

# After Lockdown: Bates Wells Guide

## To reviewing your office space requirements

During these challenging times we have been advising clients how to review their space requirements and the terms of their lease, negotiate variations or concessions to their lease terms and reflect on how they can return to the office with improvements for the future.

### The initial return

Given that it is likely that social distancing will still be with us for our initial return to the office, factors to consider are:

- Breaking up banks of desks and spacing them out;
- Removing all non-essential furniture to make room for desk spacing;
- Splitting staff into teams and alternating their days in the office;
- Ensure your cleaning procedures are enhanced and sufficient hand washing facilities are available;
- Removing all non-essential touch points.

Hopefully, these requirements will be temporary and it is important to consider more long term considerations.

## Review, Negotiate and Reflect - Looking forward

### Will your organisation be facing a stay vs go decision?

If your lease is coming to an end or you have the opportunity to exercise a break clause key points to consider are:

- What are the actual space requirements for the organisation? Over recent years many organisations have conducted workplace assessments to understand how much space is actually needed. What is the occupancy rate of the office? Are you factoring in personnel on holiday, working flexibly? It is likely a return to the office will see staff returning in stages and perhaps a longer term view being taking on remote working now everyone has become used to it.
- There may be an opportunity to negotiate new, more favourable terms with your landlord if you decide to stay.
- If you are exercising a break clause the conditions must be strictly complied with. Generally these include payments being up to date and vacant possession being provided. Consider the impact any delayed rent payments or rent concessions may have had. Can you comply with the break conditions? Will the landlord agree a waiver of some of the conditions?
- Review your dilapidations liability.

### Looking to move?

- You may find that you need less space with a workforce set up to work remotely more often, there may be lower rents to take advantage of.
- Rent free periods, stepped rent and capped service charges may be possible.
- Negotiate qualified repairing covenants to limit the standard of repair to a schedule of condition.
- If you own the freehold of the property consider the sale price or letting out the space alongside operating from smaller premises elsewhere.

### Your premises as an asset

- You may be mid-way through the lease term and unable to move, if you have surplus space consider the opportunity to sub-let or share the space. You are likely to need your landlord's consent so review your lease and approach your landlord at an early stage.
- Is it cost effective to reconfigure your space? Do you need to make changes to ensure social distancing measures can be complied with? Perhaps this is an opportunity to look at using your office to enhance a staff wellbeing programme.
- Remember to seek your landlord's consent to works where required by your lease. Will building regulations be required?
- Consider using sustainable materials and the opportunity to ensure your organisation can contribute in a positive way to society and the environment. Can you measure and reduce your carbon emissions going forward to continue the positive steps being made to reverse the impact of climate change?

For more advice, please get in touch with our

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