficient dry storage?
□ If there is no exhaust, will you have any equipment using more than 8kw of power?
□ Is there a dishwasher?
□ Is there a cleaning cupboard, including area to store mops / brooms?
□ Is there sufficient bench space for prep and plating?
🗆 Is the included equipment adequate for your proposed menu?
□ Is the equipment compliant (150mm off floor, or on plinths)?
□ Are sneeze guards adequate?
□ Is there somewhere for a laptop / business files?
□ Is there space for staff to leave their bags/jackets?
□ Are there built-in cold rooms or freezers? □ Are they working correctly?

□ Is there customer furniture included? □ Can be re-configured?	□ Is it suitable for re-use?	□ Sturdy?	□ Easily cleaned?
□ If external furniture is included, does it r	need to be brought in at night	? 🗆 Is ther	re room inside to store it?
□ Is pest control up to date?			
□ When did the previous Food Business Li	cence lapse?		
□ Will the landlord be providing a list of a If not, list below:	ll inclusions, including make &	k model num	bers for all equipment?
OTHER NOTES			

2 WORKING OUT THE BUDGET FOR YOUR SHOP



Now you've started looking for a tenancy for you to set up shop in (or possibly even found one), it's time to work out your budget.

You may have a rough idea in your head of how much you would like to spend, but before you put any money down, it's vital you check whether the amount you're picturing will be enough to cover everything you will need to open your store.

The Project Budget Worksheet will help you set a realistic project budget (aka it will help you work out how much it will cost you to design and build your shop, getting it ready for opening day).

TOP TIPS FOR WORKING OUT YOUR BUDGET ***1: THE MORE DETAIL THE BETTER** Be as thorough as you can. The more detail you include in your project budget at this stage, the more accurate your budget will be (and the fewer nasty surprises you'll receive down the track). ***2: DON'T GUESSTIMATE USING A SQM RATE** There used to be a maxim that it costs \$1,000 per square metre (sqm) of space to fitout a shop. That is not true these days: costs can range from \$1,000 to \$5,000 per sqm. While some shops with pre-existing fitouts that need minimal alterations can come in at \$1,000/sqm, this is rare. Don't make an assumption... you'll likely be in for a rude shock! **#3: REVISIT YOUR BUDGET** Your budget will evolve as you work your way through the 10 steps of Setting Up Your Shop. We'll remind you to update your budget spreadsheet at (3) important stages so that it replaces your estimates with the actual quotes and bills you receive along the way. Revisiting your budget regularly is the best way to **GET HEIP** ensure you stay on track. If you're feeling overwhelmed by the details or need help with any aspect of setting up your shop, give us a call on 0424 113 116. We can help you with your early stage planning and working out your project budget from only \$1,000 + GST.

© Setting Up Shop 2022 settingupshop.com.au/terms-and-conditions



PROJECT BUDGET -WORKSHEET

INSTRUCTIONS:



Gather quotes (or estimate an amount) for each item in this worksheet. The more accurate you are at this stage, the more realistic your budget will be.

For more tips and an explanation of key terms - read 2.2 Creating Your Budget - Advice on page 19 of this guide.

Item	Budgeted Amount	Actual
LEGAL & LEASE FEES		
1: Solicitors Fees		
2: Landlord Fees		
DESIGN COSTS		
3: Drawings / Interior Designer		
4: Building Certifier / Surveyor		
5: Engineers		
5A: Fire		
5B: Mechanical & HVAC		
5C: Electrical		
5D: Structural		
5E: Hydraulic		
5F: Plumbing		
OTHER FEES		
6: Project Management		
7: Regulatory Fees		

Item	Budgeted Amount	Actual
SUBTOTAL FROM PREVIOUS PAGE		
FITOUT COSTS		
8: Preliminaries		
9: Electrical & Communications		
10: Fire Services		
11: HVAC & Mechanical		
12: Hydraulics		
13: Building Control Systems		
14: Kitchen Exhaust		
15: Walls & Ceilings		
16: Painting		
17: Tiling		
18: Flooring		
19: Glazing		
20: Shopfront		
21: Joinery / Cabinetry / Stainless		
POSSIBLE) DIRECT COSTS		
22: Signage		
23: Security System		
24: Displays & Racking		
25: Equipment		
26: Furniture		
OTHER COSTS		
27: Contingency		
28: Long service leave		
TOTAL		

CREATING YOUR BUDGET -**ADVICE FROM KARYN**

Karyn O'Brien, owner of Setting Up Shop and a retail fitout expert, talks you through making a realistic estimate of the costs you will face in opening a new store



This document is designed to demystify and explain each of the items in 2.1 Project Budget - Worksheet. I will walk you through the key items in your project budget and also some pitfalls to watch out for.

Plus, to illustrate the kinds of costs you may be facing for your own fitout, I will talk you through a couple of example properties for a new café and how the requirements of each affect the potential fitout budget.

What kinds of budgets will you need?

There are two budgets you will need to open up your own shop:

- 1. The first is your annual **operational budget** where you work out how much it costs to run your business every day. This budget includes your rent costs, staff costs, stock, utilities, and all the other expenses you will have to pay, along with how much you will need to sell to pay those bills. As I am not an expert in your business, I will not tell you how to do that, but will stress that it's vital you work out your operational budget early on!
- 2. The other budget you need is your project budget. This budget covers how much it will cost you to design and build your shop. This is the budget I can help with, and is the one covered in this guide.

Don't rely on a "square metre rate" there's no such thing!

The cost per square metre for your fitout completely depends on the property you end up with and the specific requirements of your store. There's no such thing as a "standard" square metre rate. Take for example a café where you have two properties you could choose between -Shop A and Shop B – in the area you want to set up your shop.

Shop A was previously run as a café, but has closed down because of poor management. You know you can do a better job than the previous managers, so you are happy to take the space even though a previous business has failed there. The bonus for this property is that you can reuse most of the fitout - maybe you just need to add a bit more storage shelving, a new fridge and give it a fresh coat of paint. Update the signage as well, and away you go! This scenario definitely should cost you less than \$1,000 per square metre.



Your first step - work out your budget

So, given all the variables that can affect the cost of your shop fitout, the first important step in planning your store is creating a template of the potential costs you may face in opening your shop. Luckily, I've done that for you – see document *Project Budget Template* on page 17.

However, you might not need all of the items listed in the template. If we go with a property similar to Shop A in the scenario above, you definitely won't need most of them! But the only way to effectively compare your options is to take the time to find out which costs you may be facing.

Let's go back to our two shops example.

The first one, **Shop A**, is under an office building with lots of readymade customers looking to grab their daily coffees, hold meetings, and have the café cater meetings as well. But the landlord is well aware of this and wants to charge you \$1,000 per square metre in rent. They also don't want to give you any incentive cash because you are taking over a preexisting fitout – they presume that with you not needing to spend much to move your business into the space, there's no need to give you incentive cash to spend.

Around the corner at **Shop B**, while the developer was cheap in the build, he is aware that he is asking you to do most of the fitout yourself and is looking to contribute \$50,000 to help you install all the items he missed. He is also willing to give you six months' rent free after you open, and the rent is only \$650 per square metre. All of a sudden, your budget calculations involve much more than only what the fitout will cost you.

As you can see, the costs required for your fitout and any incentives your landlord may offer may vary. Plus all the costs to complete your fitout will vary depending on the size and complexity of your tenancy, the scope of the works, the quality you want and how quickly you need it.

Filling in Your Project Budget Template

As there's no standard square metre rate to use as an estimate, you will need to take some time and do some leg work to fill in your *Project Budget Template*.

We will go into more detail on most of the items in your budget template later in this guide as you will need to revise your budget a few times. But for now, let's draw up a budget that will prepare you for the costs you're likely to have to cover to open up your store.

There are lots of things you need to put in your budget before you even get to the building / fitout stage. I often hear from tenants who have picked a number in their head for the fitout, but they have not allowed for all the extra things that they need to do in order to actually get on site. The following list explains each of the line items in the worksheet to make sure the number you're imagining is realistic and covers everything you'll need to get to open day.

KEY ITEMS FROM YOUR PROJECT BUDGET - GUIDE



Legal & Lease



🗐 1: LEGAL & LEASE FEES

You will need to engage a solicitor to act on your behalf to review the lease and deal with the landlord's legal team. Rates will vary, and can escalate quickly as negotiations continue. Some solicitors offer a fixed fee, which is always a good option!



🗐 2: LANDLORD FEES

Survey fees are often charged by the landlord to confirm the size of the tenancy. Landlords may also charge to register the lease, and other costs, such as Design Review Fees or Tenancy Coordination fees. Discuss all of these with your solicitor.

Design Costs

There are a few different people you will need to engage with in the design process. It may be possible to have your designer package these up and provide you with the services in a bundle, but they will charge you a management fee or margin on the other consultants' fees to do so.



🗐 3: DRAWINGS / INTERIOR DESIGNER

This is a cost you should not skimp on. If you are undertaking a full fitout, we highly recommend that you tender it, so you have several prices to choose from.

To do that properly, you need to have drawings – and not just a floor plan! We will go into the details of what your designer should include in their price in Step 6 Finding A Designer, but it is important to note that a more experienced designer will be able to design to your budget and will save you money.



🖺 4: BUILDING CERTIFIER / SURVEYOR

This is the person who checks to make sure your plans comply with the National Construction Code and other regulations making sure that any building work is fit for purpose from a structural, fire safety and accessibility point of view.

They will issue a certificate allowing you to start building works, and then inspect afterwards and issue the final certificate.



🖺 5: ENGINEERS

You may not need engineers, especially if you have a simple fitout with few walls. Check your Fitout Guide (see Step 3 Reviewing Your Lease & Offer for more about these documents) to see if you have to provide engineering designs for landlord approval. You may be able to simply provide the contractor's drawings.

Many engineering firms are multi-disciplinary, and you may be able to get a quote for all of the engineering services you need bundled together. This may not get you much of a price reduction, but it will save you time in chasing up several different people, as most firms will allocate one person to be your contact.

It can also be beneficial to use the base building engineers as they will be familiar with the building already, saving you time and therefore money.



🗐 5A: FIRE SERVICES

Most fire services can be designed by the contractor who will carry out the work, for example sprinkler changes. But if you need to have the Fire Engineering Plan revised, it is definitely better to go with the base building engineer because they are so familiar with the building.



🖺 5B: MECHANICAL/HVAC ENGINEER

Mechanical engineers look after the air-conditioning and kitchen exhaust systems. Again, simple fitouts with no exhaust can usually get away without having an engineer.

It is highly recommended for food tenancies, however. And be careful – not all mechanical engineers can design a good kitchen exhaust system – make sure yours has experience to suit.

Another term you might see used is HVAC - this stands for Heating Ventilation and Air Conditioning. It's basically the same thing as mechanical, and the people who will design your systems are Mechanical Engineers.



🖺 5C: ELECTRICAL ENGINEER

If you have a complicated Fitout, and especially if you are a Food and Beverage (F&B) operator, you may need an Electrical Engineer. They will make sure that no circuits are overloaded, that you have sufficient power supply coming into your tenancy, and that specialised areas are designed to work most efficiently.

For simple Fitouts, electrical engineers are not required, and if your landlord suggests they are, you should question this.



5D: STRUCTURAL ENGINEER

The easiest way to figure out if you need a structural engineer is to think about whether anything in your fitout could fall down and hurt someone. This could be a heavy ceiling feature, a mezzanine, or a free-standing wall. You may also need a structural engineer if you are making holes in any of the base build (e.g. for plumbing).

Some landlords will look for structural certification of your signage, in case it falls down - I recommend putting that onto your signage contractor to provide as many of them have relationships with engineers.



🖺 5E: HYDRAULIC ENGINEER

Most councils will want hydraulic plans to sign off on your fitout. The Hydraulic Engineer looks after designing the water supply, drainage, and gas systems to suit your requirements.

In some cases, a simple sink for tea, coffee and handwashing will not need a hydraulic engineer, but check with your local Council.

Other Fees



🖺 6: PROJECT MANAGEMENT

The reason for this guide is to give you the information to run your project well, but you can always hire a project manager to do it for you. Retail Project Managers can be hard to find, and you must make sure that they have experience in your type of tenancy. If you need any help with Project Management, get in touch with Setting Up Your Shop. We have decades of project management experience taking the hassles out of getting shops big and small to open day.



1 7: REGULATORY FEES

This is a broad area that covers fees you need to pay under local, state and national laws. For example, your local council's Hydraulic Approval fees, Food Design Approval fees, Food Business Licence fees, Liquor Licence fees, and so on. Many of these will generally only apply if you are a food business, but did you know that gyms also need special approvals? You will need to check out which laws you need to comply with. Check out our list of useful resources on page 104.

Fitout Costs (all the things that would be in the shopfitter's quote)

Perhaps by now, you've realised you're spending a lot of your budget on things you didn't realise you needed before you read this guide. So, there's less of the budget you had imagined left for the fitout itself.

As we've already demonstrated for you, square metre rates is not a realistic way to budget your fitout costs at this stage. To determine more realistic fitout costs, you should talk to your shopfitter (and possibly also your designer).



🖺 8: PRELIMINARIES

These are costs associated with running the job – aka costs that the builder incurs that aren't directly attributable to any particular trade, such as creating a safety plan and making sure it's managed properly, adding a light and desk and printer on site if a supervisor needs that to print plans etc.

Some companies will break these out into individual items such as parking, plant hire (scissor lifts etc.), amenities for staff (a printer, fridge for lunches), rubbish removal, and so on. But many companies will just show one figure that covers all of that. You can certainly ask for a breakdown.



🖺 9: ELECTRICAL & COMMUNICATIONS

This covers the power and data cabling and fit off. The electrician will run all of the cables and then complete the fit off. They usually supply the lights also. However, if you have some special light fittings, the builder may buy them.

Your electrician will work out all of the circuits for you so that nothing is overloaded, and they can make recommendations for specialised items like lighting controls (for example, Dali systems) and sound systems.

But you may need a specialist data / communications cabler if you have very complex needs. An example of this might be for a bar or restaurant where you want to be able to have settings to control music and lighting for different times of the day.



10: FIRE SERVICES

This covers any amendments to the fire services, such as sprinklers, fire hose reels, etc. It is often a requirement for you to use the contractor who looks after the building for your fire services as changes to the fire systems affect the safety of everyone in the building. The benefit of using the contractor who looks after the building is that they are already familiar with the systems.

You may see rates for this work in your Fitout Guide if you are going into a big shopping centre, and they may do this work as part of your Cat 1 costs. Be wary of using these rates to try to work out the full price until you have your drawings complete, as there will be additional costs such as drain downs that you will need to include if you are altering the location etc. of sprinklers, not just the number of heads for your sprinklers.

Always ask your Shopfitter to take a look at that for you, and even if the works are done by your landlord, ask your shopfitter to coordinate the fit off works.



🗐 11: MECHANICAL/HVAC

The mechanical contractor will make change to your air-conditioning system. This will include everything from moving the fan coil unit itself through to adding in ductwork, diffusers, or even a supplementary system if the existing unit will not be enough for your fitout.

Again, this might be part of your Cat I costs, but your shopfitter will need to coordinate the fit off.

What's a shopfitter?

A shopfitter is a specialist builder who is skilled in building and installing (aka "fitting out") retail shops, cafés, restaurants and stores. A shopfitter can give you a more accurate estimate because they know how much items in your fitout actually cost as they build them every day. See Step 8 Finding A Shopfitter for more on how to find the right shopfitter.

Some shopfitters specialise in design and construction and you can tell them how much you want to spend and they will go away and design and build your fitout for that amount or tell you it can't be done for that price (which painful as that may be to hear, can be valuable information at this stage).

So, it's best you contact a few different shopfitters to get a few prices. Some people get nervous that if you tell the shopfitter or designer what budget you have that they will then mark your fitout costs up and spend it all. And while there are dodgy people out there, typically a good, experienced shopfitter can give you a clearer picture of what they can achieve for you if you give them an accurate budget.

It can be a hard one to get a solid quote at this stage because you don't have all the information from your designer that your shopfitter will need to quote (such as plans/ drawings and fixtures and fittings, finishes or even engineering plans) see Step 7 Getting Your Plans In Place for more information about these different kinds of plans. So, the goal at this stage is to get a rough estimate to help you set a realistic budget.

Warning, there may be compromises ahead

Be prepared to revisit your budget at key points throughout the process (this guide will help you do so) and also to reengineer your design and value manage your design so that you can keep your budget as close to this preliminary budget as possible.

To help you work tightly to your budget it's ideal for you to engage a shopfitter early in the process. This is called "early contractor engagement", and Setting Up Your Shop strongly recommends this.



🗐 12: HYDRAULICS

Hydraulics, or plumbing, can be messy. Some big shopping centres may want you to use their plumber for anything under the slab, but you can use your own plumber within the tenancy. If that's the case, they would charge you for the under slab works as part of your Cat 1 works.

I always prefer to have just one contractor work on a system, so would push to use the one contractor for all the work – it avoids any finger pointing between contractors if anything goes wrong later.

Your plumbing price will also include supplying items like sinks, toilets, showers and so on, as plumbers usually provide all of those items as part of their scope.



🗐 13: BUILDING CONTROL SYSTEMS

Building Control Systems are typically found in mixed-use buildings such as office buildings with retail on the ground floor. There is usually a building management system, or BMS, which the Building Manager can use to control all of the building services remotely, such as changing the air-conditioning temperatures or checking how the lifts are running.

While retail tenancies are not usually completely controlled by these systems, they do need to interface with them in case of an emergency. For example, if you're a food tenancy on the ground floor and there is a fire in your kitchen, the BMS might shut off your air-conditioning and kitchen exhaust fans and then set off fire alarms in the rest of building. And if you have a shared kitchen exhaust fan that covers several tenancies, the BMS system will usually turn the fan up or down depending on how many tenancies have their kitchens up and running.

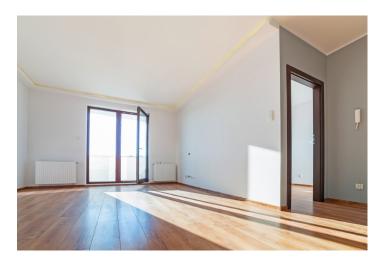
Again, you will usually have to use the base building contractor for this work.



[舊] 14: KITCHEN EXHAUST

Your kitchen exhaust system is made up of several systems, and different contractors are responsible different parts of the system. There is the hood, which sits above your cook line. That is usually made by a specialist or a stainless-steel contractor. You definitely want this done by your shopfitter because it's one of the first things that needs to go in, and there is often a decent lead (aka wait) time for it.

The hood is connected to the kitchen exhaust ductwork, which has a fan on the end of it. That fan is usually on the roof and should be provided by the base building, but is not always. Your mechanical contractor will be able to provide the connection between the hood and the duct with the fan on the end of it.



Then you also need a make-up air system. This can make or break your kitchen exhaust system and is why you should engage an engineer. Back in the day, the make up air was often from a window left open, but that's not a very efficient way to do things! Some hoods have built in make-up slots, but it can also be delivered through a separate diffuser in the ceiling.



🗐 15: WALLS & CEILINGS

This is the amount it will cost to build the walls and ceiling. The more complex the design (e.g. curves, lots of changes in height, ceiling features and bulkheads) the more your fitout will cost. Something to think about here is if you need extra soundproofing (e.g. in a treatment room or office), or impact resistance (e.g. in a corridor), that will mean a change in the type of plasterboard used (meaning it will be more expensive!).

Some shopfitters may break these costs into Carpentry and Plastering instead of walls and ceilings - that usually depends on the complexity of your fitout.

This figure should also include any skirting.



🗐 16: PAINTING

This one is fairly self-explanatory. But that said, there are differences in the quality of painting and the number of coats used, so make sure that this is specified by your designer and included in your tender.

Any specialised finishes will obviously be more expensive. For example, there are specialised paints that will rust – you use one paint for the base, then once the desired level of rustiness is achieved, the base coat is sealed so it doesn't continue to change! This effect is very cool, but more expensive than a basic coat of white paint.

Your painting square metre rates are based on the size of the area to be painted, not the square meterage of the tenancy. Make sure to calculate correctly – length of the wall multiplied by the height of the wall. And you need to include any bulkheads and ceiling features as well.



🖺 17: TILING

This could be wall or floor tiling. Tiling can make or break a fitout – bad tiling looks terrible and is tricky to fix.



🗐 18: FLOORING

Your flooring could be vinyl, carpet, tiles, or polished concrete. You may see square metre rates here, but make sure they include laying or installation as well as the material itself.



🗐 19: GLAZING

This can be the glazing in the shopfront or any other internal glazing, such as in an office or to allow visibility into a kitchen.



🗐 20: SHOPFRONT

There are two kinds of shopfront – an external and an internal. An external shopfront separates the inside of your shop from the outside world. An internal shopfront separates the inside of your tenancy from a shopping centre mall.

There can be a lot of cost associated with either one of these. External shopfronts need to be structurally sound, weather-proof, secure, and look appealing. For an internal one, appealing is usually the most important aspect, as the landlord wants the mall environment to look fantastic for all customers. This is where you will need to check out your Fitout Guide carefully for any shopfront or fitout requirements. The landlord is likely to want a door that can be hidden away in a cupboard when you are open, and a high level of finishes as well as incorporated signage. Internal shopfronts will also need to be structurally sound.



🗐 21: JOINERY / CABINETRY / STAINLESS

Joinery / cabinetry usually needs to be fixed into place and have power and data cabling run through it, so it's important to have that completed by your shopfitter rather than try to do it afterwards.

It can be worth having your shopfitter look after the stainless work themselves rather than buying it directly – mainly because they will have to make sure it all fits and then complete any silicone work to finish it off.

(Possible) Direct Costs

Some elements of your fitout can be contracted directly, though you should always think about what you might need to have your shopfitter do to help finish these off.



🖺 22: SIGNAGE

Many retailers engage specialist signage contractors directly so they don't have to pay a margin on the cost to the shopfitter. This works well as long as your shopfitter has provided something to hang the signage on and power if it needs to light up.

Make sure your signage is shown on your plans and that the shopfitter allows for support for the signage contractor to fix into. It is worth having your signage contractor speak directly to the shopfitter to confirm that everything is in place before they come to site.

I once worked on a shopping centre where the architect had shown signage zones on a plasterboard bulkhead that angled out into the mall above the shopfronts. When the first signage contractor came to site he pointed out that his sign would just fall off as the plasterboard was not strong enough to hold it up. They ended up having to tie all of the signage back to the roof structure!



23: SECURITY SYSTEM

Anyone installing a security system needs to be licensed to do so, and your shopfitter's electrician may not be. If you are installing any security systems, the cabling work will be easier earlier in the fitout rather than at the end when all the walls are up and there is a finished fitout to be damaged.

There are two ways to handle this:

- 1. tell your shopfitter in the tendering that his electrician needs to do the security cabling and they have to find a suitably licensed provider, or
- 2. tell your shopfitter that you have arranged your own direct contractor who will be coming in during the fitout to install their cables.

Because you will need this completed early in the build period, make sure you talk to your designer about where you want cameras or other security devices placed as well.



🗐 24: DISPLAYS & RACKING

Specialty shops often use a lot of standalone displays and racking systems, which gives maximum flexibility for displaying different kinds of products as well the ability to change the layout of the shop as required.

Some of these can just be delivered by the supplier and moved around by staff, but you may need your shopfitter to install some items, in particular the wall strips for some racking systems.

Again, think about what you want to see here early in the piece so your designer can include details on the plans, and your shopfitter can price the installation. It can also be handy to have these delivered at the end of the build so your shopfitter can allow to remove any packaging for you!



25: EQUIPMENT

There is no point paying the margin on buying equipment through your shopfitter, but you must make sure they know all the details about what you have ordered. Equipment sizes and specifications can vary considerably and that can have a massive impact on your fitout if all of a sudden your dishwasher doesn't fit in the allocated space!

Lots of equipment also needs to be installed by a tradesperson, so you will need to build that into your tender as well.

And don't forget to make sure you order the right sort of equipment for your gas type - there are different connectors for natural and LPG.

a 26: FURNITURE

As with the other direct items, no point in paying the margin. But furniture comes with lots of packaging, so get your builder to take delivery, unpack, place items and dispose of rubbish!

Other Costs

27: CONTINGENCY

You should always allow a contingency – a buffer for the unforeseen things that pop up during the build. The standard amount is 10%, but at this early stage I would be allowing up to 25%. As you lock things down during the process you can reduce this bit by bit.

28: LONG SERVICE LEAVE

Portable long service leave is paid leave given to workers for their service to the industry, rather than for continuous service to one employer. Each state has a scheme which allows workers in the construction industry and other service industries to continue earning long service leave benefits even if they change employers or move interstate.

In some states there is a levy paid by the person contracting the building work, in others it is paid by the company employing the tradespeople. For more information, check out our list of useful resources on page 104.

STEP 3

WORKING OUT THE PROGRAM FOR YOUR SHOP



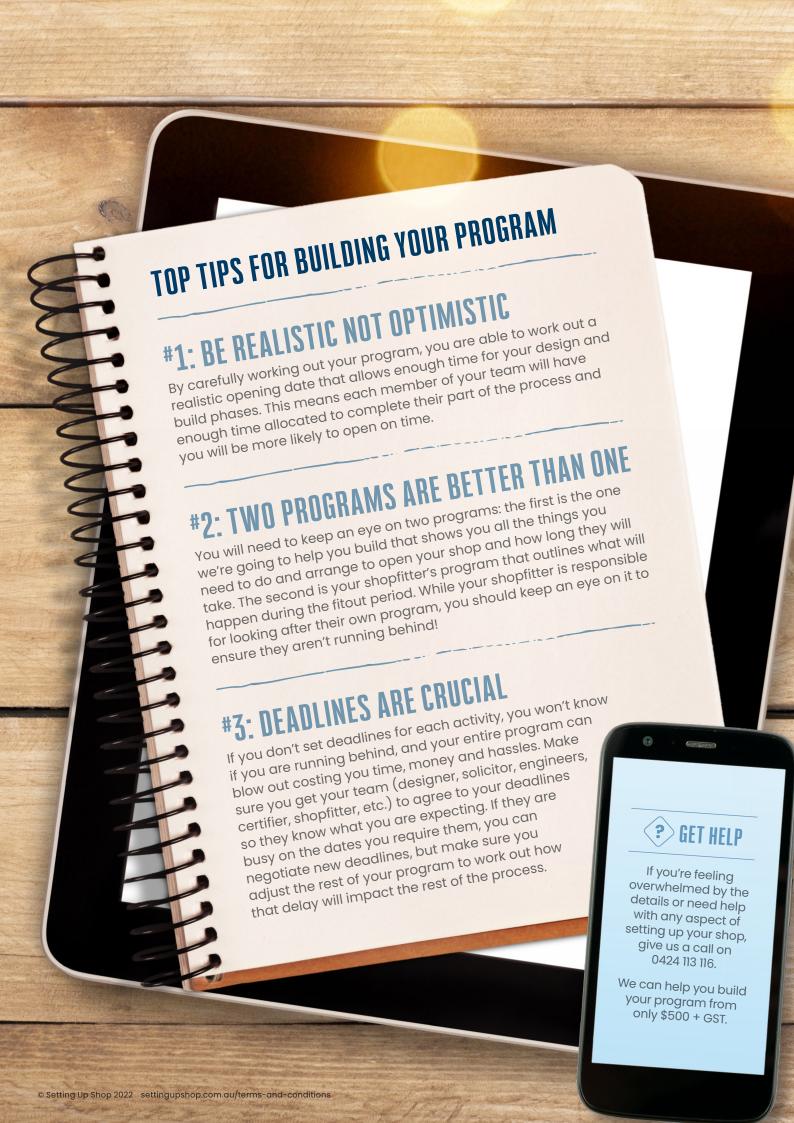
When building a shop, activities must come in a set order, one after another.

A "program" is a plan – like a calendar or timeline – that shows the steps you need to take and when you need to take them.

For example, you can't start building until you have agreed your lease. And you shouldn't start building until you have a full set of plans either (though people often do, this can be a costly error!).

As in life, things don't always go according to plan, but it is a vital you have a plan to start with as it helps you define your budget and timings to ensure your shop opens successfully on time.

The Build Your Program Worksheet on the following pages will help you build a simple program by filling in a table. This program will help you stay on top of all your important dates.





BUILD YOUR PROGRAM -WORKSHEET

So, how long will this thing take?!

Here's an example program to explain the process of creating one.

When designing a program, what you really need to know is: once you've found the new home for your business, how long will it be until you are open and ready to trade.

This example program begins after the business owner has decided on their tenancy, negotiated the terms of their lease, and is happy to start spending money on a designer.

Everything that happens before that – finding the perfect spot, checking their budget, talking to the leasing people and so on, could have taken weeks or years.

There are other things happening in the background of this program as well, such as finalising your lease and arranging your Bank Guarantee and insurances, but this program shows how much time an

example business owner needed from go to whoa for their design and build.

This example tenancy is in a major shopping centre, so this program includes Landlord Design Reviews and Category 1 works.

Have a read through the example program and then it's time to build your own.

EXAMPLE PROGRAM Note: Days are working days (Monday to Friday), so one week = 5 days

STEP	WHO?	NOTES	DAYS	WEEKS	START DATE	END DATE
Find & brief your designer	You	This could take longer, but you should be able to find someone within a week	5	1	3 Feb	7 Feb
Designer creates concept plans	Designer	Confirm timeframes with your designer!	10	2	10 Feb	21 Feb
Review your concept plans	You	This is important – don't rush it – try to think of everything.	5	1	24 Feb	28 Feb
Landlord reviews plans	Landlord	Don't send the concept until you are happy with it and the designer has made any necessary changes.	5	1	2 Mar	6 Mar
Designer creates preliminary plans	Designer	Check this timeframe with your designer!	15	3	9 Mar	27 Mar
Review preliminary plans	You	As above – this is important!	5	1	30 Mar	3 Apr
Time to order equipment/furniture/ lighting	You	Check the lead times for anything your designer has specified so you can order them in time	84	12	6 Apr	29 Jun
Landlord reviews plans	Landlord	Make sure any revisions are included before you send them.	5	1	6 Apr	10 Apr
Send plans to engineers if required	You	Happens at the same time as the landlord is reviewing the plans, so no extra days in this step. May not be needed if your fitout is simple.	5-10	1-2		

STEP	WHO?	NOTES	DAYS	WEEKS	START DATE	END DATE
Designer creates final plans	Designer	Check this timeframe with your designer!	10	2	13 Apr	24 Apr
Review final plans	You	This will be the final set, so they need to have everything you can think of included!	5	1	27 Apr	1 May
Landlord reviews final plans	Landlord	Again, make sure you're happy before sending to the landlord.	5	1	4 May	8 May
Issue plans to building certifier	You	Happens at the same time as the landlord is reviewing the final plans, so no extra days at this step.	5	1		
Issue tender to shopfitters	Shopfitter	Drawing up and issuing the tender will take a few days, and you should leave it with the shopfitters for at least two weeks.	15	3	11 May	29 May
Tender reviews & negotiation	You	When prices come back you will have questions and might want to negotiate with one or more of the shopfitters, that happens this week.	5	1	1 Jun	5 Jun
Landlord sends plans for Cat 1 pricing	Landlord	Happens at the same time as your tender issue and review, so no extra time at this step.	5-10	1		
Landlord sends Cat 1 pricing to you for approval	Landlord	Happens at the same time as your tender issue and review, so no extra time at this step.	5	1		
Cat I works carried out	Landlord	This may run late, so allow a little extra time.	5	1	8 Jun	12 Jun
Shopfitter contract & mobilisation	Shopfitter	The shopfitter needs to place orders and send you the safety documentation, and may wait for you to pay a deposit.	5	1	15 Jun	19 Jun
On site works	Shopfitter	Depends on the complexity of your fitout and how long your fitout period is. ALWAYS have the build period one week shorter than your fitout period!	15-25	3-5	22 Jun	24 Jul
Stocking, training etc.	You	This is what that last week is for! Don't forget that you need to get yourself set up, take stock deliveries, train staff and all those other things that often get forgotten!	5	1	27 Jul	31 Jul
Open for Trade!	You	FINALLY!!	1	0	1 Aug	

Total: 24–26 weeks depending on length of fitout period.

You absolutely might get your fitout completed more quickly, but you must make sure that you have your designer's commitment to push the plans out super fast.

And if your landlord doesn't need to review the plans at every step, even better, you can save some time there. But for your own calculations, start by assuming this exemplar is close to what you'll need to estimate, and then you can see where you need to squeeze the time to make the program work for the date you want to open up shop.

INSTRUCTIONS PRINT THIS SECTION



Now you've read through the example program, it's time to build your own. At this stage, you'll simply be using the example program to guesstimate how long it will take to go from signing your lease to opening day. But later down the track once you have selected your designer and shopfitter, you can come back and complete this worksheet again to build a more accurate program.

Check in with your team (designer, shopfitter, engineer, etc.) and make sure your deadlines are realistic and that they work for their schedules. And don't forget, any time you need to alter a deadline, make sure you adjust the remaining deadlines in your program and contact your shopfitter to advise them of the delay as well and determine how it will impact the rest of your program.

YOUR PROGRAM Note: Days are working days (Monday to Friday), so one week = 5 days

STEP	WHO?	NOTES	DAYS	WEEKS	START DATE	END DATE
Find & brief your designer	You	This could take longer, but you should be able to find someone within a week				
Designer creates concept plans	Designer	Confirm timeframe with your designer in advance				
Review your concept plans	You	This is important – don't rush it – try to think of everything.				
Landlord reviews plans	Landlord	Don't send the concept until you are happy with it and the designer has made any necessary changes. (Refer to 6.1)				
Designer creates preliminary plans	Designer	Confirm timeframe with your designer in advance				
Review preliminary plans	You	As above – this is important!				
Time to order equipment/furniture/ lighting	You	Check the lead times for anything your designer has specified so you can order them in time				
Landlord reviews plans	Landlord	As above, make sure any revisions are included before you send them.				
Send plans to engineers if required	You	Happens at the same time as the landlord is reviewing the plans, so no extra days in this step. May not be needed if your fitout is simple.	•	•	•	•
Designer creates final plans	Designer	Confirm timeframe with your designer in advance				
Review final plans	You	This will be the final set, so they need to have everything you can think of included! (Refer to 6.1)				
Landlord reviews final plans	Landlord	Again, make sure you're happy before sending to the landlord.				

STEP	WHO?	NOTES	DAYS	WEEKS	START DATE	END DATE
Issue plans to building certifier	You	Happens at the same time as the landlord is reviewing the final plans, so no extra days at this step.	•	•	•	•
Issue tender to shopfitters	Shopfitter	Drawing up and issuing the tender will take a few days, and you should leave it with the shopfitters for at least two weeks.				
Tender reviews & negotiation	You	When prices come back you will have questions and might want to negotiate with one or more of the shopfitters, that happens this week.				
Landlord sends plans for Cat 1 pricing	Landlord	Happens at the same time as your tender issue and review, so no extra time at this step.	•	•	•	•
Landlord sends Cat 1 pricing to you for approval	Landlord	Happens at the same time as your tender issue and review, so no extra time at this step.	•	•	•	•
Cat 1 works carried out	Landlord	This may run late, so allow a little extra time.				
Shopfitter contract & mobilisation	Shopfitter	The shopfitter needs to place orders and send you the safety documentation, and may wait for you to pay a deposit.				
On site works	Shopfitter	Depends on the complexity of your fitout and how long your fitout period is. ALWAYS have the build period one week shorter than your fitout period!				
Stocking, training etc.	You	This is what that last week is for! Don't forget that you need to get yourself set up, take stock deliveries, train staff and all those other things that often get forgotten! (Refer to 10.4)				
Open for Trade!	You	FINALLY!!	•	•	•	•

WORKING OUT YOUR PROGRAM - ADVICE FROM KARYN



Karyn O'Brien, owner of Setting Up Shop and a retail fitout expert, talks you through how working out your program and setting a realistic opening date can help you to budget, negotiate your lease, and get a better quality fitout to boot.



In this document, I help you understand the "why" behind working out your program and give you a bit of extra info about a couple of the more time-hungry aspects of your program. You may be finding the process of working out your program overwhelming, but hopefully, after reading this document through, you'll see why the effort is important and needs to be put in early in your planning stages.

Why working out your opening date is important

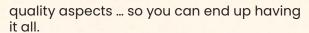
The leasing manager for the property you are leasing has a job to do and that is to minimise the amount of time that a space is not generating rent. So, their ideal scenario is where one tenant closes down, defits their shop in a week, then the next tenant comes along, fits out in a fortnight and opens for trade. Phew! That way, the landlord only has to deal with 3 weeks where the tenancy is not generating income for the owners.

But it doesn't usually work out like that. Sometimes the ideal tenant won't come along quickly enough or they may be in an existing location and have to see a lease out before moving across. Or the design may take longer than expected, and so on. But the leasing manager will likely push for an earlier rather than later opening date. To effectively negotiate, you need to work out the best date for you. And that means working out your program before you negotiate your lease.

By working through all the stages required to set up your store before you begin, you can make sure you have allowed enough time to design and build. This means you will have a realistic timeline that allows enough time for each trade and each stage to be completed. If you plan a realistic opening date this will make it much more likely you will open on time ... all of which means less stress for you!

Time, money and quality – how a realistic opening date can help you have it all

In the simplest terms, every construction project has three main elements: time, money and quality. The standard maxim is that you can only have two of those three things: you can have it fast and great quality, but you will spend a lot of money; or you can have it fast and on budget, but it won't be great quality. Having a program with sufficient time allowed at the beginning gives you a head start and also a bit of room to work on the money and



I must admit that when I was building banks, I could deliver one from first being told the address all the way through to opening the doors within 10 weeks. And in one case I did it in 6. BUT... I had a designer who knew the brand inside out and could design a full branch within a week. I had a robust set of design guidelines that meant I knew the requirements and quality expected. I had 3 shopfitters who regularly tendered for me and knew how to build the branches very quickly. And I had built so many of them myself that I could almost do it in my sleep. Our team also had strict guidelines around the types of properties we would look at, what the base building had to include, what the lease terms would be, and so on. So, big companies have systems and experience that let them do these things more quickly than your typical owner-operator.

Therefore, your program is likely to be much longer than 10 weeks. You may not have all the resources and experience I have under my belt, but with this guide, you can take advantage of some of my experience to give yourself a better shot. And giving yourself more time is a critical piece of advice I can impart that will make a massive difference to the quality (and stress level) of your fitout.

By working out an accurate program with enough time for each phase, the entire process from step I to opening day will run so much more smoothly.

It's vital to set deadlines for each activity

If you don't set deadlines for each activity, you won't know if you are running behind. And if you're running behind, your entire program can blow out costing you time and money and many hassles as the fitout progresses.

Make sure you get your team (designer, solicitor, engineers, certifier, shopfitter, etc.) to agree to your deadlines so they know what you are expecting. If they are busy on the dates you require them, you can negotiate a new deadline for them, but you will need to adjust the rest of your program so you can work out how that delay will impact the rest of the process.

Ordering times

A big issue that can delay a program is long lead time items. It's very important to talk with your designer about this. Often, furniture, lighting, specialised equipment and materials have to be ordered from overseas. There can be a delay from your date of order of 8, 12, or even 16 weeks, and this delay will depend on the time of year you order as well (e.g. factories in Europe often close down in July/August, and Christmas always throws a spanner in the works, as does Chinese New Year). The last thing you need is to fall in love with a beautiful chair or tile and discover it won't arrive in the country until a month after your opening date!

Tell your designer when you want to open, show them your program, and make sure they only specify items that are readily available.

And for anything that you are ordering direct (furniture and equipment usually), make sure you order them in plenty of time for arrival on site when needed. And make sure you let your shopfitter know when they are due and confirm whether the delivery day suits them. There's no point in having all your furniture arrive on site when the floor is still being installed: you will end up with extra delivery and storage costs!

Design

Many first-time shop-owners say that the design aspect of their build took a lot longer than they anticipated. In the 3.1 Build Your Program Worksheet, I have allocated a total of 10 weeks for design, from briefing your designer through to having a final design ready for pricing. That's two and a half months of time just for design. Now, you may be able to compress this timeframe a little, but I don't recommend that without consulting your designer first. They need to be on board with your plans so they can schedule their staff accordingly.

There are also several weeks for review built into this design period. Do not immediately remove them! First off, if dealing with a large institutional landlord, they will need to review your plans as well, and that can take at least week. Second, you don't want to say yes to plans/designs too quickly and then later realise you missed something ... or realise too late that you actually do need more storage / that sink in a different place / hate the colour blue. You run the risk of having your designer head off in the wrong direction when just another day or two may have meant you could give fully considered feedback. See document 6.1 The Design Stages Explained Guide for more information.

Tendering

Tendering is another period where you want to allow plenty of time. The best pricing will come when your shopfitters have time to ask lots of subcontractors for pricing – so they might talk to 2 or 3 electricians for example. By giving them enough time, you allow them to get the best pricing for you, and lock it in with the subcontractor. A shopfitter who is asked to price in only a few days is giving you rates that may not be competitive or are just flat out guessing. That will leave either you or them in trouble at the end of the build. For information on this, see Step 7: Finding A Shopfitter.



A REVIEWING YOUR LEASE SOFFER



It's important before agreeing to your offer document or signing your lease that you check them and any ancillary documents very carefully.

(!) YOU NEED A LAWYER!

This section is intended to supplement what your lawyer will check out for you – it is not a substitute for legal advice.

A lease is a document that you will be bound by in court, that costs you a lot of \$\$\$, and will last for years. You need to engage a suitably qualified person to help you review it.

All of that said, lawyers are not retail fitout specialists. They are great (and required) for the legal side of things, but there are plenty of items they may not know to look out for, even if they have worked on retail leases in their career.

Even though you might have made verbal agreements, you cannot rely on them. People are human and make mistakes. Your offer and lease documents may be filled with errors and may not include everything you have agreed to and discussed.

The three guides on the following pages will help you closely check your offer, ancillary documents, and lease.

TOP TIPS FOR REVIEWING YOUR LEASE

***1: VERBAL ISN'T BINDING**

It is vital that you keep notes on what you have discussed with the landlord and agreed verbally. Have your lawyer check your lease very carefully to ensure it includes these items. If it isn't in writing, you can't expect it to be included!

***2: READ EVERYTHING**

Your lease doesn't just cover your rent, it may reference other documents – such as a Fitout Guide, Design Guidelines, House Rules (or whatever the landlord has called their associated documents). Rules in these ancillary documents can cost you a lot of money, so make sure you and your lawyer read them closely as well.

#3: WORK OUT YOUR OPENING DAY FIRST

Work out your program before negotiating your lease.

Remember that the leasing agent wants to get you open as fast as possible, and they will push for an early date. You need to feel confident that you can make that work. We recommend having (at the absolute least) 4 months between appointing your designer and open day, and that's for quick projects!



GET HELP

If you're feeling overwhelmed by the details or need help with any aspect of setting up your shop, give us a call on 0424 113 116.

We can help you review your offer, ancillary and lease documents from only \$1,000 + GST.



REVIEWING YOUR OFFER -GUIDE

The "offer" consists of the offer itself and any ancillary documents – they all require close attention and review.

YOU NEED A LAWYER



This guide is intended to supplement what your lawyer will check out for you – it is not a substitute for legal advice.

Your offer is a document that will be referred to when writing your lease (that you will be bound by in court, costs you a lot of \$\$\$, and will last for years). You need to engage a suitably qualified person to help you review it.

INSTRUCTIONS



The offer will be referred to when producing your final lease document, and everything you require and have agreed upon must be written down in the offer or you cannot presume it will be included in your lease later down the track.

This *Reviewing Your Offer Guide* will help you closely check your offer and ancillary documents. This process is in addition to the review your lawyer will make of your offer and is intended to help you ensure that everything you require and have agreed to verbally with the landlord is included in your offer.

1: COMPLETE THE TENANCY INSPECTION CHECKLIST

Make sure you've completed document 1.1 Property Inspection Checklist before you review your offer: it will help you identify some areas of concern. For example, your tenancy might not have sufficient power and it therefore needs to be upgraded.

If you have discussed any potential concerns with the leasing agent and they have agreed to do any works on your behalf, make sure these are clearly identified in the offer.

Don't take a verbal promise as an agreement to do anything! And be very careful of how Lessor's works are worded – clever landlords can phrase things so that the meaning is ambiguous and you may end up agreeing to something that is not quite what it seemed.

2: CHECK THE WORDING

Check that what you have discussed with the leasing agent is reflected in the offer clearly and in writing. If it is not exactly the same, make sure it is changed.

While the offer is not binding – it is not the lease – it should be offered in good faith and should be true to the information you have discussed. Do not assume you will be able to negotiate an item out of the offer later on.

The offer must reflect what you have discussed. If not, mark it up and send it back – do this by marking lines through things that shouldn't be included and adding in clear notes on what you want included.

3: ANCILLARY DOCUMENTS

The offer may mention any or all of the following:

- · Fitout Guide
- Lessor / Lessee Matrix
- Tenancy Plan
- House Rules
- Body Corporate Rules

and these may be called by other names as well.

These items will all affect how you build in the tenancy.

Sometimes ancillary documents aren't mentioned until your actual lease is drafted up. Make sure you ask when you get the offer if there are any other documents that will be referenced in the lease and try to get a copy of all of them now, so you have time to review them properly.

Examples of the kinds of phrases to watch out for in your ancillary documents and their consequences for you:

"Works are only allowed at night and on weekends"

This makes the build more expensive for you.

"You must use base build contractors for some works"

Base build contractors are the contractors who carried out the main building works or who have a contract for maintenance ... they may be more expensive and will be trickier for you to manage.

A lengthy design review period is specified and/or the landlord specifies fancy/expensive finishes

This will add more time in your program, pushing out your opening date, and making the build more expensive for you.

You will need to know about all these requirements before finalising your budget and program.

4: LOOK OUT FOR EXTRA FEES

Watch out for any extra fees or charges that might appear in the offer. One example is a "Tenancy Coordination fee", another might be a "marketing levy" or "food court levy".

Some tenants negotiate out of these fees, so give it a go!

5: HOURS OF OPERATION

Your "Permitted Hours of Operation" should be included in the offer – check them closely. Residential areas might have limitations on late hours, and some shopping centres will want you to be open 7 days a week.

Make sure the permitted hours of operation are specified in your offer in line with how you want to trade once you open up shop.

An *incentive* is an amount that the landlord offers to attract a suitable tenant. An incentive reduces the costs you need to pay for your fitout and they can come in the form of cash, works or a rent-free period (or any combination of the three).

Incentive payments range in size (from \$0 up to \$1,000,000). It's important to note that many factors – including market conditions – can affect the amount of incentive.

Rent-free periods and cash incentive amounts should be detailed in the offer. Check them against the notes you've taken during your discussions with the leasing agent.

See 4.2 Reviewing Your Lease Checklist for more information on incentives.

Make sure the language is clear and straightforward, not ambiguous. If you don't understand any terms, ask for them to be explained and then cross out and rewrite any unclear passages.

Requirements for insurances, rent deposits, bank guarantees, directors guarantees etc. will also be included in the offer.

Bank guarantees in particular often have to be made out very carefully to comply with the landlord's requirements.

Make a note of each of these requirements included in your offer and get started arranging them as each will take some time to put in place.



REVIEWING YOUR LEASE -GUIDE

Your lease has several parts to it and may reference other documents, such as the Fitout Guide, Design Guidelines and House Rules.

YOU NEED A LAWYER



This guide is intended to supplement what your lawyer will check out for you – it is not a substitute for legal advice.

Your offer is a document that will be referred to when writing your lease (that you will be bound by in court, costs you a lot of \$\$\$, and will last for years). You need to engage a suitably qualified person to help you review it.

INSTRUCTIONS



The lease is not just about your monthly rent amount! You need to review all of the ancillary documents and your lease closely to get a full picture of what you will be expected to do and what costs you are responsible for.

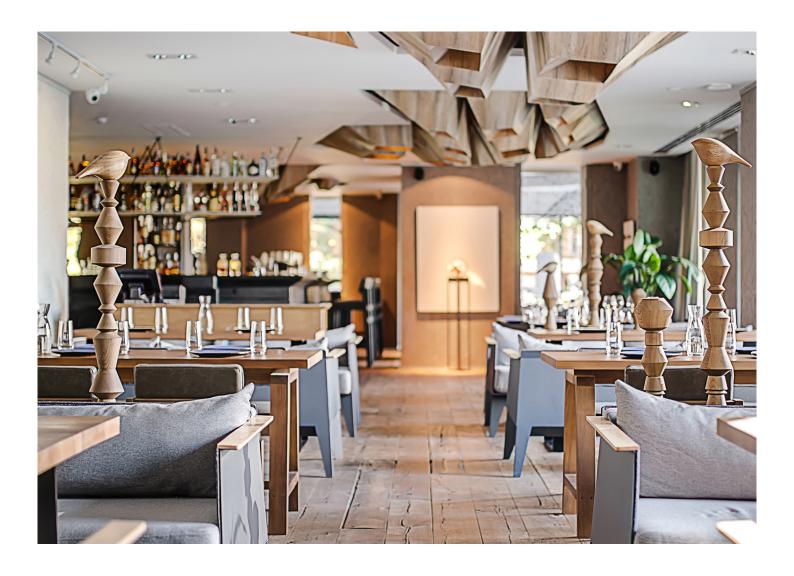
This Reviewing Your Lease Guide will help you closely check your lease and ancillary documents. This process is in addition to the review your lawyer will make of your lease and documents and is intended to help you understand the terms of your lease and ensure it includes everything you have agreed upon.

Look out for these clauses:

□ 1: RELOCATION

This clause covers whether the landlord can make you move (e.g. to a different site in the same centre as part of a redevelopment of a centre) and who is responsible (you or the landlord) for covering the costs if they do. Relocation clauses can be hard to negotiate, and it is very unlikely that any landlord will budge on them.

So while you're not likely able to negotiate any changes to this clause, it is very important that you understand clearly what you will be in for financially if a relocation is required. Talk to the landlord about how likely a relocation might be in the next 5 years. Ask the question: "Do you have any development or redevelopment plans in the future that might necessitate the relocation of my shop?".



🔎 2: REFURBISHMENT

Many landlords require refurbishment at the end of the first term if you are exercising your option – it keeps the centre looking fresh and up to date.

So check what is expected – a full new fitout or just a lick of paint? Get this clarified as much as possible.

It can be worth having this clause written as "extent to be agreed between tenant and landlord", but always include that the "landlord will not act unreasonably". This can be useful in case of an economic downturn, changes in trading conditions in the centre and so on – it's hard to predict what will happen in 5 years time!

How much work do you need to do to the tenancy when you leave?

This can easily cost upwards of \$10,000, so you want to minimise the scope if possible.

>> Try to limit "make good" terms to removing your signage and loose items.

∠ 4: FITOUT

Read this section closely and look out for strange or unclear clauses about the shop fitout. Make sure the landlord is not allowed to direct the tenant's contractors to carry out works. This is dangerous in many ways! First of all, your landlord doesn't have a contract with your contractors: you do. So they are not entitled under law to direct your contractors. The landlord can direct you, but not your contractors. This is an important distinction, because if your landlord wanders by and tells your shopfitter to do something, you will get the bill, not the landlord.

Secondly, you won't have any recourse on additional costs unless you make it absolutely clear to your shopfitter, in writing, in your contract, that they can only accept instructions from you. You could end up paying thousands more because of things your landlord has told them to do.

If you don't understand any terms in your lease, ask for them to be explained. If the terms aren't suitable, cross them out and write in what you require in their place. And, of course, speak to your lawyer before sending it back to the landlord.

□ 5: HANDOVER DATE

The "handover date" is the day you take possession of the tenancy for your fitout. BUT it may not be the day you are allowed to start work on site. Clever landlords will give you handover even if you are not ready for it!

Ideally you want the fitout works to be able to commence on your handover date so that you have the best chance of being open on trading date to take advantage of any rent-free period you have. This means being ready to go with a shopfitter and completed design.

Wead to the "Work out your Program" section of this guide to make sure you have allocated the correct amount of time for your design to be completed and your shopfitter appointed prior to your handover date. And do not be afraid to ask for the date to be pushed back to enable you to complete these things.

This will probably need to be completed to reference a specific entity, and banks regularly take a week or more to issue the Bank Guarantee (BG). Plus they sometimes contain errors, which can delay the process.

Most landlords will want the BG made out in the same name as the lease. Minor alterations such as using a shortened version of a name – Eddie instead of Edward for example – can have your BG sent back to you as unsuitable.

Any issues with your Bank Guarantee (and holdups at the bank's end) can delay your fitout works starting on site, so get onto arranging it early.

∇ 7: INSURANCES

You will need to have your Public Liability Insurance in place for Handover and start of the building works, because that is when the property is under your control. Make sure to check if the landlord needs to be noted on the policy and get the certificate of currency to them in plenty of time.

You don't need to insure the building – your landlord will do that. But you do need to insure your fitout and anything you put into the building.

There are lots of online options for finding insurance, including simply Googling "business insurance". Sometimes Public Liability Insurance is packaged in with other kinds of insurance in a Business Pack or similar.

>> Look into your insurance early in the process, and, again, make sure they are correct and as required by the lease.

⊗ 8: INCENTIVES

Check closely the terms of the incentive payments.

Lots of landlords make you jump through hoops to get your incentive e.g. you have to provide copies of your invoices to show you have spent the money you are asking for on the fitout, or provide an asset register. And while they say they will pay you when your fitout is complete and you are open, their standard payment terms might be a month or more! (See more detail on incentives in worksheet 4.1 and the Cashfow section.)

Make sure you ask your landlord how long it will take to get paid and get that stated clearly in your lease. Plus, some landlords will do part payments throughout the design and fitout period to help support your cashflow. It's worth asking for these terms!

9: REFERENCE TO OTHER DOCUMENTS, SUCH AS FITOUT GUIDE, HOUSE RULES ETC.:

If other documents are referenced, make sure you have a copy of them.

We the Referenced Documents Checklist on the following pages to closely review any documents referred to in your lease.

10: LESSOR / LESSEE SCOPE DOCUMENTS

Sometimes called a *Lessor-Lessee Matrix* or *Schedule*, this shows what you will be getting as the basic finish in the building.

Make sure it reflects your deal, or that there is a note specifying that your Lessors Works are over and above the base building standard.

Again, verbal agreements cannot be relied on. If something you have agreed on is not in the Lessor-Lessee matrix, then you're not getting it! So check it closely and ensure everything you require is detailed, in writing.



REVIEWING YOUR REFERENCED DOCUMENTS - GUIDE

YOU NEED A LAWYER



This guide is intended to supplement what your lawyer will check out for you – it is not a substitute for legal advice.

Your offer is a document that will be referred to when writing your lease (that you will be bound by in court, costs you a lot of \$\$\$, and will last for years). You need to engage a suitably qualified person to help you review it.

INSTRUCTIONS



The Fitout Guide, Design Guidelines, House Rules, or whatever the landlord has called their associated documents, are very important. Rules in these documents can cost you a lot of money, so make sure you read them carefully!

Some terms and items to look out for:

□ 1: DESIGN

We have mentioned this before, but it is worth mentioning again: most landlords will want to approve your plans and this will be in writing either in your lease or design guidelines. In most cases, you have very little right of reply. Even big national retailers have to go through this process. While these retailers have an established brand they can claim takes precedence, they will typically have to make some concessions.

If this is your first (or even fifth) shop, the Retail Design Manager (RDM) will have lots of suggestions for you. Except they're not usually "suggestions": they're actually "instructions". These can range from changing the type of lighting, ceiling finish, floor finish, style of joinery, racking, right through to the colours of your paint and finishes.

The important thing to note here is that RDMs are interior designers. Your own interior designer might love all the RDM's suggestions, because they will usually make your shop look fabulous (and also make your project look great on their website!). But beware the costs of going along with all the "suggestions". It's okay for you or your designer to push back against the RDM's "suggestions" by providing justification why operationally or financially their suggestions won't work for you.

There are usually 3 stages in the design review and approval process. We'll go through these in more detail in *Step 6 The Design Stages Explained - Guide*, but make sure your documents and lease allow up to a few months for the design phase.

» Read the design guidelines carefully so you can understand what you are required to include in your design.

Plus, if you're setting up shop in an existing shopping centre, go visit it and find the newest shop fitout you can. Look at the height of the shopfront, the amount of glass, the type of furniture, and so on. This will help you get a more realistic idea of costs and requirements – take photos too!

Then go through the guidelines and photos with your interior designer so that they can point out anything that might cost you more than you were planning for. This will help you work out what to challenge or negotiate in the design guidelines.

Remember, it's ok for you to push back on your designer and the RDM. This might be because you don't like how it looks, can't afford it, or it won't work for you operationally. Don't be afraid to speak up.

2: FITOUT GUIDE & HOUSE RULES

This is usually where the information about what you need to do to get your shopfitter onsite is held. Read this section carefully as it can restrict who you choose to do your fitout.

Other conditions to look out for relating to your shopfitter

The document may stipulate that your shopfitter needs to be CM3 accredited.

This is a safety management system that the builder needs to be registered with. It can add several thousand to the cost of your fitout and I've never seen anyone get away with not complying with it.

You might need a site supervisor on site at all times.

This is an extra cost for you. Often shopfitters will have a keypad or digital lock on a site and let subcontractors come and go without supervision, but some landlords will not allow this and require a supervisor to be present whenever work is underway.

Again, as this is a safety requirement it is very difficult to get out of (everyone wants to be as safe as possible).

Safety documentation.

We will always encourage you to keep safety as a priority, and every building site has some risks. Most landlords will want your contractors to provide a safety plan and other documentation to review before work can start.

Hours of work.

To avoid disrupting any existing tenants or residents, working hours maybe limited. This will particularly apply to the big 3: noisy, dusty and smelly works. Even if you are allowed to work during the day, you might have to restrict these works to certain times. In a trading centre, hours may be limited to night works, similarly in an office building. Under apartments you are likely to be able to work during the day. Check carefully for stipulations regarding hours of work as out of hours work will cost you a premium.

If the site is under development, you may find that developer's sub-contractors are aligned with enterprise agreements and that the developer likes to maintain industrial harmony. You will need to check if there are any requirements for your shopfitter and their sub-contractors to be similarly aligned.

Don't be fooled by how pretty these documents look nor by the fact that they are physically separate from your lease. You need to read these two documents very closely as they are material clauses in your lease - if you have been given them, it means you have to comply with them.

These ancillary documents can have the appearance of simply a glossy brochure that is designed to sell you on a tenancy in a centre - but make no mistake, they are a formal part of your lease.

→ 3: SERVICES

Base building services are fire services (fire hose reels, sprinklers etc), HVAC (air-conditioning, kitchen exhaust), hydraulics (water & gas supply, sewer and trade/greasy waste), and electrical (supply of power and a switchboard – but not necessarily a meter).

Many landlords will insist on doing services adjustments, (also called Class 2s, Cat 1s or Category 1 Costs) for you, but at your costs. This is important to know early on as it limits your ability to negotiate a better price and adds some weeks into your program.

Some tenants ask for their *Cat Is* to be capped at a certain amount. It's worth asking!

We don't recommend trying to guesstimate these costs from the list that landlords provide – there are always confusing names, things that need to be added in that you don't realise you need, and so on. But you should note that it is going to be a bit more expensive and will need more time and management to have the works done if this is the case.

Ideally, your shopfitter will be able to give you a ballpark estimate at this stage, but until you have your plans done, the estimate will be rough. Just make sure you are allowing a decent chunk of both time and money in your budget for services.

If possible, negotiate that the landlord provides your services adjustments to your layout as part of your incentive. It pushes this irritating bit of work back onto them.

They will likely push you to give them your final design a bit earlier than you would have otherwise, but it can be worth it for the sake of a couple of extra weeks. Just make sure to move your handover date back to suit!



∠ 4: TENANCY PLAN

Ideally, your landlord should provide you with a Tenancy Plan (TP), but older buildings may not have an up to date or accurate plan. New buildings should definitely be able to provide one.

A good TP contains detailed information about what is already provided in the tenancy (e.g. services, information about what the walls are made of, etc.), plentiful measurements, notes on materials, and location plans including the location of fire hose reels and toilets.

If you cannot get a good TP, then your designer will have to allow to come to site to create one. They should always come to site anyway to do a check, but they would need to allow a longer site visit in the absence of base build information.

□ 5: HANDOVER DATE

The "handover date" is the day you take possession of the tenancy for your fitout. BUT it may not be the day you are allowed to start work on site. Clever landlords will give you handover even if you are not ready for it!

Ideally you want the fitout works to be able to commence on your handover date so that you have the best chance of being open on trading date to take advantage of any rent-free period you have. This means being ready to go with a shopfitter and completed design.

Wead to the "Work out your Program" section of this guide to make sure you have allocated the correct amount of time for your design to be completed and your shopfitter appointed prior to your handover date. And do not be afraid to ask for the date to be pushed back to enable you to complete these things.

A handy document that some landlords produce is a Lessor/Lessee Matrix, or Lessor/Lessee Scope of Works that outlines who is responsible for doing each part of the fitout works. This document will identify the base building services, but also detail who is responsible for building the shopfront, outdoor heating and lighting, what is provided by way of flooring, and so on. It's a useful document, and can hold some surprises, so make sure to ask for one and read it carefully. Your designer and shopfitter will also need copies when the time comes.

For more information, check out our helpful resources page in the Appendix on page 104.

STEP G

UPDATING THE BUDGET FOR YOUR SHOP-OFFER STAGE



Now you have reviewed your lease, it's time to assess the impact on your initial budget.

While you might not be able to generate exact numbers for every item on your budget yet, by running through your 1.1 Property Inspection Checklist and the guide on the following pages, you will be able to identify some expensive items that could seriously impact your budget.

If these items are pushing your costs above your budget, you should go back to your landlord and request a higher contribution. It can help if you explain to the landlord that you have allocated a certain budget for the fitout and because items you require are missing or under-sized in the tenancy, you will need to pay more to rectify this. It can also help if you explain that the Design Guidelines are asking for specifics that are too expensive for your budget. If you do so, the leasing agent may go back and request some leeway with the design manager.

TOP TIPS FOR THE OFFER STAGE

***1: BE HONEST ABOUT YOUR BUDGET**

It is worth being honest at this point about your budget with the leasing agent: they are keen to get the deal signed, so may push back on the landlord for more help with the fitout, especially if a tenancy has been empty for a long time.

#2: MAKE A DEAL

Try and negotiate a larger incentive. Some landlords may increase the rent or ask you to sign up for a longer term to cover the additional money going into your incentive. And while that might sound unfair, it can be worth it to secure the location that you want.

#3: FIND ALTERNATIVE FINANCE

If your landlord won't provide any extra cash, you may need to look at getting some finance to help with your fitout costs. You can go down the traditional bank route (asking for a loan) or check in with equipment suppliers - they will typically provide lease or finance arrangements. If you require finance, see if you can wrangle some extra rent-free time from the landlord to reduce your operating costs for the first year or so. Just make sure to include all of the costs to pay back your loan in your business plan.



GET HELP

If you're feeling overwhelmed by the details or need help with any aspect of setting up your shop, give us a call on 0424 113 116.

We can help you evaluate your lease and its impact on your fitout from only \$800 + GST.



OFFER STAGE BUDGET UPDATE - GUIDE

Ideally, you should update your budget before you finalise your negotiations regarding any incentive the landlord is providing.

That said, tenants can often renegotiate and even pull out of a deal all the way up to signing their lease.

Many times, tenants only realise they can't make a tenancy work for them after they have received pricing from a shopfitter that is too far outside their budget, but by that stage they have

incurred lots of costs, including lawyer's fees and designer's fees, and they have wasted weeks if not months when they could have been working on a more suitable property.

INSTRUCTIONS



Referring to your 1.1 Property Inspection Checklist, work through each of the items and think about how they might increase the cost of your fitout.

Then use this Offer Stage Budget Update Checklist to pay careful attention to the big-ticket items that might drive up your budget. Then enter the numbers into your updated budget worksheet (at the end of this section).

Watch out for these big-ticket items as they can drive your costs up significantly:

🖺 1: SHOPFRONT

Often there will be a shopfront included in a strip shop, but if not, you will be up for some hefty costs to put one in, especially if the landlord has stipulated that they require a fancy shopfront in their Fitout Guide.

In some tenancies theses stipulations can run to 20% or more of your fitout costs for the shopfront alone. So make sure you check closely what is required of you in the Fitout Guide before signing your lease. As a guide, a standard glazed shopfront, 6 metres wide and 3 meters tall, with a single door, will start from approximately \$10,000.



2: POWER

You should definitely push the landlord to give you an adequate power supply and a switchboard big enough to hold all of your circuits.

A new switchboard can cost thousands of dollars. If there is no meter, you may also have to pay to have one installed, and it can take months for the energy retailer to sort that out for you. So try to push back on your landlord to get the new meter arranged for you too.



🖺 3: AIR-CONDITIONING / HEATING

If the existing system is unsuitable or inadequate it will need to be upgraded, and this will not come cheap. Depending on the size of the tenancy and other base build info, allow anywhere from \$10,000 to \$100,000.

If you think installing air-conditioning/heating might be complicated, get the information on the base building system and provisions and send it to a friendly contractor to give you some idea of how much it will cost. Contact the base building contractor if needs be, because they will know the system better than anyone.

🗐 4: FIRE SERVICES

Some buildings do not have sprinklers, which is one big cost you won't have to worry about. Whether they are there are not depends on how the entire building has been assessed by the original building certifier. The rules are complex and determined by things like the height of the building, what it is used for, and what other kinds of fire services have been included.

If there are sprinklers and you're making changes to the layout, you will be up for some high costs as the system will need to be drained down, then heads moved or added, then the system re-filled. Then they will need to come back again and fit off into your ceiling. For a food tenancy, you should allow \$20,000 for fire sprinklers.



🗐 5: FIRE HOSE REELS

Watch out for these! If the building is relying on fire hose reels, as soon as you start designing your fitout you may need to move them.

Fire hose reels are located dependent on access to the point of entry and how long the hoses are. If you put walls in the way, you might need to move or add more reels, and that can be expensive – anywhere from \$10,000 upwards.



🖺 6: HYDRAULICS

The two big costs here will be if there is no grease trap and if the slab is on ground and needs to be cut out to allow for falls. A new grease trap will cost you up to \$10,000. But your landlord should always provide a grease trap if they are leasing you a shop to be used for food - otherwise, it's not fit for purpose! Push back hard on them so you don't have to cover these costs yourself.

Cutting the slab can cost about \$10,000 as well, depending on the number of points you have. Be aware that if you can just cut a hole (core) and drop drainage below the slab (suspended slab), you may still have costs for x-raying the slab. Allow another \$5,000 if that's the case.



🗓 7: KITCHEN EXHAUST

If your kitchen exhaust needs special filters (e.g. an ESP unit), additional duct work, or if there's no system at all, then you could be up for a lot of extra costs: anywhere from \$5,000 for minor works to \$50,000 for special treatment systems, or even \$150,000 for a whole new system!



🖺 8: ODDITIES

Make sure you think about what you will be installing in terms of heavy or unwieldy items (those big round pizza ovens are fabulous, but will the oven be able to fit through the front door when it comes to installing it?) and allow some extra funds.

Heavy items can also drive your fitout costs. For example, installing a safe in a preexisting building may require propping the building underneath and installing a steel floor to support the weight.



PROJECT BUDGET UPDATE 1 - WORKSHEET

INSTRUCTIONS:



Now that you've worked through your 1.1 Property Inspection Checklist and your 5.1 Offer Stage Budget Update Guide, it's time to update your budget template.

You won't be able to enter a specific estimate for every item in your budget at this stage, but you should be able to update some of the larger-cost items to build an increasingly accurate project budget.

Item	Budgeted Amount	Actual
LEGAL & LEASE FEES		
1: Solicitors Fees		
2: Landlord Fees		
DESIGN COSTS		
3: Drawings / Interior Designer		
4: Building Certifier / Surveyor		
5: Engineers		
5A: Fire		
5B: Mechanical & HVAC		
5C: Electrical		
5D: Structural		
5E: Hydraulic		
5F: Plumbing		
OTHER FEES		
6: Project Management		
7: Regulatory Fees		
SUBTOTAL		

Item	Budgeted Amount	Actual
SUBTOTAL FROM PREVIOUS PAGE		
FITOUT COSTS		
8: Preliminaries		
9: Electrical & Communications		
10: Fire Services		
11: Mechanical		
12: Hydraulics		
13: Building Control Systems		
14: Kitchen Exhaust		
15: Walls & Ceilings		
16: Painting		
17: Tiling		
18: Flooring		
19: Glazing		
20: Shopfront		
21: Joinery / Cabinetry / Stainless		
(POSSIBLE) DIRECT COSTS		
22: Signage		
23: Security System		
24: Displays & Racking		
25: Equipment		
26: Furniture		
OTHER COSTS		
27: Contingency		
28: Long Service Leave		
29:		
30:		
31:		
32:		
33:		
34:		
35:		
TOTAL		
101114		

FINDING A DESIGNER FOR YOUR SHOP



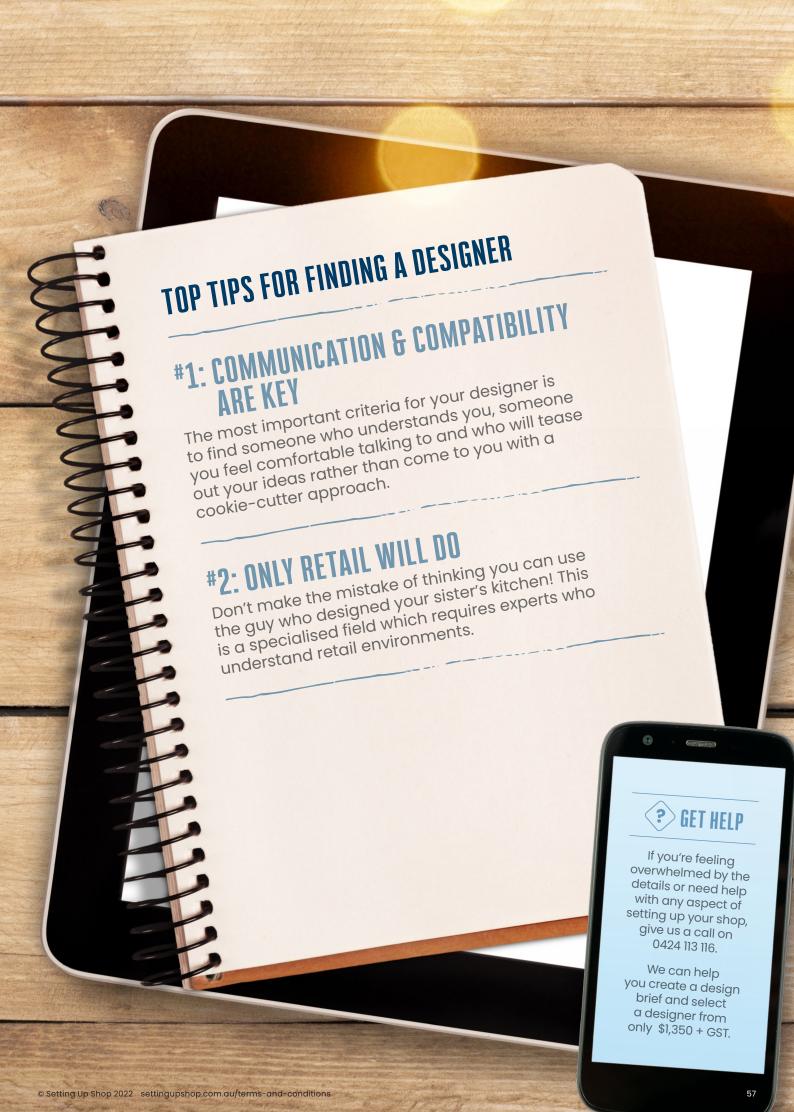
How do you find the best person to design your fitout?

Most retail fitouts
won't need an architect
(architects design
buildings rather than
interiors), but most will
need an experienced retail
interior designer.

Not only do interior designers understand interiors better than an architect would, they also understand many aspects of your shop that they would not.

An experienced retail interior designer will know how to consider the customer's journey through your shop, the requirements for staff and storage, the importance of an appealing shopfront, and so on.

The best retail designers will also understand what builders need to know to be able to price, will advise you on value engineering (more on that later!), and will be practical about your use of the space.



THE DESIGN STAGES EXPLAINED — GUIDE

Before you find a designer and work out how to brief them on your vision, it's important you become familiar with the stages of design.

In order to help you visualise the design stages and the kinds of plans you'll be tasking a designer (and potentially engineers) to produce for you, we'll use an example hairdressing business.

INSTRUCTIONS



Read through the eleven stages of design below. There's a lot of back and forth getting a shop designed and approved, so the more you know about the process, the better you can plan for it.

These steps will help you understand how a design is communicated. Of course, you don't need to design the shop yourself (that's what your designer is for) but you need to know how to communicate with your designer to ensure you achieve the best possible fitout for your budget.

The 11 design stages:

- 1: Concept Plans
- 2: Reviewing your Concept Plans
- 3: Sending your plans to the landlord
- 4: Preliminary Plans
- 5: Reviewing your Preliminary Plans
- 6: Sending your plans to the landlord

- 7: Send your plans to the authorities
- 8: Send your plans to engineers
- 9: Ordering Direct Items
- 10: Coordinating the Final Plans
- 11: Reviewing the Final Plans

1: CONCEPT PLANS

The concept plan shows the look and feel that the design will have without a lot of detail: it will include a layout (an initial basic floor plan), but it will not show everything that will need to be included.

In this example for a hairdresser, the image to the right shows the inspirational pictures that the designer has found to reflect the client brief.

The next item shows some individual elements that might be used in the final design,

then there is a floor plan,

and suggested finishes.

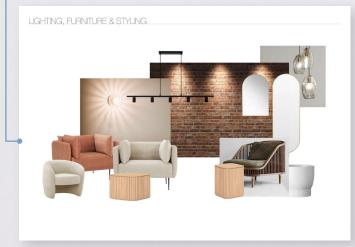
This concept was developed from some layout ideas the tenant had, the existing tenancy itself (which is very distinctive and beautiful) and some colours and images the tenant had found.

DESIGNI DIRECTIONI

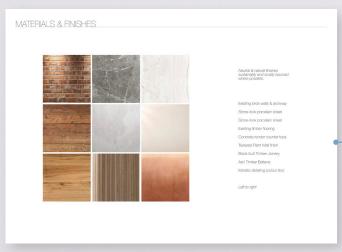
The design for Ella&lade Salon, Woolloongabba will embody a calm, comfortable and contemporary aeathetic, pairing minimalistic reflexibilities feelines with the authentic, heritag characteristics of the transpo, Council partition walls, scribed wall features and rounded joining will create soft, complimentary features against the existing briokwork and timber, in a neutral warm color, notelith.



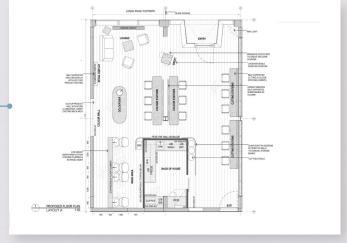
Inspirational images that the designer has found to reflect the client brief



Individual elements that might be used in the final design



Suggested finishes for the fitout



Initial floor plan

2: REVIEWING YOUR CONCEPT PLANS

First, don't be afraid to give clear feedback to your designer. If you don't like what they have produced, then it's important to let them know before they get too far down the track. Designers can be sensitive and creative, but you are their client!

If possible, be specific about what you don't like – is it a colour, an item of furniture, or something else?

This is also the time to let the designer know if you have had any new ideas, decided on any new pieces of equipment, or if you have any specific dimensions or services requirements for any of your equipment.

Make sure your designer has thought about compliance issues with building and council rules – ask them to confirm this, don't presume!

Finally, keep a list of all the things you have asked for so that you can check back against it when you get the next set of plans. It can be overwhelming to see your dreams on paper, and it's very easy to forget about little details.

★ 3: SENDING YOUR PLANS TO THE LANDLORD

Make sure you are happy with the concept before sending it to the landlord. Your landlord will respond to what's on the page in front of them, not what's in your head yet to be discussed with your designer!

The landlord may come back and ask for some changes, which should only be one of two things:

- either your designer has missed something in the Design Guidelines
- or your shop has features that are very similar to another one nearby.

Some Retail Design Managers (RDMs) will try to push for a fashionable design feature – some new shopping centres feature a chandelier or green wall in every second shop. Only take on the RDM's advice if it suits you, and bear in mind that many of these suggestions may be "fashionable" and may date your shop very quickly.

RDMs sometimes tell tenants that they need to choose a different shade of blue only because the RDM didn't personally like the one proposed – do not fall for this! It's your shop, and while the RDM can enforce the Design Guidelines, they cannot dictate your design. Of course, if you love what the RDM comes up with, then get your designer to add it in! At the end of the day, it doesn't matter where the idea comes from as long as you get a great looking shop that meets your operational needs.

That said, make sure that you don't move on to the next design stage until you have the landlord feedback, otherwise you may end up having to re-do your plans down the track.

% 4: PRELIMINARY PLANS

The preliminary plans are more developed plans: they include more details about what will be built and they will help you start to visualise what the tenancy will actually look and feel like.

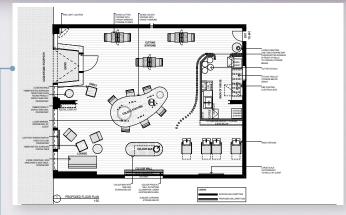
The important thing to note at this stage is that your Design Guidelines or Fitout Guide will often specify which plans are expected at this stage – so make sure your designer knows what they need to produce.

The set of example Preliminary Plans that were developed after the concept plans for our example hairdresser are shown on the page and the next.

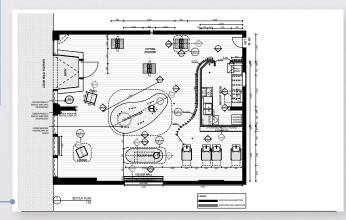
Here, we see the concept plans have been developed further. The layout has changed slightly, there are more details, such as a curved screen hiding the back of house and more rounded shapes throughout.

A setout plan shows the critical dimensions in your tenancy that will be used by the shopfitter to locate walls, services and fixtures. It will also help you understand how much space there will be between all your fixed items.

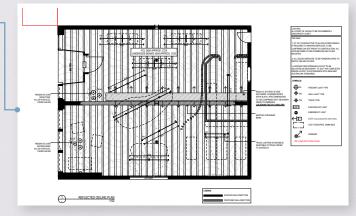
These plans also include an RCP (Reflected Ceiling Plan) showing lighting, ...



Updated floor plan



Setout plan



Reflected ceiling plan

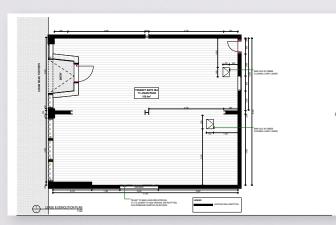
... as well as Elevations and Sections. Head to section 8 for more details on each of these kinds of plans.

The plan below shows the existing tenancy as it is, including some dimensions,

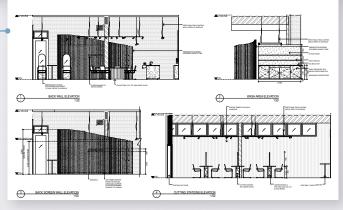
and a very basic render gives the tenant an idea of what the redesigned space will feel like. (You may not always get a render – check with your designer.)



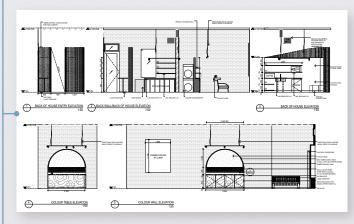
Internal perspective (render)



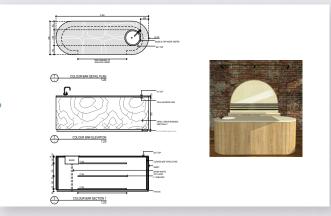
Lease and demolition plan



Interior elevations



Interior elevations



Detail and section

★ 5: REVIEWING YOUR PRELIMINARY PLANS

Your Preliminary Plans should be very close to complete. From your point of view, it is important to check the following:

- Has all of your equipment been included, even things that sit on benches? This will determine the services design, so it is critical that they are shown.
- Check back against your brief has everything been included? Make sure you communicate anything that needs to be added in now.
- Don't presume that you can easily add things in later on. You might be able to, but it also may cause some problems. For example, a café owner recently decided to change the size of his coffee machine during the fitout from a 2-group to 4-group machine. He didn't tell anyone else involved in the fitout. And this oversight meant the machine ended up not fitting and the power supply wasn't sufficient to run the machine... and he had to delay his opening to wait for delivery of a 2-group machine.

So, as you can see, it's important you ensure you've captured everything in the plans by this stage.

🗱 6: SENDING YOUR PLANS TO THE LANDLORD

Again, make sure you are happy with the preliminary plans before sending it – your landlord can only review what's on the page in front of them.

At this point, the landlord may be expecting very detailed drawings for joinery, junctions, finishes schedules, light fittings, and so on, but these should all be listed out for you in your Fitout Guide or other ancillary documents. However, if they have not asked for these documents, then they cannot insist you produce them.

Again, make sure you get the approval before finalising the next stage of your design – it will only waste time to proceed without approval. One week should be ample time for the RDM to respond to you with any questions and then finalise the approval.

★ 7: SEND YOUR PLANS TO THE AUTHORITIES

There are a couple of groups that will need to approve your plans. For more details, see our helpful resources on page 104.

Certifier

Anything that you build has to comply with the national construction code and the certifier is the person that makes sure that it does. You'll need to send your plans to a certifier to sign off on, which shouldn't take more than a week.

Some certifiers are more pedantic than others – so it can pay to have one recommended to you. However, you are free to choose any certifier. But if it is a very complicated building like a mixeduse building, it can be worth using the base-build certifier as they are familiar with the building.

Or ask your designer or Setting Up Your Shop to recommend a friendly certifier to you.

Council

Council is another authority that might need to assess your plans. There are lots of different types of usage which trigger the need to send your plans to council – everything from footpath dining, hydraulics and health to gyms, salons and food businesses all require assessment by council. See our helpful resources section on page 104.

Make sure you send your preliminary plans to council early on. But don't bother sending your concept plans to council – they won't have enough information in them. Council will also need to see your hydraulic plans (that will be drafted by your engineer).

State Government

If you're a butcher or you're selling fish or eggs, you also need state government approval. This also applies if you are selling alcohol. There are different people you need to consider sending your plans to. See our helpful resources section on page 104.

8: SEND YOUR PLANS TO ENGINEERS

Note: You can send your plans to council at the same time as you send them out to engineers. It's important that an engineer see your plans before they're finalised because they may identify issues (such as a duct that isn't included or that gets in the way of another feature etc.) that your designer and council cannot.

Once your plans are at the preliminary stage, they are ready for the engineers to get involved. There's no point sending your concept plans to an engineer as the design is likely to develop considerably from the initial sketches, and your engineers will need a locked-in layout. They may want to view the CAD or DWG files from your designer – that will help them have the most accurate picture of your fitout.

Colours and finishes matter less to an engineer, but they will need to know of any features and bulkheads that might get in the way of a sprinkler or air-con diffuser. Make sure you send the full set of plans to them, not just your floor plans.

For a list of the types of engineers you might need, check out Section 2.3 (5), and also the explanations under "Engineer" in the Glossary on page 112. You may not need engineers at all if your design is simple and there are no complicated services, and sometimes you can have a contractor do a "design and construct" as part of your build contract. However, you should typically use a mechanical and hydraulic engineer if you have a food offer. If you are still confused, talk to your designer: they should be able to help you work out what you need.

Your landlord might want you to use their engineers, and if you insist on using your own, the landlord may still want their engineers to review your drawings anyway. This is usually at your cost. There is not a lot you can do about it if your tenancy services interact with the base building systems – for example if you are connected to the base-build sprinkler system or air-conditioning. It is important that the base building works well for everyone, and the systems can be complicated if your tenancy is at the bottom of a towering office block.

Once the engineers have developed their designs, there may be some things your designer needs to consider. For example, you may need a large section of ductwork running through what you hoped would be a high ceiling area. This is where your designer and engineer should work together to get the best outcome from a practical as well as aesthetic point of view.

% 9: ORDERING DIRECT ITEMS

There are a number of items you should be planning for at this stage.

Long lead time items

Some items for your fitout may come from very far away – like chairs from Italy, leather for your upholstery from Spain, cabinetry from China. These things can have a long lead time of 8, 12 or even 16 weeks! As noted in Section 3.2, make sure your designer knows when you want open and that you may only have time to buy things that are readily available off the shelf.

Ideally, your designer will find any feature items at the concept stage and be able to tell you when you would need to order them. I recommend waiting to place orders until you have a more developed set of plans than the concept set though, so ordering times can be tricky. You may not have enough time after the preliminary set to get delivery of the items you want. However, there are often replicas or similar items available, but they may be more expensive or not quite as beautiful.

If you are placing orders for long lead items, be aware that many suppliers will not start the actual order process until they have been paid a deposit. If your landlord needs to approve your plans, make sure you have them sign off on the things you are ordering, or you may have spent money in vain!

Other items

This may not be build/equipment items – could be uniforms, POS system, plates, cutlery, plants, menus – boards or printed, condiment holders etc.

Equipment

It's very important that you feed any information about gas, power, hydraulics, equipment size/weight etc. back to your engineers and designer so the info is included in the final plans.

Furniture

Think about whether you need to bring it in from outside at night or lock it up. Where will you store it? Is it too heavy for your staff to move each day?

Liquor Licence

Get the ball rolling as it can take 8 weeks from submission to the State body and may take several weeks before that to get all the correct documents and signatures from landlord/building owners.

10: COORDINATING THE FINAL PLANS

A full set of Final Plans should include:

- Reflected Ceiling Plan (RCP)
- · Demolition plan (if required)
- Floorplan
- Sections
- Elevations
- Mechanical
- Fire
- · Hydraulics Plan
- Signage
- Electrical Plan
- Finishes Schedule
- · Equipment schedule
- Furniture schedule
- Joinery detail
- Sample board

See Step 7 for a full description of each of these items to be included in your final plans.

Please note: everything won't be included on one plan – this would make the plan very confusing, messy and difficult to read. But all the plans work together to detail all the aspects of your fitout.

It's important that you make sure the architectural plans have notes that the engineers' plans are referred to and check the architecturals against the engineers' plans to make sure they don't contradict each other. For example, while you wouldn't necessarily need mechanical, fire and hydraulics plans if you aren't a food business, these plans detail the services. And the point of getting them is to make sure that your services don't clash with any parts of your fitout. If you, for example, have a beautiful ceiling and you have a drop section with a feature light, it will ruin the aesthetics if you need a big aircon and sprinkler system in that same ceiling. And it's also important to ensure that your design features do not obscure any services.

11: REVIEWING THE FINAL PLANS

Final Plans are the set you send out for pricing to your shopfitter, so make sure they include ALL the items you want to see. Don't leave anything out, no matter how small, if you know you will want to include it later.

Once you get all the plans back, make sure you have a really good read of them – even the small print.

This is where you should review the notes you made way back when you were reviewing the concepts and make sure you got everything you wanted, or at least confirm that you understand why that element can't happen. As much as possible, check joinery drawings to ensure you have enough drawers, the electrical plans for power points, and all the little details you have noted since the beginning.

It can be helpful to think about "a day in the life" of your shop. Where will staff come in? Can they lift that roller door by themselves? Will everyone need a key? Where do they put their bags, and is there a little mirror in back of house so they can check their appearance? How will deliveries come in, and is there a computer with a chair for any emailing or admin work that needs to be done? Out on the shop floor, how will your employees make sure they can greet customers as they enter and keep an eye on them while they are shopping? Or if you serve food, what will your queueing system be – where will people stand while they wait for takeaway food? And so on, and so on, through transactions, cleaning, breaks, all the way through to how staff turn off the lights and lock up at night.

Reviewing the final plans will be time consuming, but it is very important to make sure you have everything on paper. Yes, you can add things in once the builders start, but then you get a bill for variations, and no-one wants that.



The completed fitout for the hairdressers used as the example for the plans throughout this step



HOW TO FIND A DESIGNER - GUIDE

Any designer worth their salt will be able to produce some very pretty pictures, but you need more than that. How do you find the right designer for you and your fitout?

INSTRUCTIONS



Don't rush this step. You'll need to find a designer who can create a robust set of plans that detail exactly what will be built, what the builder needs to include, and your expectations for the quality to be delivered.

If you are tendering your fitout plans to several shopfitters so you can secure the best price, then these details will be particularly important. This guide should help you avoid some potentially unexpected pitfalls to help you connect with a designer that's a good match for you and your shop.

When looking for a designer, it's important for you to take your time as you follow the 5 steps outlined below.

So how do you find the right designer for you?

1: START WITH WORD OF MOUTH

The best way to find a designer is often through word of mouth or industry connections. There are many kinds of designers out there. Your landlord might recommend someone or you may need an expert in a particular field (e.g. kitchens).

Finding a reputable designer is vital to ensuring you receive the service and attention to detail required. Reputation and previous work are key.

With an experienced designer, you should be able to view their past work and learn about their process and timeframes so that you can understand how your project is likely to play out.

Unlike finding your insurance provider, Googling will often show you the designers who spend the most on SEO not the most reliable or relevant retail designers! I recommend looking in the following places:

» ARCHITECTURE AU www.architectureau.com/awards/ search/?award_type=Interior

While this site has domestic and commercial as well as retail projects, it runs the Retail Design awards. Check out the shortlists rather than the award winners – there can be 20 designers on the shortlist. Then pop over to the designers' websites and see if you like their style.

>> IFA

www.interiorfitoutassociation.com.au/memberdirectory

2

www.interiorfitoutmagazine.com.au/read-thelatest-edition-here

The IFA covers the interior fitout from design through to build and is a good resource to find both your designer and your shopfitter. They also publish a quarterly magazine which you can look at online, which showcases some recent fitouts and names the designers and shopfitters for each.

FIND A DESIGNER www.design.org.au/find-a-designer

Interior designer do not have to register to practise, but many of the good ones do, and this is where to find them. Choose Interior Designer – Architecture from the drop down list, then the state you need. You do not want the decorator option – you need someone who can design the layout of the space, not just change finishes. You can enter a person's name or company name as well if you want to check if someone in particular has registered with the DIA.

2: MAKE SURE THEY KNOW YOUR INDUSTRY

Does your designer have experience in your particular industry? There's no point asking someone who has only ever designed shoe shops to work on your new medical centre. The right, experienced designer will be able to assist you with specialty features for your shop design, specific to your industry, as well as bringing lessons learned from other projects. You can check the gallery of past work on their website, have a quick chat over the phone, or request example photos or a list of locations for you to visit.

💥 3: BE UP FRONT ABOUT YOUR BUDGET

Make sure you communicate your budget up front (and not just your budget for design fees but for the fitout as well!). Some designers are better than others at working to a tight budget and maximising wow while minimising cost. Hiring a designer who is used to big budgets and businesses might not be the right fit if you are a new business with a simple design and a tight budget.

4: MAKE SURE YOU'RE COMPATIBLE

This might not seem that important, but it is essential: choosing a designer that is compatible with you will help ease the design process. Some designers may be open to your ideas throughout the process and others may want minimal input, creating their own design according to your brief. You need to choose the designer that you can communicate well with and who is more likely to incorporate your input to the degree you would like.

5: COMMUNICATE YOUR TIMEFRAMES

It's important to let your designer know the time constraints for your project so they can commit to getting your plans to you on time.

We have touched on this in Step 3, but it will usually take:

- · 2 weeks to get your Concept Plans,
- 3 weeks after you provide feedback for your Preliminary Plans, and
- another 2 weeks after providing feedback for your Final Plans (these terms are explained in the glossary and in Step 6 of this guide).

But this timeframe can vary considerably! If your tenancy is large or complicated, it will take longer. Food tenancies often take a bit longer as well. You should also allow at least one week for the landlord to review each stage of the plans, and the designer will need to either incorporate that feedback or talk to the landlord on your behalf to argue your case.

It's critical to agree these timeframes with your designer in advance – they may be very busy and not able to jump straight onto your project, in which case you may need to find a different designer.

GETTING YOUR SHOP PLANS IN PLACE



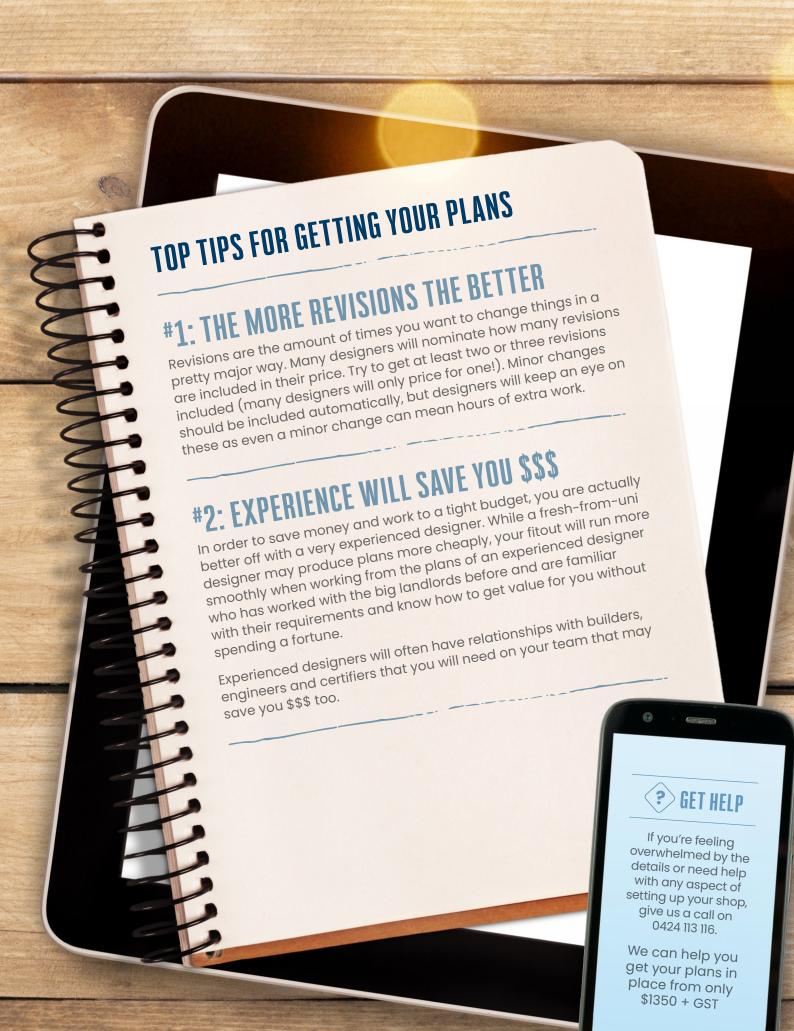
Tenants often have a clear vision in their head of what their shop will look like ...

but they don't always understand why they need to have a set of formal plans produced. Why can't they just explain their vision to a shopfitter and get going?!

It's very important to get your design down on paper so that everyone involved knows precisely what is planned to happen and how it's meant to turn out.

You'll need your team to produce a complete set of official plans – everything from Elevations to an Electrical Plan, Joinery Details to a Demolition Plan – to help you communicate with the shopfitter who is going to estimate for and build your shop and also with the landlord, certifiers, engineers and more.

Having a detailed set of plans will make it easier for you and your designer, engineer and shopfitter to identify potential issues early on and take steps to avoid them. Most of the items on the following checklist are for your designer, but some require an engineer or shopfitter too.



Setting UpShop

HOW TO BRIEF YOUR DESIGNER - GUIDE

Now you've selected a designer to work with, the next step is to brief them on the kind of fitout your business needs.

INSTRUCTIONS



This guide will help you communicate your vision and requirements to your designer.

The clearer your communication, the better your designer will be able to deliver you a great design for your shop.

Keep these points in mind as you assemble your brief:

★ 1: BUDGET - FOR BUILD WORKS

Many people are reluctant to talk about money. But if you don't tell your designer what you want to spend, you may waste a lot of time getting a beautiful design that you cannot afford. Being open about your budget is one of the most important things you can do.

Refer back to the budget spreadsheet you have completed and find the number you allocated for the shopfitter – that's the budget you want to give your designer – along with anything else they might need to include, for example furniture and equipment.

And keep your designer focussed on the budget. Every time they nominate a finish or a product, ask them how much it is.

2: INSPIRATION

Design is a visual medium, so it is helpful to find pictures that you like and put them together (like a Pinterest board). The images don't have to be of shops, they can be anything that speaks to you. This is called creating a "mood board", and a good designer will help you figure out what in each image appeals to you. For example, is it the layout, a colour, a piece of furniture, the lighting – there are so many things that contribute to an aesthetic and a great fitout.







☎ 3: THE PRACTICALITIES

Your shop needs to cater for two sets of people: your customers and your staff.

Your Customers

Customers are usually the easier part – you probably have some ideas about how you would like the shop to look already. This will form most of your mood board and inspiration images, and your designer will be able to bring those ideas to life. Don't forget about clear signage for things like point of sale, dressing rooms, etc., and sufficient storage for all the things you need – not just stock, but bags, wrapping, receipt rolls, and so on.

- Where do you want your entry door relative to your cash registers or reception desk? Think about this from a customer viewpoint as well as from a security perspective.
- How will you maximize usage of your valuable window-line? What do you want customers outside to see in order to lure them into your store?
- How will your customer circulation work? What items do you want in front the front of the store, and how will they be displayed?
- Where will your storage space be located?
- · How/where will you take deliveries?
- · How will you handle rubbish, etc.?

Your Staff

Staff are often forgotten about, so think about how the day will go, from the moment the first person arrives to open up.

How will they enter the tenancy? Where do they store their coat or bag? Is there somewhere to do paperwork? Will they take breaks in the back of house area? Do you need to provide a bathroom or is there one nearby for them to use? Is there a mirror in back of house to make sure they are smiling and looking smart before they hit the floor?

Smart design will accommodate these things from the get-go so you are not left cramming the items your staff requires into random corners once you've opened.

Foodies

For those planning to open a food business, make sure you explain all of the equipment you will want in the kitchen, including things that sit on top of benches. And, of course, you need to let the designer know how many seats you need to meet your revenue targets. Consider if you need a cold room, freezer, how much dry storage, packaging storage, and so on.

4: THE DESIGN GUIDELINES AND FITOUT GUIDE

It is critical that you pass the Design Guidelines and Fitout Guide on to your designer and emphasise that they must design in accordance with them (see Step 4 for more). There is no point wasting time on reviews and changes because your designer didn't read up on the restrictions that apply to your fitout.

For example, many landlords will not allow roller doors, or will have a maximum open area for your doorway. They may want specific kinds of displays, materials, and signage, and they will reject your design if you do not comply with their rules.

Your designer should read these documents carefully and make sure they comply from the start – that way you won't waste time and money while they fix their mistakes.

5: WHAT SHOULD YOUR DESIGNER'S QUOTE INCLUDE?

The designer's quote should list each drawing that they will produce for you and the design stages they will go through with you.

You need to have a clear understanding of the design stages so that you do not incur charges for unexpected variations. Your Fitout Guide and/or Design Guidelines (if there are any) will explain what these stages are so that you can tell your designer what they need to allow for.

As we explained in 6.1 The Design Stages Explained, the basic plan stages are:

- Concept,
- Preliminary,
- Final.

The Fitout Guide and/or Design Guidelines will often also list the exact drawings they want you to submit, so make sure you show that list to your designer and have them price on that basis. The landlord might withhold approval until they have all of the drawings they need.



★ 6: WHAT YOU NEED TO ASK FOR / PROVIDE

Your designer will expect to receive the Tenancy Plans from you as well as any photos you have. You should provide these to them along with the Fitout Guide and Design Guidelines.

And you need to make sure your designer has allowed for some site visits as well. If possible, the designer should visit the site before they begin designing to get a feel for the space and complete a check measure to make sure the dimensions and notes on the Tenancy Plans are correct. They should also allow for meetings to review each stage of the design with you and a meeting to discuss the plans with the RDM if you are going into a big shopping centre.

You may also want your designer to allow for some time during the build to help the shopfitter if they have any questions. And if you are not comfortable doing the defects inspection yourself, most designers will do this with you as well.

Yes, all of this will add to you designer's fee. But you will probably be able to engage your designer in stages (e.g. they can provide you with all of the costs so you know what you'll be in for at the start if you need them for every stage, and then you can engage them for the last stages only if you feel you need them at the time).

Lastly, don't forget to confirm the timeframes for each stage with your designer so you know when the plans are due, and make sure you understand their payment terms as well – most designers will expect a deposit upfront.



DESIGNER BRIEF & PLANS -GUIDE

Now that you have found a designer, learned about the stages of design, and learned how to communicate your design vision and needs, you're ready to brief your designer.

This guide will ensure your brief includes all the items you'll need.

INSTRUCTIONS



Refer to this guide when briefing your designer to make sure they include everything you'll require in their quote. This list will also help you work out where you need other trades to create documents for you.

To find out more about finding a designer and the different stages of the design process, read 6.1 The Design Stages Explained Guide and 6.2 How To Find a Designer Guide.

Generally, you will need the following drawings produced so that shopfitters can price accurately for you:

★ 1: FLOOR PLAN OF THE EXISTING TENANCY

Sometimes you can simply use your Tenancy Plan as your Floor Plan, but some landlords don't provide very good tenancy plans and so you'll need a new one generated.

Your Floor Plan should show at least the dimensions of all walls, columns, doors and windows, and the locations of the switchboard, drainage and other services. It should also show the level of the floor and the level outside the tenancy as well.

2: DEMOLITION PLAN (IF REQUIRED)

A Demolition Plan shows what the builder needs to remove. You may need a Demolition Floor Plan and Ceiling Plan.

★ 3: REFLECTED CEILING PLAN (RCP)

A Reflected Ceiling Plan will show the extent of the ceiling, what it is made of, the height it is to be installed at, any bulkheads or height changes, and will often show services as well, if there is room.

If your tenancy is small or the ceiling is complicated, you might also need a Lighting Plan and Coordinated Services Plan (so that lighting locations don't clash with air conditioning, diffusers or sprinklers).

% 4: ELEVATIONS

An Elevation is what you would see if you are standing in the shop looking at a wall. It should show everything on that wall. There should be one Elevation showing each wall, plus the shopfront.



% 5: SECTIONS

A Section is like a slice through the shop from top to bottom. Sections are particularly important if the design is complicated.

% 6: JOINERY DETAILS

Joinery Details cover the wooden components of your fitout. Big landlords are going to want your joinery details, but you may be able to get your shopfitter to produce them later for approval.

It can be expensive to have your designer draw every cupboard, especially if they are fairly standard items. However, any specialised joinery or highly specific designs should at least have the design intent developed by the designer.

🗯 7: ELECTRICAL PLAN

For the average specialty shop, the designer can create a simple Electrical Plan to show the location of power and data points. Make sure you review these and make sure they are sufficient for your needs.

If it's a complicated fitout – or a food fitout – you may need an electrical engineer to prepare an Electrical Plan for you.

★ 8: HYDRAULIC PLAN (FOOD/WET BUSINESSES)

Your designer's Hydraulic Plans will be indicative only, and then need to go to your Hydraulic Engineer for final design. Your designer's plan will show where sinks, taps and drainage are located.

★ 9: SIGNAGE / SHOP DRAWINGS

A designer may plan your Signage, but if you are in a shopping centre, they will need Shop Drawings instead. You won't need an engineer for these, you can go to a specialised signage contractor.

10: FINISHES SCHEDULE

A Finishes Schedule is a list that shows the materials required for your fitout, their specifics, and where to buy them etc. Each item on the list will have a corresponding label on the working drawings (e.g. "FL01" meaning "flooring number one") to show where the material is located in the fitout.

11: FURNITURE SCHEDULE

A Furniture Schedule follows the same concept as the Finishes Schedule but for your furniture items.

12: EQUIPMENT SCHEDULE

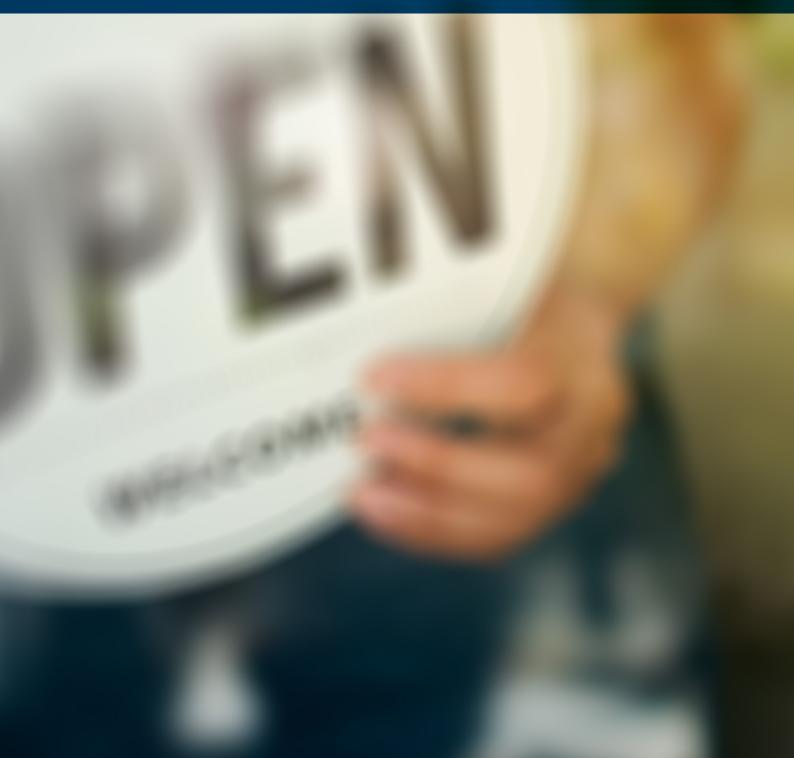
An Equipment Schedule follows the same concept as the Finishes Schedule also, but for your equipment. However, the Equipment Schedule must also list how much power each item needs and whether it needs to be connected to gas. This schedule will therefore have a bit more technical detail included than the other schedules.

13: SAMPLE BOARD

A Sample Board isn't always required, but a designer will typically put together actual pieces of fabric and other material samples (such as tiles or paint finishes etc.) to create a display board.

Some landlords may specify in your lease or ancillary documents that they will want to see a Sample Board before approving your design.

FINDING A SHOPFITTER



For your shop fitout, don't engage any old builder: you'll typically need a specialist called a "shopfitter".

That's not to say a builder can't deliver the work you need, but shopfitting is a particular specialty.

A good shopfitter will save you time and money.

Experienced shopfitters are used to working at a very fast pace to make sure your project can be completed in the fitout period allowed.



***1: EXPERIENCE = MORE TIME + LESS STRESS**

If you're going into a big shopping centre, they will have rules about safety that your shopfitter needs to adhere to, and they may reserve the right to approve your shopfitter before they are allowed to start

A good shopfitter will be well versed in the shopping centre's requirements and have the right licenses, registrations, etc. to get any works. on site quickly. An experienced shopfitter will understand the rules of the site, and you won't end up getting phone calls complaining about their behaviour or saying that the landlord has shut your works down because your shopfitter is misbehaving.

***2: LEAVE TRADE COORDINATION TO** YOUR SHOPFITTER

There are lots of individual trades involved in building a shop and each of these trades needs to show up on a specific day at a specific time to make sure the project doesn't grind to a halt. You should not try to save money by directly engaging trades.

Your shopfitter will only manage trades they have engaged themselves. So, if you book any trades, you will need to follow up, inspect the work for defects, and then be responsible for any issues. Better your experienced shopfitter manages and schedules all the trades, does the defect inspections, and is responsible for keeping everyone on time and doing quality work. If you can, put as much as possible into one contract because this means you have more leverage over your shopfitter to make sure they finish on time and without defects.

(3)



GET HEIP

If you're feeling overwhelmed by the details or need help with any aspect of setting up your shop, give us a call on 0424 113 116.

We can help you find a shopfitter and manage the tender process from only \$1,900 + GST.



HOW TO FIND A SHOPFITTER - GUIDE

So, how do you find a good shopfitter to take care of you and your fitout?

There are lots of terrible operators out there, and some look pretty good at first glance but have the potential to let you down later. This checklist will help you find a reliable, experienced shopfitter for your fitout.

INSTRUCTIONS



This guide should help you avoid some of the unexpected pitfalls so you can connect with a shopfitter that's a good match for you and your shop.

When looking for a shopfitter, it's important for you to take your time as you follow the 6 suggestions outlined below.

1: START WITH WORD OF MOUTH

The best way to find a shopfitter is via word of mouth.

If your tenancy is with a big landlord, they may provide you with recommendations. So make sure you ask.

You may know someone who has built a shop – if so, find out if they had a good experience with their shopfitter.

Or if you are out and about and see a store you think looks amazing, go in and ask the owner or manager of the store who built it for them.

2: TRY THE INTERIOR FITOUT ASSOCIATION (IFA)

In Australia, there is an industry association called IFA, and they have a register of their members (aka shopfitters) that you can search. You can even narrow your search down by type of shop and state.

Most shopfitters have a website where you can find out a bit more about what they do and who their main points of contact are.

Get in touch, tell them what you're planning to do and see how interested they are – you don't want someone who won't give your project the attention it deserves, so make sure you work this out early in the process.

>>> www.interiorfitoutassociation.com.au/memberdirectory



3: THEN FIND AT LEAST 3 SHOPFITTERS

The most important thing you need to do is find more than one shopfitter to quote for you. You'll need at least three, preferably four (five if you can manage it).

Out of those, you want to aim to get pricing from at least three of them. Four makes for a good shortlist in case one drops out. To figure out who goes on your shortlist, engage in a general chat with prospective shopfitters, explaining the project and gauging their reaction. Then tell your prospective shopfitters the proposed fitout period (which is when they would need to be on site) to make sure they will be available.

It's also important you tell them who the landlord is and possibly who your designer is as well. It can be important to share details about the landlord because some shopfitters may not be qualified to work on some types of sites.

4: CHECK THEIR REFERENCES, SO TO SPEAK

If it's someone you haven't worked with before, it's a good idea to call up a client or designer (or even a shopping centre) they have worked with recently to find out how they performed.

In most cases, the successful delivery of a project depends on the actual people delivering it, not the brand name they work for. Make sure you ask which particular staff member will be in charge of your fitout. Finding out about your shopfitters' behaviour and quality of work is key.

5: SHOW THEM YOUR PLANS / HAVE THEM DO A QUICK REVIEW

After all that, you should have a list of three to four companies that you feel happy with.

If possible, ask all of them to have a look at the plans and do a quick review – even if you only have concept drawings at this stage. This will give the shopfitters a better idea of what's required for your fitout, and they might even give you some ideas that you haven't thought of to boot!

Not all companies will do this though – so don't be too concerned if they are too busy to do an early review.

6: IT'S TIME FOR TENDERING (A FANCY WORD FOR A QUOTE)

Tendering can sound a bit intimidating and there are a lot of myths about them. But a" tender", or "Request for Tender", is simply a document that asks a company to provide a price for a piece of work.

The main reason you want to do a tender is so that everyone you ask to quote has the exact same information to price from, and, in some cases, a form to fill out that will make it easier for you to compare the prices you get.

To ensure you're supplying enough information for your shopfitter to prepare a tender, use the "Tender Pack" checklist on the following pages.

Setting <u>U</u>pShop

TENDER PACK - CHECKLIST

To get the most accurate pricing, you need to supply more details than just your plans.

Most shopfitters don't want to read pages and pages of documentation. But when you're entering into a contract, you want to be sure you've given the shopfitter all the information they could possibly require to ensure they understand the full scope of what you're asking them to do.

INSTRUCTIONS



Run through all of the items in the Tender Pack Checklist below to build your tender pack. This will help you ensure you supply all the information the shopfitters will require to prepare their tenders for you.

Make sure you include in your tender pack:

☐ 1: DRAWINGS

Your designer's drawings and your engineer's drawings, tenancy plans and any base building drawings you might have.

☐ 2: SCOPE OF WORK

This is something you need to write up that should outline what you are expecting your shopfitter to do and what other people are doing.

For example, your shopfitter might not be supplying the equipment, but you might want them to:

- unpack and remove any packing materials
- connect the equipment (especially if it's gas or water), and
- make sure it's operating.

□ 3: HOUSE RULES / FITOUT GUIDE

These documents from your landlord will usually have information about safety requirements as well as hours of work, nominated contractors, parking regulations, where to put a skip, and so on – all very important information for your shopfitters to know about!

☐ 4: BASIC PROJECT INFO

This is another document you need to write up that includes information such as:

- the address of the tenancy
- · the date you get handover
- how long the shopfitter has for the fitout,
- and other pertinent details and dates.

☐ 5: SITE VISIT

Include a date for a site visit. Many shopfitters like to come and see what they will be working with before finalising their pricing, and some will want to bring their tradespeople along as well. If your time is tight, it can be worth nominating a day and time when you can see everyone in succession.

Some Project Managers arrange a single site visit for all of your potential shopfitters together, but we recommend you don't do this. You get a better result if you schedule site visits one at a time. Lots of tradies will give you information they might not offer up in front of a competitor if you're at the site with them alone – they may identify a cheaper way to do something or a technique they have picked up over the years. You can then collate all this information and ideas from the various shopfitters to use to your advantage!

□ 6: PRICING BREAKDOWN

You might also want to create a spreadsheet – that looks like your budget sheet – to break down the cost into different sub-sections (hydraulics, joinery etc.) so you can compare one with another.

☐ 7: RFIs

During the tender period you may get Requests For Information or RFIs. These are questions that the shopfitter will ask to clarify something on the drawings or in the documentation.

It is good practice to send your answer to all the shopfitters pricing your project – because this keeps the playing field level. This can be as simple as sending an email saying "One of the tenderers on XYZ project asked whether an item was this, that, or the other. In this instance, it will be this."

Contract options

There are also many ways of contracting – Fixed Lump Sum, Design & Construct, Cost Plus, and so on. For the purposes of this guide, we suggest you stick with a straightforward Fixed Lump Sum.

There are pros and cons for each contract type, and at Setting Up Your Shop, we decide which type to use based on the project requirements. This topic is a little too complicated to cover in detail in this step-bystep guide. Get in touch if you'd like help with your shopfitter contract on 0424 113 116.

□ 8: TIMING

Make sure you communicate the date that you expect the tenders back. Allow a minimum of 2 weeks for tender, 3 if it's a more complicated job.

This timing allows your shopfitters to go out and get a few prices from their sub-contractors, which allows time for their pricing to be more competitive, accurate and considered.

□ 9: CONTRACT TERMS

Many shopfitters will have their own contract that they like to use, and of course it will be drawn up in their favour! There's nothing wrong with that, but you do need to make sure you read their contracts carefully before signing (and potentially run them past a lawyer).

The alternative would be to prepare your own contract, and best practice is that if you intend to use your own contract, that you send that out with the tender documents, so the shopfitters know what your terms are. Or alternatively, at this stage, you could simply write a paragraph explaining your terms.

Many shopfitters will look for a deposit if they have not dealt with you before – the standard here is 30 to 40%. It's always worth asking if you can avoid or reduce the deposit, but lots of shopfitters have been badly burned, and they will be incurring costs even before they set foot on site. So, it is unlikely they will agree to 0% deposit unless they have worked with you before and know you are trustworthy.

There are many standard Australian contracts for the construction industry, and you can certainly use them. You need to buy them from Standards Australia (see url below). You should expect some back and forth between you and the shopfitter to get to the point where you agree to the terms. So, if you go this route, allow extra time following the tender and possibly for some legal fees as well.

Ensure the terms include withholding 5% to 10% payment to rectify defects at the conclusion of the fitout.

www.standards.org.au

□ 10: PROGRAM

Ask your shopfitter to provide a preliminary program that shows the breakdown of the main activities required to fitout your shop. Many shopfitters won't give you a detailed program until they have been appointed. If that's the case, ask them to confirm whether they can complete the project within the fitout period.



ASSESSING THE TENDER -GUIDF

After a couple of weeks, you'll get your tenders back from your prospective shopfitters. Then it's time to pick the shopfitter you want to work with.

The tenders will often come in the form of a letter with a blurb about what a great company you will be dealing with followed by the pricing breakdown you were seeking.

INSTRUCTIONS



In order to understand and fairly compare the tenders you receive, run through the guide below.

With all 3 items in this guide, it's important that you go back to the shopfitter and ask questions.

That's why we have suggested you allow a week in your program for "tender review and contracting". It can sometimes take a bit longer than that, so don't skip this week - it's important for you to get the best deal!

Some things to watch out for in the tender submissions:

1: ARE THE COSTS DETAILED AND CLEAR?

Some shopfitters will ignore your request for a breakdown of costs and just put in a number at the bottom. Often it's a round number!

This is not ideal as you can't see where the money is being spent, and when it's a round number, it looks like they have just picked a number out of the air rather than assigned a price to each item required for your fitout!

The key in this case will be the management of the contract, so be wary of just a single number, and remember that you can (and should!) ask the shopfitters to break down the number across the items they're quoting for.

🚊 2: TRY AND UNDERSTAND THE WAY LABOUR COSTS HAVE BEEN ALLOCATED SO YOU CAN **MORE FAIRLY COMPARE OUOTES**

Some shopfitters will spread their labour costs across all sub-sections, and others will have a single line item for labour. This can make it look like some prices are inflated against the competition when they aren't.

These differences come down to the estimating software the shopfitter uses. However, the costs should all balance out in the end, and you should still be able to see where one price is higher than another. But if you'd like to see the labour costs separated out to better compare quotes, ask.

🗐 3: LOOK FOR WHAT HAS BEEN EXCLUDED

Some shopfitters will either leave a gap in your spreadsheet – or in their tender letter or other documentation - to say that they are excluding something. In this case you need to find out why and figure out if there is another way to get what you need.

Sometimes shopfitters exclude fire services, for example, because they think the shopping centre will do them, not realising that the tenancy is not in a shopping centre and they actually are required to engage a sprinkler company.

So it's very important you discuss any exclusions.

1 4: THE CHEAPEST IS NOT ALWAYS THE BEST

Sometimes the cheapest price might come from a shopfitter you don't feel entirely comfortable with. Or perhaps the cheapest shopfitter can't complete the project on time or has terms you don't like in their contract.

You are not obliged to pick the lowest price: it's more important to achieve a great outcome. This is especially important to consider if one price is significantly lower than the others.







STEP

UPDATING THE BUDGET FOR YOUR SHOP—TENDER STAGE



Now you have a full set of plans – including any engineering plans – and pricing back from your shopfitters, it's time to update your budget again.

Sometimes this is the time when you'll get a nasty shock, but don't worry – all is not lost!

It is critical to review the tender pricing very carefully. In a good tender submission, the shopfitter will have provided all the information you asked for in a very clear way, filled out any forms or spreadsheets you have sent, and been specific about what is and is not included.

But you don't always get a good submission, and some shopfitters are deliberately vague because they think you won't read the documentation carefully or understand what they are saying. But if all looks good with the tender and the pricing is still too high, it's time to run through the 9.1 Tender Stage Where To Save Guide on the following pages.





TENDER STAGE WHERE TO SAVE - GUIDE

What if you have your tenders back and all of the pricing is too high for you to proceed?

This guide can help you identify several places to save \$\$\$ or stretch what you have.

This process is often called value engineering, value management, or VMing. Basically, value engineering involves identifying anywhere you can save some money without ruining your design.

INSTRUCTIONS



Run through the guide below and try to identify as many places as you can where you can save money. Be as flexible as you can in your thinking: you may have a dream fitout in mind, but getting to opening day in reality may take some compromises. And remember, every little bit adds up. Once you've found a few places to save money, enter your costs into an updated budget sheet (at the end of this section).

Some places you may not have thought of to save or find more \$\$\$:

1: FIND MORE MONEY

This might include asking your landlord (even if you have signed the lease, it is fairly easy to add an amendment that increases your incentive, perhaps in return for adding an extra year or two on the lease). It may seem odd, but it's always worth a try.

If the landlord says no, who else can you ask? A bank? A supplier for lease terms on furniture or equipment? Get creative!

1 2: WHAT CAN YOU DELETE?

It's never fun to consider removing items from your fitout when you have spent so much time creating these designs. But could you delete any items – perhaps a big piece of signage, or a very expensive fixture or fitting? This might leave a hole in the design, but you can always purchase and install the item later when you have built up sufficient trade.

But remember, any changes at this stage may need approval from the landlord if your Retail Design Manager has signed off on the item you are now changing.

Also look for the expensive items in the shopfitter's pricing and see if you can work out any changes with them to bring the price down.



1 3: CHANGE THE FINISHES

Again, this may need approval if you have Final Design Approval already. But smart choices like painting a wall instead of tiling it, using a vinyl instead of an expensive epoxy, or switching the furniture from something expensive to an Ikea special can all whittle down the cost of the fitout. Your shopfitter can help with coming up with ideas here as well.

4: SWAP OUT EQUIPMENT

Do you really need that combi oven from day one, or can you make do without it? Can you reduce your menu initially so you use less equipment and then add more cooking equipment in as time goes on?

Again, what about looking at financing for your big purchases – most kitchen equipment suppliers have lease arrangements they can set you up with.

1 5: TALK TO YOUR DESIGNER

If you have given your designer a budget to work towards and the shopfitters' pricing is all much higher, find out why from your designer and then push them to amend the design so it fits your budget.

This is why it's so important to let your designer know the budget you're working to at the very beginning and keep reminding them throughout the process so your budget is front of mind. It's going to be hard to fix this issue, so make your designer help you! Your designer may be able to suggest changes, such as choosing a cheaper finish that still has a quality look, to keep your budget on track.

6: TALK TO YOUR ENGINEERS

If your plan has a lot of engineering in it – especially mechanical or hydraulics – find out if your engineer can see a cheaper way forward.

Also ask your shopfitters – many will have strong relationships with tradespeople (and tradies love correcting engineers!). They may have some ideas about how to save you some money on the engineering as well.



PROJECT BUDGET UPDATE 2 - WORKSHEET

INSTRUCTIONS:



Now that you have chosen your shopfitter, you should have solid estimates for the majority of your fitout costs and other costs (such as Long-service leave).

Hopefully, by running through the 9.1 Tender Stage Where To Save Guide, you have reduced some of your costs and can update these in your project budget as well.

Item	Budgeted Amount	Actual
LEGAL & LEASE FEES		
1: Solicitors Fees		
2: Landlord Fees		
DESIGN COSTS		
3: Drawings / Interior Designer		
4: Building Certifier / Surveyor		
5: Engineers		
5A: Fire		
5B: Mechanical		
5C: Electrical		
5D: Structural		
5E: Hydraulic		
5F: Plumbing		
5G: HVAC & Mechanical		
OTHER FEES		
6: Project Management		
7: Regulatory Fees		
SUBTOTAL		

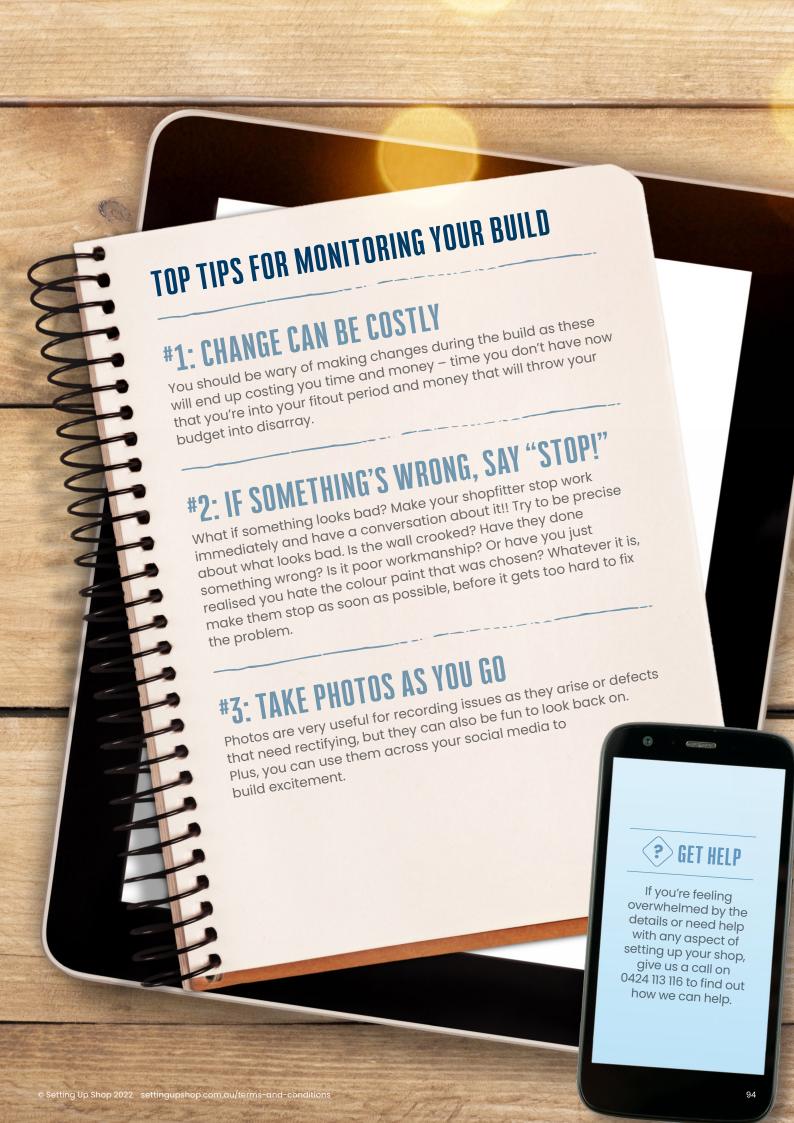
Item	Budgeted Amount	Actual
SUBTOTAL FROM PREVIOUS PAGE		
FITOUT COSTS		
8: Preliminaries		
9: Electrical & Communications		
10: Fire Services		
11: HVAC & Mechanical		
12: Hydraulics		
13: Building Control Systems		
14: Kitchen Exhaust		
15: Walls & Ceilings		
16: Painting		
17: Tiling		
18: Flooring		
19: Glazing		
20: Shopfront		
21: Joinery / Cabinetry / Stainless		
(POSSIBLE) DIRECT COSTS		
22: Signage		
23: Security System		
24: Displays & Racking		
25: Equipment		
26: Furniture		
OTHER COSTS		
27: Contingency		
28: Long service leave		
29:		
30:		
31:		
32:		
33:		
34:		
35:		
TOTAL		

10 MONITORING THE BUILD OF YOUR SHOP



To help you monitor the build of your shop fitout, we've prepared some notes to guide you and a checklist for you to run through.

Typically, builders don't like clients coming on site. Mainly that's because clients often look to change things when they see the build coming together. But it's important you aren't dissuaded from supervising the fitout and ensure you keep an eye on the build.





TIPS FOR MONITORING YOUR FITOUT - GUIDE

While a good shopfitter will monitor the build themselves, coordinate trades and watch out for defects, it's best you keep an eye on things, too.

INSTRUCTIONS



Read through the points below and try to apply them to your fitout. Then proceed to the checklist on the following page. You're on the home stretch now. With some careful management, soon you'll be ready to open up your shop!

Each of these 4 tips will help you communicate better with your suppliers and ensure a better outcome for your shop.

ASK FOR A SET OUT

A good first step is to have your shopfitter "Set Out" the shop for you, particularly if you can't quite visualise the fitout as it will appear in 3D simply by looking at the plans.

A Set Out is when the builder takes critical measurements from the plans and marks them on the floor of the tenancy. They can easily add to this to show you more details, such as counter depths, equipment locations and so on, so you can walk around all the items and get more of a sense of how the space will function when your fitout is complete.

Lots of people find it hard to read plans and translate them into reality, so don't worry about asking for a Set Out – it's much better for you and the shopfitter to understand the space long before the walls are actually built! But make sure you let your shopfitter know at the tender stage if you want a Set Out, as they will need to allow a little extra time (a couple of hours) to add in any details you might need to see.

MONITOR YOUR SHOPFITTER'S PROGRAM

The shopfitter will draw up a program, similar to your project program, that shows what's happening on each day of the build. Some shopfitters are more sophisticated than others with programming, but they should all be able to able to give you a breakdown. If they can't, then you should be very worried – how will they be able to manage the build if they don't know what's happening when?

On that note, you need to make sure your shopfitter knows when everything you have ordered directly is due to turn up on site. They will need to make sure the works for the item are completed – e.g. has the gas supply been extended to where your combi oven is to go? Has the floor been completed before your display modules are due to arrive? Are the electrical connections for your signage in place? You may need to work with the shopfitter to determine the best delivery date that suits both the build program and your supplier. The shopfitter may also have works to schedule in after the delivery, such as connections, so make sure you keep on top of the supplier so the dates don't slip.



The real monitoring starts when they have works underway onsite. Bring the program with you and check where they're at. Is there meant to be a painter on site? Is he there? If he's not, is it because he didn't turn up, or did the shopfitter push him back? Ask questions when things aren't running according to the plan, but be aware that things can change during the build and your shopfitter may have good reasons to make changes.

The main thing to determine is that if someone is not there who should be according to the shopfitter's program, that your shopfitter knows why and knows when they're coming, and isn't just letting the site sit around idle. If one trade or supplier is delayed, a good shopfitter can usually schedule something else in instead so you don't lose time due to such delays.

DO "DEFECTING" AS YOU GO

"Defecting" simply refers to when you check the work for defects.

Many shopfitters will do one defects inspection at the end of the build. But that can be too late for some trades. For example, in the course of your three-week fitout, an individual tradesperson might only be on your site for one or two days, and it can be very difficult to get them back to fix a problem as they are likely to be booked up for more work after your fitout as well. It is far better if the shopfitter is defecting their work once they are finished rather than waiting for everything to be done.

Also, some trades' work can be "built in" and is therefore hard to access at the end. Tiling is a good example of this – once equipment is installed, it's a real pain to get the tiler back in to fix something – like poor alignment or gaps in grouting – because the equipment is all in the way. Keep an eye out for any defects as the days go by – checking to see how the work is coming along and letting your shopfitter know if you have any concerns.

🔯 HEAD OFF LANDLORD INTERFERENCE

Some landlords stick their noses in a bit too much during the build, and you should watch out for this too.

Make sure your shopfitter knows that you will only pay for work that has been directed by you or your project manager, not by the landlord. Otherwise your project may go well over budget and you may not get the fitout you planned!



MONITORING YOUR FITOUT - CHECKLIST

While your fitout is being built, this is the time to make sure that everything is proceeding as close to on-time and on-budget as possible.

INSTRUCTIONS



Refer to this checklist when visiting the site. Keep asking questions until you are satisfied with how the build is progressing. Be polite but not *too* polite. At the end of the day, this is *your* shop that's being built. No one else will ever be as invested in it as you are, and so you are entitled to push to ensure standards are met and that you are being communicated with clearly.

Take your time on site and check:

FINISHES	
□ Are they using the specified materials flooring/tile	es/paint colours?
□ Is the quality of work acceptable? Does it need an	n extra coat of paint?
□ Is the grouting of tiles smooth?	
□ Are edges and joins neat and well finished?	
LAYOUT	
The shopfitter should always have a copy of the pl but take your own copy with you and make sure:	lans onsite,
□ Are walls and doorways in the correct position?	□ Do the doors swing the right way?
🗆 Are the counters and joinery in the correct position	n?
□ Are the changes in floor/wall coverings/tiles/paint	for back and front of house in the correct position?
 Are location of connections for power and plumbi 	ing in the correct position?
<u> </u>	

TIMING
□ Looking at the program the shopfitter provided and the date of your visit, have all the tasks due to be completed by that time been finished?
□ Do the tasks that are supposed to be underway look like they are happening?
□ Are the appropriate trades onsite on the day for the work that is due to be happening?
□ If the answer to any of these questions is "no", then ask the shopfitter why the work is not completed/underway.
□ Ask the shopfitter how this will impact the program and sequence of works to come?
Ask how it will impact the timing of the works/deliveries from any contractors you have directly arranged yourself such as signage installation or kitchen equipment delivery. You may need to reschedule so that there is not a clash of workers onsite.
□ Ask the shopfitter can they still make the original date for all their works to be completed.
CLEANLINESS
It's very important to keep the building manager/landlord onside by minimising the impact your fitout has on the surrounding areas.
□ Make sure that there is no dust etc. being traipsed out of the tenancy and into public spaces or this will cause issues for the building manager/landlord.
□ Is there a mat inside the tenancy to keep dirt inside?
□ Is the shopfitter regularly sweeping outside the fitout if some dirt transference cannot be avoided?
SAFETY
Although it is the shopfitter's responsibility to ensure the safety requirements of the building manager/landlord are implemented, don't be afraid to ask questions
□ Do you believe that the workers are working in a safe manner?
□ Do you need to wear personal protective equipment (PPE) to visit the site? Your shopfitter should have a spare hardhat and vest you can wear if required. You will usually need to wear flat, closed-in shoes for a site visit.
NOTES

10.3

THE FINAL WEEK -**ADVICE FROM KARYN**



Karyn O'Brien, owner of Setting Up Shop and a retail fitout expert, talks you through your last week of prep to set you up for a great start.



You're nearly there!

In your program, we allowed one week after your fitout is complete for you to finalise all the little bits and pieces that you need to be prepared for open day. And in your final week, you'll likely be preparing to open by stocking, training and testing.

But before you begin those activities, there are some certification and fitout-related responsibilities you need to take care of (see documents 10.4 and 10.5 in this Step).

Once your fitout is complete and you have completed your defect inspection - and all your paperwork and certifications are in order too – it's time to get ready to trade.

The last few days will be busy and exciting. The shop has now been handed over to you by the shopfitter, and you can start to get ready to open!

This last week, it's time to do the following things:

- □ Take delivery of stock
- Install any final equipment, especially POS, security and any other direct items
- Induct and train staff
- Merchandise the store
- □ Food and Beverage businesses do a soft open: test all equipment, cook the menu, practise serving etc.
- Roll out your marketing and social media
- Take lots of photos while everything is pristine
- Have an opening party for everyone who helped you get here!



CERTIFICATION & DEFECTING - GUIDE

Your fitout is complete, but there's still paperwork for you to get in order before you can open.

INSTRUCTIONS



Run through all of the items in this Certification & Defecting Guide to make sure your shop is ready to open. This will help you avoid last-minute stress and delays ... and make sure your fitout is in the best possible condition for your opening day. A big part of most final certifications is the management and operational side of the business. But building work forms part of this too. This checklist will help you to ensure your fitout is complete and high quality and that you get your documentation ready in advance.

Make sure you attend to:

1: LANDLORD REQUIREMENTS FROM THE FITOUT GUIDE

Your landlord may have a long list of things for you to provide before they will let you open. These should be listed in your Fitout Guide, or you may be sent the list in the week or two before your opening date. Send this list straight on to your shopfitter and get them to start assembling all the documentation! This is often called an Authority To Trade or similar.

Not all of the things on your Landlord's list will be provided by the shopfitter, so make sure you're on top of all your paperwork. The Landlord will want to make sure:

- your lease is all finalised
- insurances and bank guarantees are in place, and
- any money you owe them (first month's rent, Cat 1 works if applicable, etc.) have been paid.

2: CERTIFICATE OF CLASSIFICATION (C OF C)

You will also need to get the Certificate of Classification (C of C) or Certificate of Occupancy from your Certifier – that will let you know that everything has been constructed in accordance with all the relevant codes and regulations. For the Certifier to issue the C of C they will want all of the individual trade certificates, and they may want to come out to inspect the tenancy as well. Make sure your builder has the certifier's email address and tell them to cc in the certifier for every certificate they send you.

NB: many shopfitters will not release these certificates unless their payments are up to date, so make sure you're on top of their bills!



🖺 3: OPERATION AND MAINTENANCE FOLDER

Get an Operation and Maintenance folder from your shopfitter. This will have all your drawings in it as well as maintenance and cleaning information for everything they delivered in their contract. You might want to include this in the contract you sign with them as some shopfitters don't provide them an Operation and Maintenance folder as standard. It's very handy to have this info on site down the track.



4: HEALTH INSPECTION

Food and Beverage businesses will want to have booked in the Health Inspection a week or so before the last week so that the council food safety officer can come through and send you the paperwork before you are due to open. It can take a few days to get the final sign off, and you will need it to be able to trade.



🖺 5: DEFECTING YOUR FITOUT

Run through the defecting checklist on the following page. Hopefully you will find that any major problems have been picked up along the way during your site visits, but it is always worth doing a final defect inspection once the cleaning has been completed.

Some shopfitters will ask you to defect before the cleaners have gone through so they don't have to clean twice. That's fine, but don't let that be the only inspection, as sometimes they will explain away a problem with "that'll come out in cleaning" and it doesn't. If you are restricted to one defect inspection you may regret it.

Take photos of any problems and make notes, and then send the defect list through to the shopfitter formally. That way you don't run the risk of forgetting anything. It's always better to bring someone else along when defecting if you can they may pick up things you don't see as they aren't as familiar with the space and how it's been evolving over the past months.

Your landlord may also do a defects inspection. Their standards are usually very exacting and they can have some strange requests at this late stage. I highly recommend having your shopfitter there for the landlord's defects inspection as it is their work that is being reviewed. They will also know all the terminology, know what can and can't be fixed, and make excuses where needed!

Note: this is why you keep part of the final payment from the shopfitter - in case they have to fix anything! If you have some money left (5-10% is the norm) then you can use that to pay someone else to fix any problems if your shopfitter vanishes. This has to be in the contract though - don't withhold payment unless you have it writing that you can.

Setting UpShop

DEFECTING -CHECKLIST

INSTRUCTIONS



First, run through all of the items in the Certification & Defecting Guide on the previous page. Then print out this checklist and take it with you when you visit your store. Take photos of any problems you find and make sure you notify your shopfitter formally (via email with attached reference photos) when notifying them of the issues that need to be rectified.

SHOP FRONT - EXTERNAL

- IT wall treatment installed
- Signage illuminated
- Footpath dining furniture fits
- Window vinyl correctly applied
- Door has safety vinyl panel at a minimum

SHOPFRONT - INTERNAL

- Door handle operational
- □ Door lock operational and keys supplied
- □ Door stop installed if required

WALLS

- Edges sealed and unchipped
- Tiles straight and grout tidy
- All gaps around pipework or benches etc. sealed with silicon
- Any holes in walls from moving of screwed in items filled in
- Smooth finish to plasterboard joins
- □ Enough coats of paint for quality finish
- Skirting boards installed flush and painted

FLOOR

- □ Smooth floor finish
- □ Good transition at doorway
- ☐ Good transition/seal Back of House/Front of House
- □ Cleaning instructions for flooring provided

CEILING/LIGHTING

- □ Smooth finish to plasterboard joins
- Enough coats of paint for quality finish
- □ Lighting divided into correct circuits for control
- □ Corners with walls well finished

JOINERY/FIXTURES & FITTINGS

- Cupboards and drawers operate smoothly and shut flush
- □ Kickboards installed and painted

SERVICES

- Air conditioning operates correctly
- □ Fire Exit signs installed and illuminated
- ☐ Fire extinguisher/s or sprinklers installed as required

GENERAL

Cleanliness

CONCLUSION

OPENING DAY -ADVICE FROM KARYN

A final, encouraging word from Karyn O'Brien, owner of Setting Up Shop and a retail fitout expert.



You made it!

Many retailers say that opening a shop is one of the most stressful things they've ever done. Hopefully, by using this guide and knowing what steps to take at each stage of setting up your shop, that stress has been eased for you.

While you've had to build a team along the way to get your shop to opening day, now is the time for you to shine! You may not be a designer or builder, but you are a retailer. And

once you open those doors to customers, your business is in your hands.

I love watching people I work with finally getting behind the sales counter or into their kitchen and start doing their thing – selling their products, helping their customers, cooking their food, running their business. It's such a great payoff after months of hard work, planning, budgeting and programming. And sometimes I'm lucky and get to watch their business grow, expand and develop over the course of a few years.

Congratulations on setting up your shop!



HELPFUL Setting**U**pShop APPENDIX RESOURCES BY STATE



▲ QUEENSLAND

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

Oueensland State Government

www.business.qld.gov.au/starting-business

Brisbane City Council

www.brisbane.gld.gov.au/planningand-building/do-i-need-approval/ business-projects

BUILDING LICENSE CHECK

www.qbcc.qld.gov.au/about-us/our-listsregisters

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find a building_surveyor.aspx

PORTABLE LONG-SERVICE LEAVE

Oleave

www.qleave.qld.qov.au

FIND YOUR LOCAL COUNCIL

Get Ready Queensland

www.getready.qld.gov.au/findyour-local-council

FOOD LICENCING

Brisbane City Council

www.brisbane.qld.gov.au/laws-andpermits/laws-and-permits-for-businesses/ food-business-licence/licences-for-fixedpremises

FOOD SAFFTY

Australian Institute of Food Safety

www.foodsafety.com.au/lawsrequirements/location

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

Queenlsand liquor license

www.business.gld.gov.au/industries/ hospitality-tourism-sport/liquor-gaming

OueenIsand meat & seafood licenses

www.safefood.qld.qov.au

w VICTORIA

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

Victorian State Government

www.business.vic.gov.au/setting-upa-business/how-to-start-a-business

City of Melbourne

www.melbourne.vic.gov.au/business/starta-business/Pages/starting-a-business.aspx

BUILDING LICENSE CHECK

Victorian Building Authority

www.vba.vic.gov.au/tools/find-practitioner

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

Victorian Building Authority

bams.vba.vic.gov.au/bams/s/practitionersearch

PORTABLE LONG-SERVICE LEAVE

LeavePlus

leaveplus.com.au

FIND YOUR LOCAL COUNCIL

Know Your Council

www.knowyourcouncil.vic.gov.au/home

FOOD LICENSING

City of Melbourne

www.melbourne.vic.gov.au/business/ permits-and-approvals/hospitalitybusinesses/Pages/hospitality-businesses. aspx

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

Victorian liquor license

www.vic.gov.au/liquor

Victorian meat & seafood licenses

www.primesafe.vic.gov.au

NEW SOUTH WALES

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

NSW Government

www.nsw.gov.au/working-and-business/ starting-or-running-a-business

NSW Government: Service NSW

www.service.nsw.gov.au/guide/startor-grow-business-nsw

NSW Government: Service NSW

www.service.nsw.gov.au/business

City of Sydney

www.cityofsydney.nsw.gov.au/policies

BUILDING LICENSE CHECK

NSW Government: License Check

verify.licence.nsw.gov.au

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

NSW Government: Fair Trading

verify.licence.nsw.gov.au/home/Trades

NOTE: Before you start any approved building or construction work in New South Wales, your local council or a licensed independent party must be appointed as a principal certifying authority (PCA).

PORTABLE LONG-SERVICE LEAVE

NSW Government: Long Service Corporation

www.longservice.nsw.gov.au

FIND YOUR LOCAL COUNCIL

Find Your Council

www.olg.nsw.gov.au/public/findmy-council

FOOD LICENCING

NSW Government: Service NSW

www.foodauthority.nsw.gov.au/help/licensing/applying-food-licence

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

NSW liquor license

www.service.nsw.gov.au/transaction/findyour-nsw-liquor-licence

NSW meat & seafood licenses

www.foodauthority.nsw.gov.au/help/licensing

SOUTH AUSTRALIA

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

SA Business Information Hub

business.sa.gov.au/information/start-abusiness

City of Adelaide

www.cityofadelaide.com.au/business

BUILDING LICENSE CHECK

Consumer and Business Services

secure.cbs.sa.gov.au/OccLicPubReg/index.php

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

BUILDING SURVEYOR SEARCH

Plan SA

www.plan.sa.gov.au/accredited_professionals_register

PORTABLE LONG-SERVICE LEAVE

Portable Long Service Leave

www.portableleave.org.au

FIND YOUR LOCAL COUNCIL

Local Government Association of SA

www.lga.sa.gov.au/sa-councils/councils-listing

FOOD LICENCING

Government of SA

www.sahealth.sa.gov.au/wps/ wcm/connect/Public+Content/ SA+Health+Internet/Public+health/ Food+safety+for+businesses/ Food+safety+for+businesses

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

SA Government - licenses and permits

www.sa.gov.au/topics/business-and-trade/licensing

■ WESTERN AUSTRALIA

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

Government of WA: Small Business Development Corporation

www.smallbusiness.wa.gov.au/startingand-growing

City of Perth

www.perth.wa.gov.au/live-and-work/businesses

BUILDING LICENSE CHECK

Government of WA: Find a registered builder

www.commerce.wa.gov.au/building-and-energy/find-registered-builder

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

BUILDING SURVEYOR SEARCH

Government of WA: Find a registered building surveyor

www.commerce.wa.gov.au/building-and-energy/find-registered-building-surveyor

PORTABLE LONG-SERVICE LEAVE

My Leave

www.wa.gov.au/organisation/myleaveconstruction-long-service-wa

FIND YOUR LOCAL COUNCIL

Online Local Government Directory

www.walga.asn.au/About-Local-Government/Online-Local-Government-Directory.aspx

FOOD LICENCING

City of Perth

www.perth.wa.gov.au/forms-andpayments/residents-and-businesses/ Business/certification-and-approval/ food-business-registration

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

Business License Finder

www.licence.smallbusiness.wa.gov.au/ BusinessLicenceFinder

AUSTRALIAN CAPITAL TERRITORY

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

ACT Government: Access Canberra

www.accesscanberra.act.gov.au/s/business

BUILDING LICENSE CHECK

ACT Government: Access Canberra

www.accesscanberra.act.gov.au/s/construction-professionals

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

ACT Government: Access Canberra

www.accesscanberra.act.gov.au/s/construction-professionals

PORTABLE LONG-SERVICE LEAVE

ACT Government: ACT LEAVE

www.actleave.act.gov.au

FOOD BUSINESS REGISTRATION

ACT Government: Access Canberra

www.accesscanberra.act.gov.au/s/article/ register-a-food-business-tab-registeringa-food-business-in-the-act

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

ACT Government: Access Canberra – Liquor licensing and permits

www.accesscanberra.act.gov.au/s/article/liquor-licensing-and-permits-tab-overview



CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

Tasmanian Government

www.business.tas.gov.au/starting

City of Hobart

www.hobartcity.com.au/Business

BUILDING LICENSE CHECK

Tasmanian Government: Consumer, Building and Occupational Services

www.cbos.tas.gov.au/topics/licensingand-registration/search-licensedoccupations/find-a-licensed-tradesperson

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

BUILDING SURVEYOR SEARCH

ACT Government: Access Canberra

www.cbos.tas.gov.au/topics/licensingand-registration/search-licensedoccupations/find-a-licensed-tradesperson

PORTABLE LONG-SERVICE LEAVE

TasBuild

www.tasbuild.com.au

FIND YOUR LOCAL COUNCIL

Local Government Association Tasmania

www.lgat.tas.gov.au/tasmanian-councils/find-your-local-council

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

FOOD BUSINESS REGISTRATION

City of Hobart

www.hobartcity.com.au/Business/Food-and-beverage-businesses/Food-businesses#section-3

LIQUOR LICENSING

Tasmanian Government: Liquor and Gaming

www.treasury.tas.gov.au/liquor-and-gaming/liquor/applying-to-sell-liquor

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

Tasmanian Government: Biosecurity Tasmania

www.dpipwe.tas.gov.au/biosecurity-tasmania/product-integrity/food-safety

NORTHERN TERRITORY

CONTRACTS

Australian Standards (national)

www.techstreet.com/sa/searches/28872663

STARTING A NEW BUSINESS

NT Government

nt.gov.au/industry/start-a-business

City of Darwin

www.darwin.nt.gov.au/business/planning-development/permits

BUILDING LICENSE CHECK

Building Practitioner's Board

www.ntlis.nt.gov.au/building-practitioners

BUILDING CERTIFIER SEARCH

AIBS (national)

www.aibs.com.au/Public/Public/find_a_building_surveyor.aspx

BUILDING CERTIFIER SEARCH

Building Practitioner's Board

www.ntlis.nt.gov.au/building-practitioners

PORTABLE LONG-SERVICE LEAVE

NTBuild

www.ntbuild.com.au

FIND YOUR LOCAL COUNCIL

NT Government

www.nt.gov.au/community/local-councilsremote-communities-and-homelands/ find-your-council

STATE GOVERNMENT LICENSING

Australian Business Licence and Information Service (ABLIS)

ablis.business.gov.au

FOOD BUSINESS REGISTRATION

NT Government

www.nt.gov.au/industry/hospitality/accommodation-and-food-businesses/register-or-renew-a-food-business

LIQUOR LICENSING

NT Government

www.nt.gov.au/industry/hospitality/liquor-licences-and-wholesaler-registration/apply-for-a-liquor-licence

FOOD SAFETY

Australian Institute of Food Safety

www.foodsafety.com.au/laws-requirements/location

B GLOSSARY



You may find this list of key terms handy to help you understand any unfamiliar terms in this guide, your lease and key documents.

It may also help you communicate with your landlord, shopfitter, designer and other trades.

Access Panels

Square holes with a cover in your Ceiling that allow tradespeople to get up into the ceiling space to carry out work. Not needed if you have a Grid and Tile Ceiling, only if you have a Plasterboard Ceiling.

Acoustic

Refers to anything to do with sound. For example, you may need Acoustic testing when you apply for a Liquor Licence, or an Acoustic Engineer if you are fitting out a theatre or cinema.

Ancillary documents

Your lease may reference other documents – such as a Fitout Guide, Design Guidelines, House Rules (or whatever the landlord has called their associated documents). Rules in these ancillary documents can cost you a lot of money, so make sure you and your lawyer read them closely.

Architect

An Architect designs buildings. There are various areas they can specialise in, including interiors, public spaces and landscapes, and they can also focus on specialised buildings – for example, universities, commercial buildings or retail spaces.

Asset Manager

An Asset Manager is the person who has responsibility for making sure a property is

generating profit for its owner. The Asset Manager will balance the rent that is coming in against the expenses that are going out. They are often the person who will make the final decision on negotiations around rent and Incentives. Building Managers and Centre Managers will often report to an Asset Manager.

Asset Register

You may be asked to provide an Asset Register to show what you have spent your Fitout Contribution on and also so that your Landlord can formally register their interest in the capital items you nominate. The purpose of this is twofold: it allows the Landlord to depreciate the assets against the fitout contribution, which is beneficial for tax. But more importantly, it means that if your business fails during the term of your lease, the landlord owns the items on the Asset Register. That means they can sell the items or keep them and give them to a new tenant taking over the tenancy. It is important to note that most leases say you cannot have finance over an item on the asset register.

Bank Guarantee (BG)

As part of the security for your lease, most Landlords will want you to provide a Bank Guarantee (BG), which you arrange through your bank. A BG usually needs to be made out in the same name as the lease is held, so typically this will be your company name, and can take several days or even weeks to arrange. Your bank will also want collateral against the guarantee – check what they will need (it's often

shares, cash or property). Most Landlords will not provide Handover without providing a BG.

Base Building

Base building refers to the parts of the building that are already built and form part of the shopping centre or main building that your tenancy will be in. It includes things like the walls, roof and the main floor of the building (but not its carpet, tiles or other finishes) fire services, air-conditioning services (if any), drains and water supply.

Base Build contractors

These are the contractors the landlord used in the design and construction of the main building your tenancy is situated in. As they will be familiar with the building already, the base build contractors may be able to save you time and therefore money. They may include: structural engineers, mechanical engineers, fire engineers and hydraulic engineers as well as the installers of the fire, mechanical and hydraulic services.

Body Corporate Rules

Body corporate by-laws are a set of rules which apply to a particular residential building. When owners or occupiers agree to live in the scheme, they agree to abide by these rules. Likewise any tenants of a retail space that is part of a residential building will need to comply with the Body Corporate Rules – this may include rules regarding noise, rubbish disposal and operating hours.

Brief / briefing

A design brief outlines the deliverables and scope of the design work required, including any specific custom items and an indication of timing and budget. The brief should include the client's expectations regarding the style and atmosphere of the completed project.

Builder

A builder builds buildings. They are licensed by the states (in Australia) and also often specialise in different types of construction. There can be different levels of licensing – from simpler construction all the way up to high rise. Builders can also be "limited to shopfitting". While "limited" might sound like a bad thing, it may simply show they have chosen to specialise in that area, which is what you want when looking for a shopfitter for your new shop. (Licensing is usually cheaper for the "limited to shopfitting" class as it has a lower insurance risk, and if the builder knows he doesn't want to ever build a high rise, why would he pay for it!)

Building Approval (BA)

A Building Approval (BA) is the certificate that allows your builder to start works on site. It is provided by your Building Certifier once they have reviewed and assessed your plans, and states that the plans have been designed to comply with building regulations. NB: you may also need other approvals, such as Council Hydraulic Approval and Food Design Compliance before you can start works.

Building Certifier

This is the person who checks to make sure your plans comply with the National Construction Code and other regulations to ensure that any building work is fit for purpose from a structural, fire-safety and accessibility point of view. The building certifier may also be called a "building surveyor".

Building Manager

A Building Manager is the person who looks after a commercial building. They are responsible for entering into contracts to manage the Base Building services, as well as for cleaning, waste removal and other general services. They may also enforce any House Rules, look after Safety Inductions and be your first point of contact if anything happens in your tenancy. In shopping centres, the Building Manager may be called an Operation Manager, Centre Manager or Facilities Manager.

Building Surveyor

See Building Certifier.

Cabinetry

Cabinetry usually refers to box-shaped fittings with doors and/or drawers for storage as well as the surface on top that can be used for display, or as a working surface, such as the countertops found in kitchens.

Category 1 costs (Cat 1s)

These are building works that will be done by your landlord, but that you will pay for. They are usually works that touch the Base Building – Landlords often like to control these works so that the quality of the work can be maintained. Examples include airconditioning or fire services.

Ceilings

There are a few types of ceilings that may be talked about during your project:

Suspended ceiling: this is any type of ceiling that is built by hanging it out of the roof above. Some people mistakenly believe that "suspended ceiling" refers to a certain look of ceiling.

Grid & Tile ceiling: usually seen in offices, it is a practical type of ceiling that allows easy access into the ceiling space. These ceilings are usually an exposed metal grid with plasterboard, vinylfaced or acoustic tiles. Many older buildings and tenancies have this type of ceiling, and most Institutional landlords will not allow a Grid and Tile ceiling where the public can see it.

Plasterboard ceiling: a flat ceiling that is formed from sheets of plasterboard that are set and painted.

Exposed ceiling: basically, no ceiling – if you look up you will see all the services, cabling and the slab or roof above. This can work well with an industrial type of fitout, but check your Design Guidelines and Fitout Guide – they may require additional works to make sure the ceiling space looks tidy, or that any air-conditioning duct work is hard rather than flex, which can make the choice of an exposed ceiling quite expensive.

Centre Manager

The Centre Manager is the person in charge of a shopping centre. They may head a team of people, or be the only person looking after 5 or 6 centres in an area – it depends on the size and complexity of the centres. Centre Managers are responsible for creating and managing the day-to-day budgets of the centres. See also Operations Manager and Retail Manager.

Certificate of Classification (C of C)

Your Certificate of Classification (C of C) is the final certificate produced by your Building Certifier that say your Fitout works are finished and have been completed in accordance with the regulations.

Concealed Space Heads

See "Fire Services - Sprinklers".

Concept Plans

See "Plans".

Condenser

There are two types of condensers:.

1. When used in reference to the air-conditioning system, a Condenser unit is the part of the system that creates the cooling effect. The condenser is the part that usually sits outside as it generates heat. If you need to install additional air-conditioning, make sure you find out where you can put the condensers, as it can be expensive to run the pipework and power supply needed to them.

For F&B (Food and Beverage) retailers, aCondenser is also a part of fridges and cold rooms.

In some smaller units the condenser can be part of the fridge – for example on your domestic fridge its the coils on the back. However, for cold rooms and larger fridges the condenser can be separate. It is preferable to have these condensers outside your tenancy, as the heat generated will place an extra load on your air-conditioning, making it less efficient and they may be noisy as well. Some Landlords have designated areas where you can place your condensers – make sure to find out if that's the case.

Contingency

The contingency allocation in your budget is a buffer for any unforeseen costs that pop up during the build. The standard amount to budget is 10%, but at the initial planning stage we recommend allowing up to 25%. As you lock things down during the process you can reduce this bit by bit.

Contractor

In simplest terms, a Contractor is someone you have a contract with. Usually you will have a main Contractor and they will engage Sub-Contractors (also called "Subbies"). These are the individual trades who will be part of your Fitout team.

Contribution

See "Fitout Contribution".

Council

Your Local Council looks after some of the regulations that will apply to your Tenancy, for example, Food Business Licensing, Footpath Dining Licensing, as well as many others. Check with Council to find out what you need to make application for – most have a good website that you can refer to.

Defecting

Defecting refers to checking work for defects. Ideally defecting should be done throughout the building phase. Keep an eye out for defects when you visit site and let your shopfitter know so he can get the correct trade to rectify any concerns. You should also do a thorough defect inspection a couple of days before the shopfitter is due to finish so that they have time to get issues fixed while they are still onsite (and before you open).

Defects

A defect is a fault or deviation from the specified design. This could be a cracked tile, crooked cupboard door, wrong colour of paint or an unfilled whole in the wall. It is okay to be picky about the quality of finishes in your tenancy and ask the

shopfitter to have any incorrect, incomplete or untidy work corrected.

Demolition plan

See "Plans".

Design & Construct Contract

This type of contract means your Builder will design the Fitout as well as build it. This arrangement can be useful if you have a tight budget or tight timeframes. As the plans are not finalised when the contract is entered into, it is difficult to accurately compare pricing, which makes some people concerned about using these contracts. However, a carefully worded Tender can mitigate some of that risk.

Design Guidelines

Bigger Landlords often provide Design Guidelines, which might also be part of the Fitout Guide. Design Guidelines describe the rules for how your tenancy is to be designed, and they must be complied with as they form part of your Lease.

Design Guidelines are enforced by the Retail Design Manager (RDM). Strict Design Guidelines can have an impact on your Fitout both in terms of how you want it to look and how much it will cost. For example, an RDM might restrict how wide your entry door is, what materials you use, or even what colours you choose.

It is very important to get a copy of the Design Guidelines before you sign your lease and have your Interior Designer and Project Manager review the document so they can advise you of any high-cost items that are required. See also Fitout Guide.

Drip Tray

Any tray that sits under a piece of equipment and catches water – usually the equipment is cold and therefore creates condensation, like fridge condensers and air-conditioning systems. Sometimes the drains in drip trays get blocked as they are quite small, which can result in the tray overflowing. This is often a cause of water damage in ceilings that might appear to be from a roof leak.

Electrical Plans

See "Plans".

Electrician

The person who runs the electrical, and often data, cabling as part of your fitout. Some electricians will also run security cabling, but they need to be licensed to do so. General data cabling does not have to be run by an electrician as it is not live (aka can't electrocute you), but most electricians do it as

part of their works. Specialised data cabling should be carried out by a specialist contractor.

Elevations

See "Plans".

Emergency lighting

These are small lights in the ceiling that come on if the power goes out to help you find your way to the exit. Your Tenancy will likely have at least one emergency light, and if you create additional rooms within your tenancy, you will need to install an emergency light in each one. Emergency Lights are sometimes part of the Cat I works, but your electrician can also install them. These lights are also called Spitfires.

Engineer

An engineer designs specific complicated systems to make sure your Tenancy Fitout is comfortable, safe, and does what you need it to do. For your Fitout project, the main Engineers you will encounter are:

Mechanical Engineer: looks after the airconditioning and Kitchen Exhaust systems.

NB – not every Mechanical Engineer can design a good Kitchen Exhaust system, make sure yours has experience to suit.

Hydraulic Engineer: most councils will want Hydraulic plans to sign off on your Fitout. The Hydraulic Engineer looks after designing the water supply, drainage, and gas systems to suit your requirements. In some cases, a simple sink for tea, coffee and hand-washing will not need a Hydraulic Engineer, but check with your local Council.

Electrical Engineer: if you have a complicated Fitout, and especially if you are an F&B (Food and Beverage) operator, you may need an Electrical Engineer. They will make sure that no circuits are overloaded, that you have sufficient power supply coming into your tenancy, and that specialised areas are designed to work most efficiently. For simple Fitouts, they are not required, and if your Landlord suggests they are, you should question this.

Fire Engineer: while most Fire services can be designed by the company doing the actual work, you may need a Fire Engineer if the overall building is quite complicated. Fire Engineering is a complex field that considers smoke extraction, exit paths, and what systems need to be installed (e.g. fire hose reels, sprinklers, etc.). If you are part of a large building, airport or other building with a Fire Engineering Plan (FEP), your Landlord is likely to want your plans reviewed by their Fire Engineer to make sure they comply.

Structural Engineer: A structural engineer is not typically required for your average fitout, though some shopping centres may ask for certification of

your shopfront or your signage. In those instances, we recommend pushing back onto your contractor to provide the certification under their contract. Otherwise, a structural engineer is required to sign off that nothing in your fitout will fall down. Structural engineers are typically needed if you have a suspended or self-supporting structure, for example a heavy ceiling feature that hangs down into your shop or if you want to cut a section in a structural wall, build stairs, or undertake other major works.

Equipment Schedule

The equipment schedule lists all the items of equipment that will be in the tenancy that could impact the design. The schedule will encompass large items (like an oven) as well as smaller benchtop items (like a coffee grinder). The designer usually works with the tenant to compile an equipment schedule that shows the specific model of the item to be selected, a photo, dimensions and the preferred supplier. The equipment schedule informs the dimensions of the design, especially in areas such as kitchens where benches and ovens need to sit alongside each other and fit along walls etc. The items on an equipment schedule are generally directly sourced and paid for by the tenant.

EWIS (Emergency Warning and Intercom System)

The EWIS is the network of speakers and phones within a building that allows communication during a fire or other emergency event. It is used by fire wardens and the fire brigade. Your Tenancy will likely have at least one EWIS speaker in it, and changes in its location are usually part of the Cat I works. If you create additional rooms with in your Tenancy, you will need to install additional EWIS speakers.

Facilities Manager

See "Building Manager".

F&B (Food and Beverage)

F&B refers to the kind of businesses who prepare, present and serve food. This can include everything from a coffee cart to a Michelin-starred restaurant.

Fan Coil Unit (FCU)

The part of the air-conditioning system that blows the air around your tenancy and usually sits up in the ceiling space of your tenancy. It has filters that need to be regularly serviced, which means you will need to allow room underneath it for the service contractors to access it. This can be difficult if the unit sits above an area where you have fixed elements, for example a kitchen or counter. Check

with your landlord about this before finalising your design – sometimes they don't realise that it needs to be accessible until the first scheduled servicing comes around and the technicians can't get into it!

NB: watch out for an FCU that sits up very high in the ceiling if your tenancy is very tall (over 4 metres tall). Under Safety in Design principles – and to allow for regular maintenance – the FCU should either be between 300mm and 600mm above the actual ceiling you build, or should have a platform built underneath them. That means you might need to spend thousands of dollars either lowering it or building a platform.

FDA (Final Design Approval)

Your FDA will be issued by the Retail Design Manager from the Landlord once they have gone through the design review process outlined in the Fitout Guide. You are usually not allowed to start any works until this has been issued.

FEP (Fire Engineering Plan)

See "Engineer - Fire Engineer".

Final Plans

See "Plans".

Finishes

Finishes are used in the final part of construction or manufacturing, forming the final surface of an element. They can protect the element they finish from impact, water, abrasion etc. and/or they can be decorative. In a retail tenancy. finishes will include items such as benchtops, paint on walls and flooring.

Finishes Board

See "Sample Board".

Finishes Schedule

A finishes schedule specifies the interior finish material for each space and surface in your tenancy. The finishes schedule provides details of the walls, floors, ceilings, baseboards, doors, and window trims. The finishes schedule functions as a legend for the drawings, specifying items such as paint, tiles, timber and vinyl with details of colour, product code and supplier. Your finishes schedule will be collated by the designer as part of their documentation.

Fire services

Any of the services in the building that are to do with fighting fires, including:

Fire Hose Reels: sometimes called FHRs, this is pretty much what it sounds like – a hose on a reel. Things to watch out for here are that you may need to add in extra FHRs if you build walls through your tenancy or move the entry point – there are lots of regulations around FHRs. Some of these regulations are standards, but others will be included in the FEP (Fire Engineering Plan). Make sure your Building Certifier is aware of where the FHRs are, and has a copy of the FEP if there is one.

Sprinklers: a sprinkler system has a network of pipes in the ceiling space with small heads that spray water onto a fire. Many buildings now have Concealed Space Heads, which sit up above your ceiling in case there is a fire in that space, as well as below ceiling heads. If you have a Kitchen Exhaust system it will need sprinklers in the hood. If your tenancy has sprinklers, you will need an allowance in your budget, and they can be expensive.

Fire Hydrant: often located with FHRs, these are pipes that the fire brigade can attached hoses to in the event of a fire. Their locations are usually quite fixed and they are expensive to move. They can be quite tricky to design around.

Fit Off

This is the last part of a tradesperson's works and comes after the Rough In and Plastering. For example, an Electrician's Fit Off will include installing power points and lighting. A Plumber's Fit Off will include installing basins, taps, and toilets. And the Fire Services Fit Off will include installing the Sprinkler heads into the ceiling.

Fitout

This covers anything built within the Base Building or your Tenancy. Generally speaking, you will be given an empty box with walls and a floor, and everything you build inside it to create your shop is your Fitout. The term "Fitout" is used throughout this Guide to signify your building works. See also Shell.

Fitout Contribution

Your Incentive may include some money to be used to pay for your Fitout, which is called a Fitout Contribution. It is unlikely that this will cover all of your Fitout Costs, so be careful not to assume that it will. It also may not be paid until after you are open for trade and any Defects identified by the Landlord have been fixed.

Fitout Guide

As with the Design Guidelines, the Fitout Guide is usually issued by bigger Landlords. While the Fitout Guide might contain the Design Guidelines and the House Rules, it may also stand alone. The Fitout Guide describes the process the Landlord will go through with you to get your shop open. It will

include some information similar to this Guide, but is focussed on what the Landlord wants you to do. The Fitout Guide will form part of your Lease, so it is a legal document that must be complied with.

Importantly, the Fitout Guide will outline the design approval stages you need to go through to get your plans approved by the Landlord. This is usually in 3 stages: Concept, Preliminary and Final. You will need to build these timeframes into your Program.

The Fitout Guide will also explain if your Cat Is will apply to your Fitout, and other details about appointing your Builder and getting final sign off on your Fitout. The person who enforces the Fitout Guide is usually the Tenancy Coordinator.

Fitout Period

The length of time identified in your lease when you can carry out your Fitout works. It varies in length, but some standards are 4 weeks for most Speciality Shops, 6 weeks for simple F&B, and up to 12 or even 16 weeks for large tenancies. It can be negotiated. Your Lease usually doesn't start until the Fitout Period is up, but that does not mean it starts once you open. If your Fitout is delayed for any reason and takes longer than your Fitout Period, your Lease will start any way and you may be paying rent before your shop is even open.

Floor Plan

See "Plans".

Food Business Licence (health approval):

In most locations, if you are preparing and selling food you will need to register your establishment as a Food Business. This is usually managed by your local council. Food safety laws differ across the states and territories of Australia, and it's important to ensure that you're meeting federal, state and local requirements for your location. See our list of useful resources on page 104.

Food Service Business Waste

See "Trade Waste".

Footpath Dining Licence

Also known as an Outdoor Café Permit in Melbourne or a Footway Approval (Outdoor Dining) in Sydney, this is the approval you need from the local council to put your furniture out on the footpath. There are conditions around these approvals that can include design approval for your furniture, height restrictions, and rules about how close you can be to other items located on the footpath (e.g. trees, bike racks, and so on). If your landlord doesn't own the land then they cannot approve what goes on it. So if they suggest you can put tables and chairs on the footpath, you need to do a bit more research

and find out if that's actually the case, how much it will cost you (usually a yearly fee plus initial application fee) and what the restrictions are. If you don't get the correct approval, you can be in for a fine.

Footway Approval (Outdoor Dining)

See "Footpath Dining License".

Form 11

Form 11 is the number of the standard form for a Certificate of Classification in Queensland. These forms are issued by the Building Surveyor when works have been substantially completed and they've inspected the works to confirm they were constructed as per the Building Approval. The Certificate of Classification must be submitted to council. Once a Form 11 has been issued the building can be lawfully occupied.

Form 16

A Form 16 is a standard form in Queensland that confirms that an aspect or a stage of building work has been completed in compliance with the relevant building legislation. A building surveyor will need to collect all the relevant Form 16s for a project to be able to issue a Form 11. Form 16s are usually required for the following elements of a retail fitout: fire services, mechanical, electrical, hydraulic, glazing, gas, signage and structural.

Furniture Schedule

The furniture schedule lists all the items of furniture that will be in the tenancy. The designer usually works with the tenant to compile a furniture schedule that shows the specific model of the item to be selected, a photo, dimensions and the preferred supplier. Items on the furniture schedule will inform/fit the dimensions of the design. The items on a furniture schedule are generally sourced by the designer, but some maybe found directly by the tenant.

Gas Fitter

Gas fitting is a sub-trade of plumbing that relates specifically to working with gas pipes and appliances. Gas fitters can only work on gas systems, not plumbing, drainage or water systems.

GIT (Grease Interceptor Trap)

A grease trap is basically a tank, often underground, that collects oily, greasy water from cafés, restaurants, butchers and other types of retail outlets. The water sits in the tank for a while to allow the greasy matter to float to the top. The cleaner water then goes in to the regular sewer and a contractor comes to empty out the greasy waste,

which is called servicing it. In a shopping centre there are usually large grease traps that service several retailers, and the cost of emptying the grease trap is built into your outgoings. In smaller centres or non-centre tenancies, the retailer may need to enter into a contract to have their grease trap serviced.

Grease trap

See "GIT (Grease Interceptor Trap)".

Greasy Waste

See "Trade Waste".

Handover

Under your Lease, the Handover date is the date you take possession of your tenancy. It starts the Fitout Period. It is very important to note that your Landlord might Handover the tenancy to you but may not let you start your Fitout on the same day! The Landlord will usually want your Building Approval, Safety Inductions, FDA, Bank Guarantee, and the Lease to have been executed by you (though not necessarily them) before you begin your Fitout works.

It is important to note that you can push back your Handover date right up until you sign your lease, and you should never accept Handover until you have finalised and signed the Lease.

Hoarding

Hoarding/s are protective barriers used to close off a tenancy while the fitout works are going on or to hide a vacant tenancy in an operating centre. They are usually at least 1800mm high and made of plain MDF or ply board. You can get smaller hoardings, which are used for kiosk sites, and some centres will use taller hoardings with a cover at the top to prevent dust escaping during fitout works. Hoardings sometimes have graphics on them to make them look better, and your landlord may offer to put a "Coming Soon" type sign on the front once your lease is executed. Many shopping centres will charge tenants to install and move the hoarding during fitout. This is a cost that some leasing agents will negotiate on, so if it applies to your tenancy, try to negotiate it out as these costs can run to thousands of dollars, depending on the size of your shopfront.

Hood

The hood is the part of the kitchen exhaust system that sits above your cookline and captures the steam, heat and grease from your appliances. While you can get a hood off the shelf, your council health officers may want to see details of the design to make sure they are satisfied that your hood has the capacity to cope with your cookline. Make sure the hood you choose can do the job adequately. As a part of the kitchen exhaust system, there are lots

of extra bells and whistles that can be added on – and some that you might need to operate in your chosen tenancy – so it's important to check this out as part of your tenancy evaluation.

House Rules

The House Rules for a tenancy are normally provided by the landlord or their property manager and outline the requirements and restrictions for working in their building. House Rules are mainly focussed on Health & Safety. For example, they may restrict hours you can work and hours for noisy works and is likely to include forms that contractors need to submit ahead of time when they are doing work that requires fire or electrical systems to be isolated (shut down) to ensure safety and to enable connection.

Hydraulic Plan

See "Plans".

Hydraulics

Hydraulics is the catch-all term for anything to do with your water, drainage and gas. You might need a hydraulic engineer for your fitout.

Incentive

The incentive is the extra bit of help that a landlord will offer to get you to sign the lease. "incentive" basically equates to value and can be made up of several things: lessor's works, where the landlord carries out some works on your behalf; fitout contribution, which is cash they will pay you to help with costs for your fitout; or rent-free periods where you don't have to pay rent for a period of time, reducing your operating costs. You might get one or all of these things, and you should think about what will help your business the most.

Landlords build incentive costs into their planning for a property, but amounts can vary widely, and leasing agents will almost always offer you a lower amount than is budgeted for. If nothing is offered, ask for something. And ask for more than you want. This is a good negotiation tactic to help you end up with an incentive that lies somewhere between their low offer and your high request.

Incentive amounts can be based on market conditions, competing product (if the tenancy is in an area where there are several options for you to choose from), and the landlord's financial position.

Incentive Deed

An Incentive Deed is a legal document that outlines what you will get as an incentive to take on the lease and the conditions you will need to meet to receive the incentive. It is usually, though not

always, a separate document from the lease. This is because the lease usually needs to be registered with state authorities where it becomes public record, and landlords don't want anyone else to know what you are getting from them as an incentive, so they separate that part out (and it doesn't need to be registered anywhere).

The Incentive Deed is a document that you must read carefully – if you have agreed on a cash payment, there may be several hoops to jump through before you get the money – such as your shop being open for trade, providing copies of your invoices, and being defect free. Make sure to work out what that means for your cashflow. NB: Some landlords will provide progress payments rather than waiting until you are open for trade. They may offer an amount to help with your design and an amount to put down a deposit with a shopfitter. Again, ask the question ... if you don't ask you don't get!

Interior designer

An interior designer is someone who specialises in designing the inside of a building to create atmosphere and make the best use of the space. There are retail specialist interior designers, and you should ensure you choose a designer with relevant experience.

Joinery

Joinery refers to the wooden items in your design, such as doors, benches, cupboards.

Joinery details

Joinery Details cover the wooden components of your fitout. Big landlords are going to want your joinery details, but you may be able to get your shopfitter to produce them later for approval. It can be expensive to have your designer draw every cupboard, especially if they are fairly standard items. However, any specialised joinery or highly specific designs should at least have the design intent developed by the designer.

Kitchen exhaust

Cooking generates a lot of heat, steam, and grease. If the grease in particular is left in the tenancy it can create an unhealthy environment. The kitchen exhaust system sucks the hot greasy air out of the kitchen and discharges it, usually above the roof of the building. Sometimes "Kitchen exhaust" is abbreviated to "KEX". Kitchen exhausts can be quite complicated, and there are lots of possible variations and requirements that can end up costing you extra money – such as UV filters and electrostatic precipitators (ESP unit). Check the exhaust out carefully when evaluating potential tenancies.

Landlord

Your landlord is the person or (more usually) company that owns the property you are leasing. Sometimes you will deal with the landlord directly, but often they will use a property management company instead. However, your actual landlord will be the entity nominated on the lease. Some of the bigger property management companies are JLL, CBRE, and Savills.

Landlord fees

These can be costs such as survey fees, tenancy coordination fees, and so on. Landlord fees are charges that are not related to the rent but are related to getting your shop open in the landlord's property.

Leasing agent

The leasing agent is paid by the landlord to market their vacant tenancy and find a suitable tenant. They will usually work for a real estate agency, but for large corporate landlords they may be an employee of their business.

Legal & Lease fees

Generally, you will have to pay your own solicitor to review your lease – it is rare for that cost to be paid by the landlord. Do not skip this step: it is very important that you get legal advice! There may also be registration fees for you to pay so that the lease can be registered with the state and surveying fees for the tenancy to be measured to confirm its size. Check with your solicitor to determine which fees are nominated in the lease.

Lessee

Another word for "Tenant".

Lessor

Another word for "Landlord".

Lessor/lessee matrix

A table that shows which building and fitout works are being done by the Tenant and which by the Landlord. The lessor/lessee matrix can also show what is being included as part of the base building provisions (e.g. "power supply is 63 amp single phase with a 12 pole switchboard").

Lessor's Works

These are works that are carried out by the landlord at their cost. Lessor's Works are usually negotiated as part of the leasing deal and would form part of your incentive.

Licensed area

A licensed area sits outside your actual tenancy and is usually used for storage or as an additional dining area. Sometimes your licensed area may be an extra trading area in a shopping centre mall, but that is usually only offered to major tenants such as supermarkets. There will be a separate agreement for these licensed areas and a separate fee.

Letter of Offer (LOO)

The Letter of Offer outlines the commercial terms on offer from the landlord and forms the basis of the lease. It should contain details of any incentive on offer, whether that is cash, a rent-free period, lessor's works, or a combination of all of these items. Please note that while it is a record of the negotiations, it cannot be relied upon – the only documents you can rely on are the final lease as executed by you, without any notes or amendments (including handwritten notes, crossed out sections etc.) and the Incentive Deed.

Liquor Licence

To sell alcohol you need a liquor licence. This is an accreditation by the state government, and it can take months to get through the application, so get onto it early. See our list of useful resources on page 104.

Long Service Payment

Portable long service leave is paid leave given to workers for their service to the industry rather than continuous service to one employer. Each state has a scheme which allows workers in the construction industry and other service industries to continue earning long service leave benefits even if they change employers or move interstate. See our list of useful resources on page 104.

Make up air

If you have a kitchen exhaust system, its function is to suck air out of your kitchen, pulling it across your cookline so the smoke and fumes don't spread out into the rest of the space. The air that's being removed needs to be put back into the tenancy so that it's not just sucking out your expensive airconditioning. Your make up air system will provide this air to the tenancy. Some hoods will have a built in make-up air connection, some don't. And some tenancies will have a make-up air connection, others won't. Whatever is missing will cost you money, so make sure to check it out.

Mech / mechanical

In the context of a fitout, the mechanical works are the air-conditioning, heating, and kitchen exhaust.

Mechanical Contractor

The tradesperson who looks after your mechanical works.

0 & Ms

See "Operations and Maintenance Documentation".

Operations and Maintenance Documentation

Operations and Maintenance Documentation is a physical folder or files on a USB that are handed over by the shopfitter at the end of the build so the tenant knows how to clean and maintain everything installed in the fitout and when various items need to be maintained (e.g. yearly, six-monthly etc.). Copies of all the drawings and specifications for all the services will typically be included as well.

Offer

See "Letter of Offer (LOO)".

Outdoor Café Permit

See "Footpath Dining License".

Penetrations

Penetration is the technical term for holes in the building. You might need to arrange a scan of the wall or floor you are penetrating in case there are services in it. The tradesperson who needs the hole will usually arrange this, or your shopfitter might do it.

Plans

See Steps 6 and 7.

Preliminaries

These are the costs that your shopfitter incurs to complete your project but that are not allocated to a particular trade. They cover things like site set up, parking, administration, safety plans, and so on.

Preliminary Plans

See "Plans".

Principal Contractor

Principal Contractor is a legal term that confers workplace health and safety responsibilities. Generally, if you do not appoint your shopfitter as Principal Contractor then you as tenant are the responsible entity if someone is injured on the site. Different states have different rules, so make sure you investigate this. We always recommend you appoint a Principal Contractor.

Program

The program is the list of activities that need to happen, usually in a certain order, so that you can open your shop.

Project Budget

Your Project Budget is the amount of money you will spend on everything to do with getting your new shop open. This budget should include all of the costs you might incur, such as legal fees, design fees, landlord fees, regulatory fees, and so on.

Project Manager

A Project Manager is someone who is experienced in the delivery of a project and balancing all the requirements to deliver the required outcome. A project manager can work in any industry, but they are very common in construction and IT as these industries tend to be run on a project basis (a project is a discrete piece of work with an end date). Project Managers vary greatly and may not have experience in the area you need. It is no good hiring someone who has only built bridges if you need to build a 75 sqm café – retail fitout is a specialised field. The other important note is that you may come across project managers at various points during the process - your landlord might have one, your engineers might have one, and your shopfitter definitely might have one. But those project managers all work for their employers, not for you. Project managers work with their client's best interest as their priority, and you are only their client if you are the one who is paying them!

Referenced documents

See "Ancillary documents".

Reflected Ceiling Plan

See "Plans".

Regulatory fees

This is a catch all term that includes any fees paid to regulatory bodies, such as local councils, state or federal governments, licensing agencies, and so on. Examples include liquor licence fees, footpath dining fees, application fees, and so on.

Request for Tender (RFT)

See "Tender".

Retail Design Manager (RDM)

The Retail Design Manager (RDM) is the person who works for the landlord and drives the vision for the property. Landlords will have an idea of how

they want their property to look in order to drive customer through the doors, and the tenancies play a big part in that. If you think about a typical shopping mall, a lot of the visual impact comes from the shopfronts that you see as you walk down the mall. RDMs act as curator, making sure each tenancy looks as good as it can and meets the design guidelines (which they have usually drawn up) for the property. Smaller landlords and high street shops will not usually have an RDM.

Retail Tenancy Coordinator

See "Tenancy Coordinator (TC)".

Revisions

In the context of your plans and drawings, a revision is a set of changes. You should try to capture as many changes as you can each time you review the plans, as most designers will limit the amount of revisions they will do for you in their fee. This is why we stress that you should allow several days to review your plans so you can think about them in depth and note down all the changes you want in one revision. A major revision would be a big change to the floor plan, or a big change to a design element late in the design process. These will take the designer many hours to change in the drawing file as they affect not just the floor plan, but ceiling plans, elevations, and so on.

Rough in

Rough in typically refers to plumbing and electrical or data works. Rough in is the stage where the wires and pipes are put into the ceiling and wall spaces before they are sheeted up (covered in plasterboard). It is a lot easier for these trades to come when the wall is only half built so they have clear access. If you need changes to these things later on in the build, you may be up for re-plastering and re-painting.

Safety In Design

Safety In Design is the principle that considers the physical installation and on-going maintenance of an item. It is most often used when designing air-conditioning systems as they need to be accessed regularly for cleaning and contractors need to get up into ceiling spaces to work on the units. This can be very difficult and hazardous, so many companies will only service units that have been installed in accordance with Safety In Design principals. It's one to be careful of as these principles may necessitate the installation of a platform or walkway in your ceiling space, and you may not find out about this requirement until you're well into your build otherwise. Safety in Design can often affect tenancies in mixed use precincts where the main focus is not on the retail but on the offices or apartments above. It is rare in shopping centres.

Safety Induction

Contractors and tradespeople need to act quickly if there is an accident or incident during the fitout. Because every site is different, it is important that all people on site know where to find the information they need. The Principal Contractor is responsible for inducting everyone who works on your fitout to make sure they have all of this information and for the creation of the safety plan that will apply on the site. Building managers will usually have a safety induction for the Principal Contractor so they can pass on the details of the building for inclusion in the safety plan and site induction.

Safety Plan

The safety plan is an over-arching document that details how incidents and accidents will be handled on site. It contains contact details and instructions on what should be done, as well as forms that will be needed after the incident has been dealt with. There are legal obligations when carrying out a fitout, for everyone involved, and it is important to make sure that safety requirements are followed. Everyone on a building site should be going home safe and sound every night.

Sample Board

The sample board (also called a "finishes board") shows all of the finishes in the fitout together. It serves two purposes: (i) to make sure that all the finishes "work" together and don't clash (unless that's the look you're going for!), and (ii) to show the quality that is to be delivered. There are so many different finishes out there that it is impossible to know the look and feel of every one, so the finishes board gathers your fitout finishes together in one place so you can touch and feel them to make sure you're happy with them.

Sections

See "Plans".

Services

The Base Building Services include things like the air-conditioning, fire and water services, as well as drainage, gas supply, and power supply.

Set Down

A set down is a small drop at the entry of a tenancy. Usually somewhere between 25mm and 75mm. The set down means the base building floor of your tenancy, with no floor finish on it, is set down a little bit from the mall floor or footpath outside so that you can install your floor finish so that it is level with the floor finish outside your tenancy. This is important so that your customers don't fall as they come into your shop! This is tricky though if you have chosen to simply seal or polish the base-building floor – if you

are not putting anything on top of the base building floor you will be left with a little step. Your Building Certifier will not be happy with this! There are ways to deal with the set down even if you want the polished concrete look. Discuss this with your designer, but make sure to let the Retail Design Manager know what you are planning too.

Set Out

A Set Out is when the builder takes critical measurement from the plans and marks them on the floor of the tenancy. Lots of people find it hard to read plans and translate them into reality. Therefore asking your shopfitter for a Set Out can help you both understand how the space fits together and works. Your builder can easily add more details to your Set Out to show you specific measurements, such as counter depths, equipment locations and so on, so you can walk around all the items and get more of a sense of how the space will function when your fitout is complete.

Shell

The Shell of the Tenancy is the sides of the box: usually it refers to only the walls, roof and a floor. Sometimes you will also have a shopfront included.

Cold Shell: refers to an empty Tenancy with basic services only, no Fitout.

Warm Shell: usually includes a ceiling, lighting, shopfront, and floor covering, as well as airconditioning and fire services Fitted Off. You would need to bring in any racks, shelving, storage units etc. and possibly carry out some electrical works to add in power points and additional lighting fixtures.

Hot Shell: rare, but becoming more widespread. A Hot Shell is effectively a Warm Shell with additional design elements, ready to trade with minimal works.

Shopfront

Shopfront generally refers to the perimeter wall of your tenancy where customers will enter and where you will display your products. Shopfronts vary greatly – you can have simple aluminium framing and a swing door or a timber frame with bifolds and a built-in seat running the length of your shop! So obviously, costs can vary greatly too. If you have to build your own shopfront, make sure you know what is expected. This applies to internal malls as well. The Retail Design Managers will often have high expectations, so read the design guidelines carefully.

Signage / signs

There will be lots of signage in your shop everything from mandatory signs to optional ones, and may include blade signs, under-awning signs, hamper signs, 3D signs, sign box, etc.

Silicon

Silicon is a small but critical element that can cause you all kinds of dramas! Usually used in two places: joining pieces of glass in shopfronts and glazed walls, and sealing any gaps in kitchens. Poorly done silicon will look terrible. If it is not complete, you may have issues getting final sign off from council health inspectors.

Site Supervisor

The Site Supervisor is the person who is responsible for monitoring site activities during the fitout, with a particular eye on safety. Ideally, they should be driving quality, solving problems that come up, and driving the program, but some of these activities may be handled by the shopfitter's project manager instead.

Slab

The slab is the concrete floor of your tenancy and may also form the top of the tenancy as well (in which case it's called the slab above). It will have steel bars reinforcing it and may also have posttensioned cables and electrical or water services enclosed within it.

Soffit

The underside of an overhanging structure, such as an awning, arch or similar.

Specialty Shops / Specialities

In shopping centres this is the term used for any tenancy that is not a mini-major, food service, or supermarket.

Spit Fires

See "Emergency Lighting".

Style Guide

See "Design Guidelines".

Sub-Contractor / Subbie

A company that provides services to a builder or shopfitter.

Supp air

Supp air is a shortened form of "Supplementary air-conditioning system". This is a term that is most often used in shopping centres where one large air-con unit services many tenancies. Each tenancy is allocated a certain amount of the capacity of the unit, and if they need more (because they have lots of small rooms or have a higher heat load) then they will need to install a supplementary, or extra, system. This is usually a tenant cost.

Supplementary air-conditioning system

See "Supp Air".

Surveyor

A surveyor is a person who measures buildings to confirm the area of tenancies, common areas etc.

SWMS (Safe Work Method Statement)

A Safe Work Method Statement forms part of the safety documentation for a site and is used to make sure anyone undertaking a task knows the steps they need to follow to complete the task safely.

Tenancy

Tenancy is the name for the space that you will run your business from – usually a part of a building, but it can be the entire building.

Tenancy Plan (TP)

The Tenancy Plan is a plan that shows you the area of the tenancy and hopefully some details about it, including measurements, materials it is constructed from and services contained within it. Landlords do not have to produce a tenancy plan. Generally they only need to do a survey that confirms the area of the tenancy so that they can charge the correct rent and outgoings, and this may be all you are offered. While good Tenancy Plans are very useful, bad ones can cause all kinds of problems! Your designer should always attend site to confirm dimensions and other information that will affect your fitout.

Tenancy Coordinator (TC)

Also known as a Tenancy Delivery Manager or Retail Tenancy Coordinator, the Tenancy Coordinator (TC) is a person engaged by the landlord to ensure that you comply with the fitout guide and other rules. Some TCs can be very helpful and knowledgeable about the property, while others can be very pedantic about the rules and almost obstructive during the fitout – it depends on the company and the person. Smaller landlords may not have a TC and you will just deal with the Operations Manager or Building Manager.

Tenancy Delivery Manager

See "Tenancy Coordinator (TC)".

Tenant

That's you! The tenant is the person who enters a lease to use the property.

Tender

A Tender is a process where you issue the design and any other relevant documentation for your fitout to shopfitters so that you can get back pricing that is all based on the same information. Strictly speaking, this process is actually a Request For Tender, or RFT, and the prices and documentation your receive back from the shopfitters are the tenders, or the submission.

Trade Waste

Trade waste is any waste water discharged from a business (as opposed to a residential property). Landlords will usually have a Trade Waste Approval from the local utilities authority, but they may require you to apply for the approval for your tenancy. The term trade waste is sometimes used interchangeably with greasy waste or food service business waste, but it in fact applies to any business, not just food businesses.

Tundish

A tundish is a fitting installed on air conditioning pipes that serves as an air gap and provides a visible window into the overflow system.

Works

Works is a catch all phrase that covers the physical work to be done in your fitout.

Variations

A variation is a change to the price that has been agreed in the contract with your shopfitter. It can be an extra cost or a reduction, for example if you decide to delete a piece of joinery. Note that reductions are usually not for the full price of the item as there may have been some work done on design for the item. A variation may also arise when you delete something, in which case you might reduce the scope of work sufficiently that some economies of scale are lost. You should make sure that you ask your shopfitter to submit variation requests for approval so you know how much extra you need to pay if you add something in or a situation on site means you need to spend more money. This can be as simple an email or can be a form and associated register that you can keep track of. The reason we focus on design and tender documentation though is so that variations are minimised. The more information you can give the shopfitter, the less likely variations are.

Ventilation

Ventilation is the flow of fresh air into your tenancy, in particular if you have a food tenancy. It could be as simple as an open window, but usually involves a fan and ductwork these days!

IF IT'S ALL FEELING TOO MUCH AND YOU NEED A HAND, WE CAN HELP.

We can help you get started, work through one or two tricky areas for you, or take on your entire project.

It's up to you!

Setting Up Shop's project management and retail fitout experts have helped hundreds of businesses set up shop, so we know how to smooth out the stresses and take the hassles off your hand.

Get in touch with Karyn and the team at Setting Up Shop for help with:

- · tenancy inspection
- early stage planning
- · working out your project budget
- · program building
- reviewing your offer, ancillary and lease documents
- evaluating your lease and its impact on your fitout
- creating a design brief and selecting a designer
- plan reviews
- finding a shopfitter and managing the tender process
- tender review

Give us a call and we'll help you set up your shop.



