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Take your business property seriously.

It could be costing you 13% of your profitability!

It's your second biggest cost after your wage bill, but are you aware of the impact your business property has on your bottom line? Billions of pounds are lost to UK premises holders every year through inefficient management. Peter Wilson of Kirkby & Diamond chartered surveyors highlights 10 property pitfalls that could be affecting your profitability.

1. Plan for the future. Pitfalls, such as missing a break clause in a lease or breach of a tenant's covenant, costing £1,000s can be minimised through expert planning. When renting premises your chartered surveyor will ensure that, whatever transpires in the future, you are in the strongest position possible.

"All businesses need premises that work for them, not against them. With property costs typically second only to wages in the league table of out goings, it is essential that businesses focus on the issues and make informed decisions"

Digby Jones - Director General, Confederation of British Industry

In the UK, business premises are:

- Usually a business's second biggest cost after wages
- Wasting up to £18 billion a year through inefficient management
- Capable of improving a business's profitability by up to 13% if managed efficiently
- Costing tenants and owner-occupiers £300 million in over charged business rates

Source: RICS

2. Don't pay for previous tenant's wear and tear. A survey or "schedule of condition" is likely to be the only official record of the state of the building at the start of the lease. Without it the landlord may expect you to repair defects that existed prior to your lease.

3. Remember your day job! Finding or renovating business premises is time consuming and even minor alterations can be under estimated. Your chartered surveyor can find your premises, manage your fit out /alteration from full costing and planning to appointing and managing contractors - saving you time and money through their expertise.

4. Don't pay more rent than you need to. Your chartered surveyor can handle your rent review and assess whether any increase is fair, then negotiate effectively on your behalf. When it comes to a dispute your chartered surveyor can represent you, agreeing a negotiated settlement or through arbitration if necessary.

5. Get what you pay for with service charges. Your chartered surveyor can determine the fairness of your estimated annual charge and ensure you get any rebate due. They can make sure you

receive what you are paying for, including the quality of the service provision. However, disputes are best avoided by ensuring that the lease terms are fair and reasonable when first negotiating your lease.

6. Know your rights. Some of the written terms of your lease may not be legally enforceable and you may have rights that you did not know you had. Your chartered surveyor will be able to give you practical advice on what you can and can't do; having regard to your objectives.

7. Don't contribute to the £300 million in over charged rates. Your surveyor understands the business rating system and is the expert in assessing whether you have a case for appeal. They can advise if you qualify for exemptions, transitional relief or reductions. They can handle the sometimes lengthy appeals process and even organise settlement by agreement.

8. Think strategically. Your chartered surveyor will help you manage your accommodation needs and find you the most cost effective solutions. They will know how, if possible, to extricate you from onerous or long term lease commitments and will help you plan for the reorganisation of your business if its accommodation needs suddenly change.

9. Let your surveyor take the heat. Many good landlord/tenant relationships are soured unnecessarily over disputes and rent review negotiations. Your chartered surveyor can protect you from this and create some 'distance' between the parties whilst using his expertise to ensure you do not end up paying too much. This not only means that you can afford to be more forceful but will enable you to preserve your personal relationship and the value of goodwill.

10. Use your 3rd Professional. Your relationship with your chartered surveyor should be ongoing, as with your solicitor and accountant. Through this partnership they will work to achieve your immediate and long term goals. Kirkby & Diamond, with offices in Luton & Milton Keynes and over 30 highly qualified staff, are one of the regions leading full service chartered surveyors. The firm offers a chance to get to know them during a free half hour consultation to discuss your property issues.

To register to receive updates on property issues or to take advantage of a free half hour consultation contact Kirkby & Diamond on advice@kirkbydiamond.co.uk or telephone 01582 738866 (Luton) 01908 678800 (Milton Keynes)

