

# HOW TO START A FOOD BUSINESS IN 2026

**7-Part YouTube Series — Part 1**

Channel: @AllAboutBusiness33

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**PART 1: COMMERCIAL LEASE FOR  
FOOD BUSINESS IN UK**

# VIDEO 1 OF 7

## HOW TO START A FOOD BUSINESS IN 2026

### Part 1: Finding & Securing Your Location

🎯 Topic: Commercial Lease, Premises & Fit-Out

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#### 🔑 SECTION 1: Understanding What You Actually Need

Before you start searching for units, you need to know what type of food business you're running. Because your model completely changes what kind of premises you need.

Walk audience through these 3 models:

- Delivery only / dark kitchen — smallest unit, cheapest rent, no front-of-house needed
- Takeaway — small shopfront, some seating optional, needs good footfall
- Dine-in restaurant — largest space, highest cost, needs parking and passing trade

Write this down. Before you sign anything, you need to ask yourself: what is my model? Because a dine-in restaurant and a dark kitchen have completely different requirements — and completely different costs. Most first-time food business owners try to do everything at once. That's how you run out of money before you even open.

#### 🔑 SECTION 2: Rental Costs — The Real Numbers

Let's talk money. Because rental costs vary massively depending on where you are in the UK. Here are the real numbers you need to know.

LOCATION	COST PER SQ FT	1,500 SQ FT MONTHLY
Central London	£86–£150	£16,100–£28,100
Outer London	£30–£60	£5,625–£11,250
Manchester / Birmingham	£21–£35	£3,938–£6,563
Market Towns & Villages	£8–£15	£1,500–£2,813

Now, I'm based in Crewe. A market town. So if you're outside a major city — that's actually an advantage. Your rents are lower, your competition is smaller, and the local community is loyal once you win them over. Don't think you need to be in London to build a profitable food business. You don't.

Also — and this is important — should you lease or buy? Here's my honest take.

- Leasing: Lower upfront deposit (3–6 months rent), more flexibility, easier to walk away if it doesn't work

- Buying: Higher upfront (25–40% of property value) but you're building equity, no landlord

For your first food business? Almost always lease. Keep your capital for the fit-out and the first 6 months of trading.

## 🔑 SECTION 3: What to Check Before You Sign

You've found a unit you like. Before you get excited, **there are 5 things you MUST check**. Miss any of these and you could be sitting on an unusable space with a 5-year lease.

### 1. USE CLASS & PLANNING PERMISSION

This is the one most people miss. You need to make sure the building has the correct planning permission for a food business. In England, you're looking for Class E — that covers cafes, restaurants, takeaways. If the building doesn't have it, you need to apply to the local council before you sign anything. This can take months. Don't skip this step.

### 2. LOCAL AREA ANALYSIS

Walk the street at 7pm on a Friday. Is there footfall? Is there parking? What other food businesses are nearby — are they thriving or closing? Your location needs to be where your customers already are.

### 3. DELIVERY & WASTE ACCESS

Can a supplier lorry pull up outside? Where does your waste go? These sound boring but trust me — I've spoken to food business owners who can't get a food delivery van to the back door. That is a daily nightmare.

### 4. PEST PROOFING

Environmental Health will check this. Sealed doors, insect screens on windows, no gaps in walls. If you take on a space that needs serious pest-proofing work, budget for it before you open.

### 5. SMALL BUSINESS RATE RELIEF

If your rateable value is under £12,000 in England, you could pay zero business rates. Check this with your local council. This could save you thousands per year.

## 🔑 SECTION 4: Lease Deposits & Upfront Costs

Let's look at what you're actually going to pay to get the keys. And this is where most people get shocked.

EXAMPLE: 1,500 Sq ft in Manchester @ £4,500/month

Deposit (2 months): £9000

First month's rent: £4,500  
Legal fees: £2,500 (may vary)  
Surveyor fees: £1,000

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TOTAL UPFRONT: £17,000 — before a single pan is bought.

And then on top of that, you've got your fit-out costs. Turning a raw empty shell into a working kitchen and service area. Here's what that looks like.

FIT-OUT ITEM	COST RANGE
Ventilation, extraction & grease filters	£8,000–£20,000
Drainage & plumbing upgrades	£5,000–£15,000
Electrical upgrades	£4,000–£12,000
Flooring, walls & ceiling	£8,000–£20,000
Lighting & décor	£3,000–£8,000
TOTAL (1,500 Sq ft average)	£140,000–£420,000

Now I know what you're thinking — £140,000 to fit out? That's for a full restaurant with major works. A dark kitchen or basic takeaway fit-out can be done for much less — especially if the unit was previously used as a food business. Always ask your landlord: what's the existing condition of the extraction and electrical setup? You could save yourself tens of thousands.

## 🔑 SECTION 5: Key Lease Terms to Negotiate

Here's where most first-time business owners get completely taken advantage of. The lease terms. Your landlord's solicitor has written this contract to protect the landlord — not you. So you need to know what to push back on.

### BREAK CLAUSES

Always negotiate a break clause at year 2 or 3. This means if the business isn't working, you can exit without paying the rest of the lease. Landlords hate this. But it's absolutely negotiable, especially in areas with empty units. Without a break clause, you could be legally liable for 10 years of rent.

### RENT REVIEW CAPS

Ask for annual rent increases to be capped at 3–5%. Otherwise your landlord can review the rent every few years and massively increase it. Get this in writing.

### RENT-FREE PERIODS

3 to 6 months rent-free is completely normal when you're doing a major fit-out. The landlord would rather have a good tenant than an empty unit. Ask for it. The worst they can say is no.

## REPAIRING OBLIGATIONS

If your landlord offers a Full Repairing and Insuring lease — that means YOU pay for all maintenance and structural repairs. For an older building, that can cost you a fortune. Push back on this or at least get a schedule of condition done so you only pay for damage you actually cause.

### Summary

Right — let's recap what we covered today. Your location is the single biggest cost in your food business. Before you sign anything: define your model, check planning permission, analyse the area, and negotiate your lease terms. I promise you the businesses that survive don't just have good food — they have smart setups.

Next video in this series we're covering phone lines, internet, and your ordering systems — how to get set up for delivery without giving away all your profit in commission.

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