

Open!

FESTIVAL OF
VACANT SHOPS

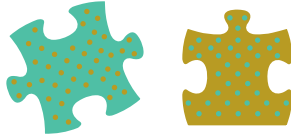
BUDAPEST

GUIDE TO THE TEMPORARY USE
OF VACANT STORES

For users and owners

WHO IS THIS GUIDE FOR?

For those interested in the temporary use of vacant stores, including initiatives looking for a place and owners of vacant premises – along with those who'd like their city become a flexible, responsive, open system, with room for collaborative development projects.



WHAT IS THIS GUIDE ABOUT?

As organisers of the Open! Festival, we'd like to share our experience on the first steps to the temporary use of vacant stores for the benefit of all.

Vacant stores are a nuisance for everyone. Deterioration and maintenance involve both expenses and lots of hassle. Vacant stores lead to decreased traffic for nearby shops. Meanwhile, there is a growing number of initiatives looking for ways to test themselves in a place of their own – possibly for a trial period, without making risky long-term commitments.

Temporary use at a reduced fee provides a testing ground for these initiatives, offering practical experience they could not get elsewhere. Besides cutting down on maintenance costs, owners can benefit from tenants looking after and maintaining premises, free advertising and communicating to larger audiences. Temporary use also serves the city: giving space to value-creating initiatives that generate both economic and social capital.

HOW DO I FIND A PLACE?

If you are looking for a place, the first step is to find the ideal location. This, of course, involves numerous factors – the owner has to agree to the discount; location, traffic, size, layout and infrastructure all need to be right so you'd better start with a flexible, open mindset.



How can I find out who the owner is?

The best way is to go around the area you know and collect telephone numbers. It is a good idea to focus on owners already looking for tenants, but not through a real estate agency. You saw the store of your dreams, but cannot find the contact details? Employees working in nearby shops, the caretaker of the building or local residents might have lots of useful information to share.

** How to negotiate with private owners on a temporary lease and discounts?*

- * Let them know on the phone already that you are thinking in terms of a short-term lease and be ready to argue for it.*
- * When meeting in person, it is important to learn about the owner's motivations and to build on them. Is there anything you can offer in exchange for their support?*
- * Help them imagine what exactly will take place in the shop (you could take along photos and visual design elements). They will be interested in your customers, if they should expect noise or other complaints from residents, and whether you are aware of the licenses you might need to obtain.*
- * Let them know about your long term plans: make it clear that temporary use is part of a well thought-out strategy.*

↳ *What to do if I am interested in municipally owned premises?*

A number of local governments in Budapest support social, cultural and creative initiatives – by providing reduced lease opportunities. Unfortunately, there is great variation as to how this works in different districts. If you wish to talk to the local government or learn about the premises they offer for lease, you have to visit the asset manager of the respective district. For further useful information, see: nyitvafesztival.hu/utmutato

Make sure people know you are looking for a site!

Not just online: mention it wherever you go. Anyone might know of a place you haven't heard of!

WIN-WIN SITUATION

Successful cooperation and finding common interests is based on understanding each other's motivations! You can use the following arguments in a negotiation:



* *Why start out if you have an idea?*

- * *It can give the initial boost needed to realizing a novel idea.*
- * *It opens up new possibilities for building an audience, visibility and expanding professional relationships.*
- * *You can acquire practical experience on running a store that is otherwise difficult to come by without serious investment.*
- * *You can expand your activities: try stuff you never had the space for!*
- * *It will help to grow roots in a given neighbourhood.*

* *How does the owner benefit?*

- * *The premises will be cleaned and brightened up, making them more attractive.*
- * *This is an opportunity to get free advertising: the premises can still be advertised for a long-term lease, while their inherent potential receives increased visibility.*
- * *The premises will constantly be guarded, reducing the risk of a robbery or vandalism.*
- * *The property user is potentially a long-term tenant as well. There is time to get to know each other and to build up trust before a more serious commitment is made.*
- * *For the duration of use, the owner is exempt from paying maintenance costs.*



„I need a boost to be able to realize my dream! With lower initial rental costs, there is a greater chance that my business can make it in the long run!”



„I already have an online audience, but I want to give them personal experience and build stronger relationships with them. I want to test my ideas, however, before making a long-term commitment.”



„The store has been vacant for a long time – this way someone will at least tidy up the premises and take on the burden of maintenance until a long-term tenant comes up.”



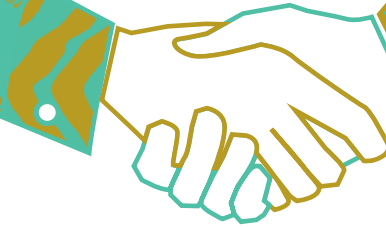
„I want the street to become more vibrant. Bringing exciting new initiatives to the store will attract customers into the store and the whole area.”



„Three tenants have recently moved out. Good tenants run a viable business and are reliable. If a budding entrepreneur has a promising business proposition, I might agree to gradually increase the rental fee.”

CLEAR TERMS

Once you have found each other, the key is to clarify what you both expect from the co-operation. The best framework for this is a detailed contract which helps avoid misunderstandings! In addition, however, a few unwritten rules should be borne in mind...



* *What kind of a contract should it be and what should it contain?*

- * *The format should be that of a fixed-term contract of loan for use, defining the fundamental rights and obligations of both parties.*
- * *Fundamental duties include paying utility bills by the property user as well as the owner handing over the premises to the user in a decent condition.*
- * *The contract should specify the exact purpose and duration of use, the amount of the deposit, and the daily opening hours.*
- * *The contract should clarify in what state the owner expects to get the property back, or, in the case of a value-added investment, the question whether the user can claim compensation for expenses.*
- * *Good to know! If the user is an association for the public good, the owner may write off support as a donation for the public good as defined by law.*

* *Sample documents for download: nyitvafesztival.hu/utmutato*

- * *Sample contract: It is important that you adapt this sample contract according to your own needs. It is also advisable to have the contract checked by a lawyer!*
- * *Certificate on supporting an association for the public good.*
- * *Hand-over report: Both handing the premises over and getting them back should be properly documented, recording utility meter readings and taking stock of all movable property on the premises.*

If more than one organisations jointly use the premises, they should also draw up an agreement among themselves, with expectations clarified beforehand.

LICENSES

All entrepreneurs running a business must comply with certain rules. Presently there are no separate legal regulations for temporary property use. Though it is all about being able to test your ideas more easily, you should still know what permissions or licenses you need to get!

* *What would you need to obtain a license for?*

- * *Objects and advertisements placed in front of the store and in public areas*
- * *Signboards or interference with the building facade*
- * *Commercial sales activities*
- * *Catering activities*

* *Where do I get the license?*

Pay a visit to the local government to get up-to-date information on the conditions that apply. Don't be discouraged by legal technicalities! Consider what documents might be essential in the short term as well.

PARTNERS

Although temporary use entails reduced risk, money and time still need to be invested. With a partner, it is much easier to overcome obstacles.

* *How can having a partner help?*

- * *You can split up opening hours!*
- * *You can expand the range of your basic activities with new kinds of professional co-operation.*
- * *You can reach out to each others' audiences.*
- * *You can share expenses.*
- * *You can distribute tasks and competencies depending on the different skills each participant has.*
- * *You can learn from each other!*

TRANSFORMING THE PREMISES

Once you have received the keys to the place, get the most out of it! But make sure you do not assume unnecessary costs if you only stay for a short time.

* *Reconstruction*

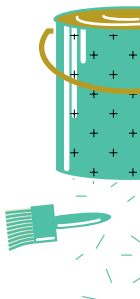
- * *Nobody is likely to benefit from a major transformation. The user might not recover the investment costs in the short timeframe, while the owner can more easily find a long-term tenant by leaving options open in terms of function.*
- * *Stick with affordable, but attractive DIY decoration and interiors.*
- * *Try to estimate what existing features you like about the store. Is it the old wallpaper? A wall with the bricks visible? Furniture that can be renewed? Build on them!*
- * *Incompleteness and imperfection might look awesome when combined with fresh colours, contrasting materials, and creative solutions.*
- * *For the furniture, use affordable solutions that can be applied anywhere!*
- * *You can create shelves from ladder rungs or simple vegetable crates placed on the wall. You can turn pallets into seats and tree branches into coat hangers. You can simply write your messages on the wall with chalk if it is the right surface.*
- * *Lights can do wonders. Find or create custom lampshades, or use a set of Christmas lights.*

* *Shop window and entrance*

- * *Walk around the store to find out how to make it unique and visible from a distance.*
- * *Make passers-by stop for a while! Encourage them to stay around. If you have no shop window, you can get the same effect by using a bench, an interactive installation or some plants.*
- * *Trying to fit the maximum number of items in a shop window will not necessarily make it attractive.*
- * *Put something surprising in the shop window! Or maybe change your shop window every week. Put out a catchy message!*
- * *If you place an article in the shop window, it should not be your basic product.*
- * *On average, you have 7 seconds to convince passers-by. Watch their reactions!*

Find a sponsor: a pop-up store can be a great opportunity for a paint or furnishing company to display their product!

For further advice on store design please see our partner's site at: boltberendezo.hu

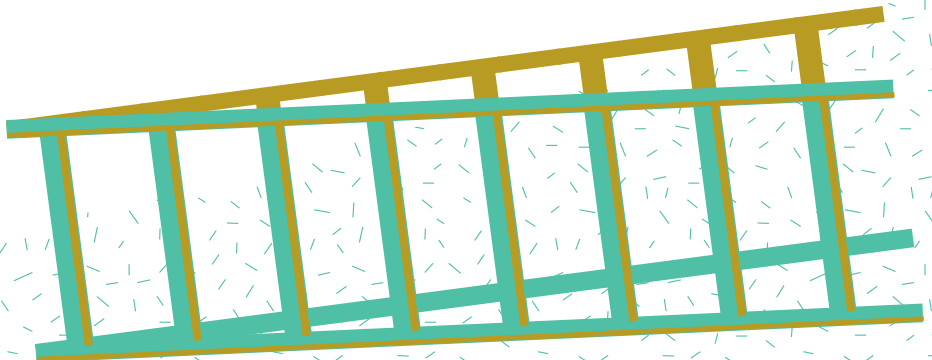


IT'S ALL ABOUT PARTNERSHIP!

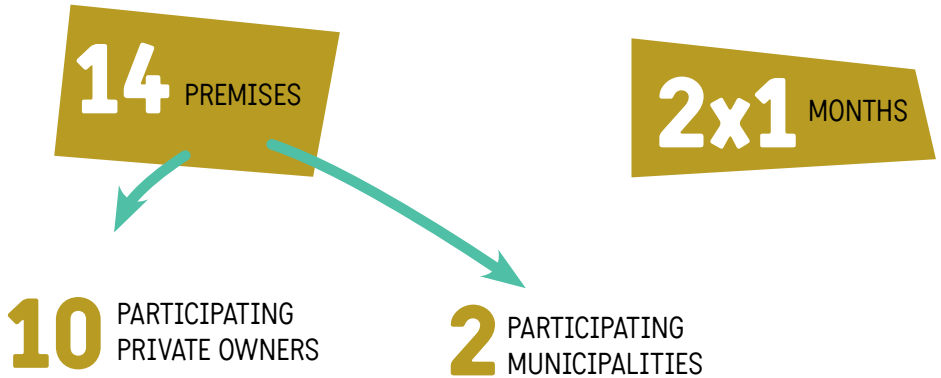
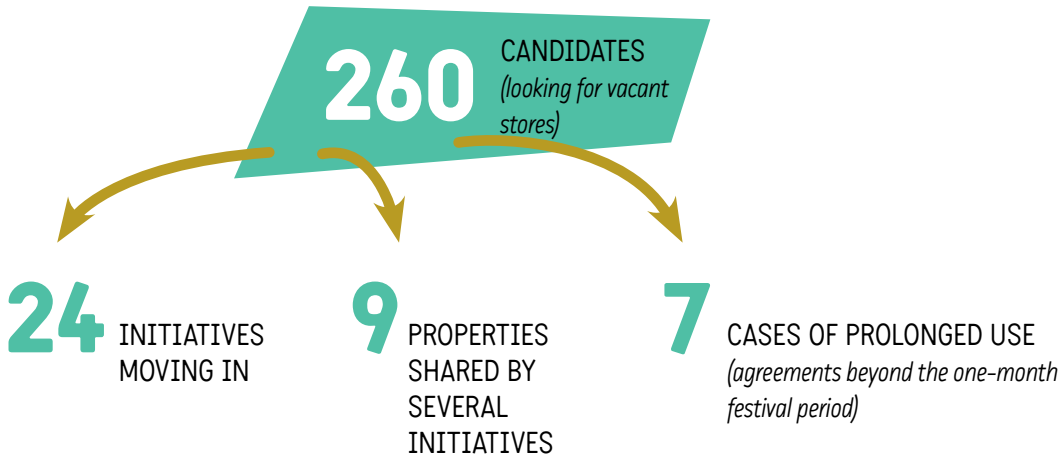
This is an experimental period for both parties! Therefore, beyond observing the terms and conditions previously laid down, it is also crucial to be flexible, but ethical, while two-way communication and evaluation are also essential.

- * *The owner of the property casts a vote of confidence by temporarily pulling the premises out of the market. As a user, you should not ask for more, unless you can offer compensation.*
- * *Temporary use definitely decreases the adverse effects of the property being vacant, both economically and for the neighborhood. Furthermore, users often invest lots of energy into renovation and cleaning. It is thus reasonable for owners to regard temporary use as a business exchange, as sponsorship rather than a donation..*
- * *Since the exchange value cannot always be measured in monetary terms, both sides should pay special attention that neither experiences the exchange as a loss.*
- * *It is best for both parties to have two-way communication throughout, to evaluate the benefits brought by temporary use, and to provide compensation if needed..*
- * *As temporary use provides lots of opportunities for barter, compensation can take other than financial forms, such as volunteer work, free services, or co-operation in other fields.*

The above should be kept in mind when more organisations share the use of the premises. All of you should try to strike the right balance!



THE OPEN! FESTIVAL IN FIGURES



SMALLEST STORE AREA

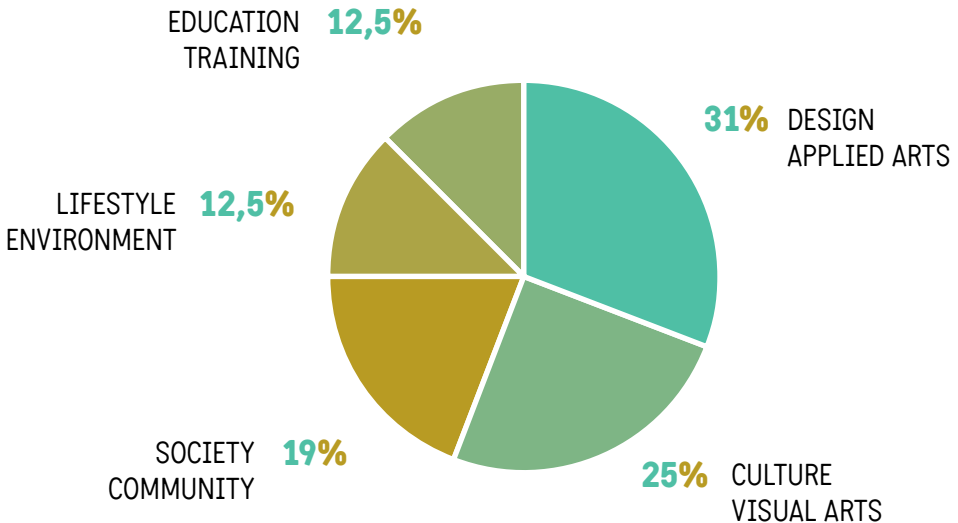
30 m²

GREATEST STORE AREA

230 m²

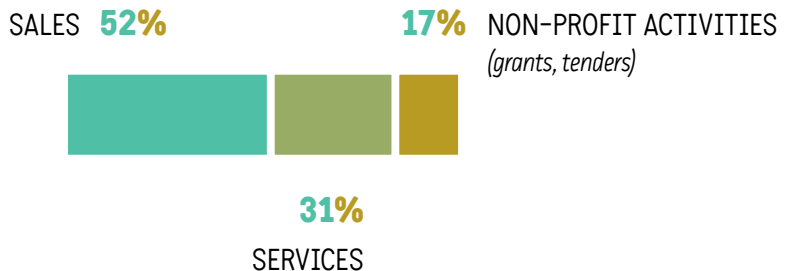
INITIATIVES CAME FROM THE FOLLOWING FIELDS

(usually mixed):



SOURCE OF INCOME OF THE PARTICIPANTS MOVING IN

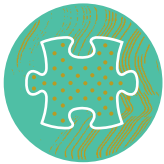
(usually mixed):



HOW DOES THE OPEN! FESTIVAL WORK?

The Open! Festival is a co-operative model of matching value-creating initiatives looking for a place with the owners of vacant stores. During the month-long festival, they can put their ideas to the test in vacant stores without a rental fee. Vacant stores are in turn revived, revealing their hidden opportunities and increasing the chance of finding long-term tenants.

WHO ARE THE PARTICIPANTS?



Candidates looking for a store

Applying for the festival with a concept, shortlisted initiatives will receive training and meet owners of vacant stores. After finding the right owner, they can use a store with no rent for a month.



Owners

Owners of vacant stores can support one or more candidates looking for a place by giving them an opportunity to use the premises free of charge for a month. In exchange, they can meet potential future tenants, increasing the chances of a long term lease.



Organisers

They join the participants, coordinate the process and the programs of the festival and ensure consistency in communication. They make sure that taking part in the festival benefits all participants.



Mentors and supporters

Previous candidates and owners, experts, and sponsors help candidates through sharing advice and tools so that they can make the most of temporary use and to increase the chances of a long term lease.

HOW DOES THE FESTIVAL PROMOTE TEMPORARY PROPERTY USE?

1

Taking responsibility

The festival offers a portfolio of location-seekers. They should provide high visibility to the property, and have the potential of becoming long-term tenants equally creating economic, social and cultural value.

2

Mediation

Each owner gets to meet several location seekers who present their ideas in turn. The owner makes the final decision on whom to support through providing one month of free access to the property.

3

Communication

Owing to the focused, campaign-like operation (calls for participants, programs, media publicity) the festival can find the owners open to the idea of temporary property use, and help participants conclude the appropriate agreements.

4

Synergies

Location seekers can get to know each other through workshops. The competition for the properties offered not only strengthens the projects but also encourages cooperation and thus the creation of new partnerships.

5

Warranty commitments

The organizers provide legal support for the process and make warranty commitments themselves as contracting partners.

6

Mentoring

In the preparatory training sessions, organizers, former candidates and owners help the initiatives make the most of their one month access to property.

HOW IT IS DONE ELSEWHERE?

Around the world, many cities seek to foster and facilitate the spread of temporary use of properties through grants, regulations, taxes and mediating organisations. With our help, you can also organise an Open! Festival. It is nevertheless a good idea to first check if there already are initiatives in your town for you to join.

In Warsaw, according to the modification of a local resolution passed in 2014, any vacant store owned by the local government can be rented for free for a period not exceeding three months. As a result of the professional involvement of NGOs, City Hall passed a separate regulation to address this issue. For the time being, only relatively few initiatives have seized this opportunity, perhaps because no structured campaign accompanies the.

In the UK, private owners of property receive tax exemption if they let out their stores for NGOs or sport-related activities. As a result of this regulation, many organisations carry out market-based activities to mediate community-oriented temporary property use.



In Bremen, the municipality published a tender for mediating temporary use of vacant properties financed from the state budget. The tender was won by the ZwischenZeitZentrale (ZZZ) project. The four founders active in the fields of architecture, urban design and geography had previously initiated a number of temporary use projects. ZZZ has since been part of a complex communication and decision-making network.

Several German and British municipalities help businesses planning to engage in temporary property use by providing downloadable sample contracts, budget plans and guidelines.

In the Netherlands, owners have to register when their property becomes vacant under the Squatting and Vacancy Act. In the following three months, a consultation period starts. If the government assesses the property to be fit for use and if it remains vacant for more than one year, the local government can recommend a tenant, to whom the owner is obliged to make a reasonable offer – unless they conclude an agreement with another tenant.

JOIN US IN ORGANISING THE OPEN! FESTIVAL!

Through its unique methods, the Open! Festival amplifies the benefits of temporary property use. Thus we'd like to encourage you with this guide to join us in organising an Open! Festival in your hometown as well.

CONTACT US!
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