



SAVING PEOPLE FROM BAD PREMISES

At this time of the year many owners and occupiers of commercial property start planning for next year and deciding what may need to change. Many get a nasty surprise because something unexpected arises that threatens the smooth operation of their business or investment cash-flow.

If funding is required the property needs to look its best and operate efficiently. If leases are expiring or being renewed there are usually obligations to make good or upgrade the property ready for its next use. Often these were not written down, or not read, or have arisen because some legislation or standard practices have changed. Whether it's a lease renewal or extension, or if additional property is being acquired or leased, this is the time to get it up to the best possible standard and ensure the occupancy is very soundly set up.

The risks are always there and best practice guidelines exist. But it continually surprises us how the points we think are obvious get overlooked. Our facilitation service is designed to help busy people anticipate or minimise these risks and get their premises in optimum condition.

To assess commercial buildings we use a Chartered Building Surveyor, or a Registered Building Surveyor for residential ones. There is a host of detail to be checked out but these are some of the key points to look at very carefully:

- Building fabric - is it fit for its purpose i.e. keeping the rain out and the contents and people safe? Many people don't even look at the roof before committing!
- Is the construction durable? The long term performance of materials and design directly affects the asset value and the goal is to minimise maintenance. So re-cladding a sound but tired building, or replacing heaters with air conditioning and insulation can be

surprisingly cheap. Otherwise high operating expenses or maintenance bills will make the occupier's business less competitive.

- Building services, especially mechanical and electrical. A dripping hot tap is important to fix, but if the big boiler behind the wall is on its last legs that is critical.
- Documentation of the premises lease. Rights of access and use are increasingly complex in shared buildings so must be spelt out – hours of use, carparking arrangements, cleaning, building services charges, maintenance, rates and insurances.
- Documentation of the fitout works including any alterations made or contemplated to the building services. Exit obligations at the lease expiry or renewal are often very onerous and can be attractively disguised as “a free fitout by the landlord”. You should always know how easy it is to return the premises to “base building” condition and at whose cost. I recall a contractor who'd given a tenant a fixed demolition price to strip out fixtures and fittings from a well known city restaurant. All were horrified to find the bar joinery and raised dance floor concealed a huge plinth of hardened concrete more durable than an Egyptian tomb! And definitely not a fitting. Being inside a fully booked hotel made it even harder to remove. The job ran late and well over cost, with penalties all round.

Getting these things right is an increasingly professional job, whatever the size of the property. At Carew we employ or engage the skills appropriate to such tasks, so our clients can sleep easily and run their businesses or investment properties profitably. And yes, of course we work through the times those clients take holidays! Enquiries are welcome, to our e-mail:

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