




**RowleySzilagy**

Building Surveyors & Property Consultants

# Understanding Your Liabilities





## Consider the cost of being in occupation

**Many companies sign new Leases or purchase commercial property interests without fully assessing the condition of the building, the implications of repairing covenants or the hidden life-cycle, maintenance and running costs.**

Any property transaction, whether leasehold or purchase, is a significant investment of funds and managerial time and affects the culture within an organisation until long after completion when business as usual can be resumed. The temptation is to rush through the acquisition and in an already involved process, keep costs and investigations under control. It is, however, essential that the correct level of technical due diligence is commissioned to ensure that unknown problems do not manifest at a time when the business should be happily settled in its new surroundings when instead of increased productivity, more funds, managerial time and disruption eat into profits.



*“At Rowley Szilagy, we believe you should know what you are taking on, understand the small print of the deal and be in a position to consider the cost of being in occupation over the term of your tenure. A favourable rent, incentive or reduced selling price may be attractive but should never cloud your judgement.”*

The heads of terms may be all but agreed, but there is extensive information to be fed into the negotiation process that cannot fully be appreciated until a full building inspection has been carried out. Even if your demise comprises one floor of an office complex, do you know what is in the sinking fund, what major repairs are planned and what proportion of the service charge will be passed on to you?

- What are my repairing obligations?
- Is the roof accessible or will a cherry picker inspection help ensure the roof does not fail after you move in?
- Is the plant and equipment functional and likely to outlive your term?
- What is the building's EPC rating?
- Are the drains in good condition?
- Is there anything contentious or contaminating in the ground?
- Is the building free from Asbestos Containing Materials?
- Are there any compliance issues?

*We can help you answer these and other pertinent questions and tailor a range of services to give you professional, cost-effective advice that delivers return on investment as you negotiate rents, purchase price or works and other incentives.*

**The due diligence stage can be a lengthy and circuitous process but with detailed surveys and inspections, essential information and costs can be fed back into your business plan to strengthen your negotiations to get the best outcome.**

To achieve this, we offer and coordinate the following services:

#### Professional Services:

- Full building inspections
- Lease and repairing obligations report
- Roofs and high level surveys
- Schedules of Condition
- Services test reports
- Drainage CCTV reports
- Environmental reports
- Asbestos inspection reports
- Service charge reviews
- Ground/radar surveys

#### Professional Results:

- Extend rent-free periods and other incentives
- Limit your repairing liabilities
- Exclude/agree onerous works before occupation
- Plan repair and fit-out works to help programme when to move premises.
- Build physical and business disruption costs into your business plan.
- Plan maintenance in occupation.

Having collated a wealth of data on the condition and construction of the property, a detailed planned preventative maintenance schedule can be written to set out costs for repair and maintenance in the forthcoming years to feed into your business plans and property budgets as well as helping you fulfil one of your Client duties to provide Construction Information under the Construction Design and Management (CDM) Regulations 2015 as you enter into the Project Stage of the process.

## **NEXT STEPS...**

**Feasibility, Design, Statutory Applications, Project Management**

**Rowley Szilagy** is a firm of Chartered Surveyors serving commercial, industrial, educational, retail and healthcare clients across the UK.

## **Contact us**

Feel free to call us or check out our services and experience which can be found at our website by visiting:

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