

**MOVING TO NEW PREMISES?**

Is your company defending a dilapidations claim?

How can you minimise or avoid dilapidations claims?

....answer!

Appoint Bruce Shaw to advise on your potential dilapidations liability or alternatively to defend the claim when it arrives, only that way can you know you've done everything possible to minimise your liabilities, the potential savings are significant, choose from the following services:

- Dilapidations assessments
- Dilapidations negotiation

Alternatively, if you are moving to new premises, you could benefit from advice on the new property, thus avoiding a future dilapidations liability. Or are you purchasing an investment? if so we can also help with Pre acquisition Survey and Fit - Out advice.

**Bruce Shaw Property Consultants Ltd**

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# DILAPIDATED OR NOT?

*"It's people that make things happen,  
let Bruce Shaw make it happen for you"*



## Practice Profile

- Directors are Chartered Building Surveyors with 25 years experience in both Private and Public Sectors
- Practice based in Fife serving the Kingdom, East Coast of Scotland and beyond
- Bruce Shaw provide full range of survey and investigative services relating to both domestic and commercial property
- Internet based service provision available using digital imaging and video capture to ensure swift written and pictorial delivery

## Dilapidations Services

The financial impact of a dilapidations schedule upon a business can be serious, especially if you have not done your homework! You can be sure that the other party, especially if they are a Landlord of a number of properties will likely have done theirs and will be seeking to maximise their position.

Quotations are available on request for the following services:

- Dilapidations Assessments
- Dilapidations Negotiation
- Preparation of Schedules of Condition
- Preparation of Schedule of Dilapidation



## DILAPIDATION ASSESSMENT

If you are about to lease a property, a pre-acquisition survey will provide you with valuable information on the condition of the property and could be combined with a dilapidations assessment.

If your lease is current, the likelihood is that you will at some time face the serving of a Schedule of Dilapidations by your Landlord .

Depending upon your lease conditions, your business may be held responsible for the cost of preparing, serving and negotiating a Schedule of Dilapidations as well as the actual cost of any works. These costs can be significant.

In order that your business is prepared, we recommend that you have a dilapidations assessment undertaken. This process considers in detail the lease conditions and thereafter the condition of the property. What this achieves, is the delivery of information when the business needs it, enabling a strategy and budget to be in place when a Schedule arrives. A proactive approach can reduce and often completely negate some of the Landlord's arguments before they become an issue.

## DILAPIDATION NEGOTIATION

When served with a Schedule of Dilapidations, the first thing that you need to do is to ensure that you act in accordance with the time limits imposed upon you by the Lease. If you do not, then the Landlord may be allowed to take charge of the necessary works and to instigate them directly. This is rarely in the best interest of the Tenant.



Accordingly, what you must do is appoint someone to act on your behalf to negotiate the Schedule. If no strategic preparation for this event has taken place, then a swift response is essential to help minimize your costs and keep your options open.

Bruce Shaw can ably negotiate a Schedule on your behalf, but first we need to inspect the property and your Lease to establish the facts. This process will involve looking in detail at the premises and also discussing the history of your occupancy. Only then can we advise you on the projected liabilities and propose a strategy to best defend your position. Each case must be considered on its own merits.

**NB.** By adopting a sensible pre-planned maintenance strategy, a business can largely avoid the issue of Dilapidations. A well maintained property does not provide the Landlord the opportunity to pursue the Tenant at Lease expiry.

## SCHEDULES OF CONDITION

Tenants can be at the mercy of their Landlord when they enter into a Lease. A property, unless recorded otherwise in the Lease, will normally be accepted as being in a 'good and tenable' condition, indeed the Lease may state this whether or not it is factually correct.

Although it can on occasion be difficult to obtain approval of the Landlord to the inclusion of a Schedule of Condition its effect can be significant in limiting future liability.

If the property is not new, then we would recommend that very careful consideration be given prior to entering into or accepting an assignment of an FRI Lease, especially when the term is short (less than 15 years). What might appear to be a good deal in rental terms can often turn out to be an expensive mistake, especially if the poor condition of the property is not fully accounted for at the outset.

## SCHEDULES OF DILAPIDATION

Bruce Shaw prepare Schedules of Dilapidation for serving on Tenants. Indeed, we are regularly called upon to serve an interim Schedule early in the lease in order to bring a hitherto 'dilapidated' property into an acceptable condition. This might appear unfair to the Tenant, but can easily occur if they accept a poor property under FRI terms. We often serve an interim Schedule when a new Landlord purchases a property, simply because of a differing perspective on the investment.

As a Tenant, unless you know the condition of the property you are leasing and thereafter maintain it carefully, you can be served with a Schedule at any time.

There are many things that you can do to minimise the impact on your business that a substantial claim for dilapidations may have. Act now!

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