



Want to run a pub?

BBPA have provided Hospitality Jobs UK with a simplified guide to help you understand the key differences between Leased, Tenancy and Freehold.



	Leased	Tenancy	Freehold
What are the main differences?	<p>You are eligible for offers of investment support from your pub company</p> <p>You pay for: The business, Fixtures and fittings, Rent on the building, Additional 10% on top of the advert/contract cost.</p>	<p>You are eligible for offers of investment support from your pub company.</p> <p>You pay for: Fixtures and fittings, Rent the building</p>	<p>You buy:</p> <p>The building and business outright</p>
Business Support	<p>A Business Manager/Area Manager will be assigned to you to provide support to help you grow your business to ensure you have the best advice to succeed.</p> <p>Many Pub companies have in-house training courses which also will be offered to you to support your development.</p>	<p>A Business Manager/Area Manager will be assigned to you to provide support to help you grow your business to ensure you have the best advice to succeed.</p> <p>Many Pub companies have in-house training courses which also will be offered to you to support your development.</p>	<p>As you have purchased the building outright you will have full responsibility for running the pub</p>
Business Expenses	<ul style="list-style-type: none"> • Buildings Insurance • Employers Liability Insurance. • Insurance for personal effects • Public Liability Insurance • Rent • Service Charge • Stock 	<ul style="list-style-type: none"> • Buildings Insurance • Employers Liability Insurance. • Insurance for personal effects • Public Liability Insurance • Rent • Service Charge • Stock 	<ul style="list-style-type: none"> • Buildings Insurance • Employers Liability Insurance. • Insurance for personal effects • Public Liability Insurance • Interest • Capital Repayments • Stock
Deposit/Bond	<p>Usually approx 25% rent.</p> <p>Held against arrears on account. Returned within 28 days, subject to account being cleared and dilapidations being rectified.</p>	<p>Usually approx 25% of rent.</p> <p>Held against arrears on account. Returned within 28 days, subject to account being cleared and dilapidations being rectified.</p>	<p>You will have to pay for the property in full.</p>

Fixtures & Fittings

Costs should be on valuation via an independent valuer.
There may be an opportunity of renting which can be negotiated.

Costs should be on valuation via an independent valuer.
There may be an opportunity of renting which can be negotiated.

You will have to pay for all fixtures and fittings in full.

Fruit Machines, Quiz Machines & Jukeboxes

These are arranged and made on a pub by pub basis dependent on agreement

Typically, either three or five years where you can give six months' notice

N/A

Length of Agreements

Between five and twenty years

- Buildings Insurance
- Employers Liability Insurance.
- Insurance for personal effects
- Public Liability Insurance
- Rent
- Service Charge
- Stock

- Buildings Insurance
- Employers Liability Insurance.
- Insurance for personal effects
- Public Liability Insurance
- Interest
- Capital Repayments
- Stock

Maintenance

Completely responsible for the entire condition of the property including the structure and the internal maintenance. At the end of a lease, the property will be reviewed, and your property will be served with a "Schedule of Dilapidations" – A list of work that you must carry out or you will be liable for a charge.

The Pub company is normally responsible for structure of building. You as the Tenant would be responsible for internal repairs.

You are fully responsible for the maintenance of the building and contents.

Running Costs

Responsible for all running costs of the business.

Responsible for all running costs of the business.

Responsible for all running costs of the business.

Tie Status - Purchase

A "Full Tie" purchase – You will need to purchase all the below from your pub company. This may include: All draught beer and lager, Packaged soft drinks, Wines, Spirits
Partial Tie may be available dependent on agreement with individual Pub Companies.

A "Full Tie" purchase – You will need to purchase all the below from your pub company. This may include: All draught beer and lager, Packaged soft drinks, Wines, Spirits
Partial Tie may be available dependent on agreement with individual Pub Companies.

You own the business, so you can purchase your own stock