

# Life cycle of your property

## All charities and social enterprises have property requirements.

Real estate expert **Amanda Gray** explains what to expect at each stage of your property's life cycle.



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### The beginning

First you should carry out an assessment of your business needs and the location and type of property that would best support them. There are a number of advisers you may call upon to help, for example, commercial property agents.

Once you find a suitable property, you will need to agree terms of the letting or acquisition and carry out due diligence.

Agents usually negotiate and agree the heads of terms. However, it would be advisable for solicitors to be involved at this stage to provide a legal angle and assist the agents to secure you the best deal possible.

Once you have agreed heads of terms, the solicitors will carry out due diligence in respect of the property. This consists of title investigation, undertaking property searches and raising pre-contract enquiries with the landlord's or seller's solicitor. The transactional documents will also be negotiated between the solicitors.

You will need to think about the design strategy for your property. A space planner/architect would be able to discuss your requirements on design, layout, storage and furniture solutions. If your property is leasehold, it is likely that landlord's consent is required for internal non-structural alterations.

At this stage it is also important to establish exactly what your connectivity and data needs are, as your chosen telecom provider may require a wayleave agreement giving them the necessary rights to install their equipment. This can take several months to negotiate.

### The middle

It is good practice to continually appraise your property requirements, so that you are able to plan ahead in good time.

If you have surplus space at your leasehold property you may want to consider options such as sharing, subletting, assigning or exercising a break right.

If you are considering breaking your lease, obtain professional advice well in advance of serving the break notice as there are frequently conditions to be met. All break conditions must be strictly complied with and once a break notice is served, it is irrevocable.

You may want to refurbish your offices – turning a traditional office space with individual offices and boardrooms towards a more open-plan styled layout to utilise the space more efficiently. If you are a leaseholder, you will need to check the terms of the lease to find out what types of alterations require landlord's consent.

### The end

If your property is leasehold, your lease may end due to the expiry of the contractual term of the lease or via the exercise of a break right.

At least six months before the end of your lease, you should review the yielding up clauses in the lease and any licences for alterations you may have. We recommend instructing a solicitor and a building adviser to assist you in this process.

Open discussions with your landlord and ask them to serve a schedule of dilapidations as soon as possible. This way you can work out whether you will be doing the works yourself or settle with the landlord financially. A pre-action protocol for dilapidations sets out the procedure and what needs to be considered in order to encourage early settlement and avoid litigation.

For freehold properties, the state and condition you leave the property in is usually discussed and agreed with your buyer.

### FIND OUT MORE

Our real estate team is able to support you at all stages of your property lifecycle. Please get in touch at <https://bateswells.co.uk/services/real-estate>