

# Corporate Property: Things To Check Now for 2005!

**An indispensable checklist for those with budgetary responsibilities for property and facilities services.**

Are you planning for a successful 2005? Working on your budgets? To help guide you in your planning and the setting of your priorities Haywards has put together some pointers which we hope you will find useful.

- 1 Rating** – a new valuation list comes into effect in 2005. Make sure your budget entries are up to date and you lodge your appeals as early as possible.
- 2 Rent Reviews** – budget for the best advice – a £1 psf variance today will mean £5 psf over the term until your next review. The impact of a poor settlement will affect your contingent liability and even the prospect of a disposal at a later date.
- 3 Space Utilisation** – review whether your office space is being used efficiently. If you have surplus space there are savings to be made.
- 4 Orphaned Leases** – check what has happened to leases on properties previously occupied by your company and assess what shape your assignees/sub-tenants are in. Their problems could end up being yours.
- 5 Property Disposals** – are the budgets up to date and do they properly cater for all events?
- 6 Utilities** – budget and plan for further price rises in gas and electricity due in 2005. Between April 2003 and 2005 electricity costs will have risen by 50%.
- 7 Energy Efficiency** – a new regulation in 2006 will mean that buildings will be energy rated. You will require an energy certificate.
- 8 Waste Disposal** – due to legislative changes, costs are rising and are being passed on to customers directly or indirectly via service charges.
- 9 Landlord's Service Charge** – check out your landlord's plans. His financial year may differ from yours and he may be planning improvements (at your cost!), especially if a rent review is due soon.
- 10 Dilapidations** – these must now be accrued for to comply with FRS12. Beware that your auditors may insist that you have these independently assessed. Plan to allocate a professional fee.
- 11 Internal Fit Outs and Moves** – price pressures on labour and materials of +5% are expected for 2005. Budget accordingly.
- 12 Leasehold Covenants** – check you are complying with all your responsibilities for repairs. Consider introducing a 3 year rolling programme for planned maintenance. This will save you lots of time and money. You also get control on when and how you manage the works.
- 13 Facilities Staff** – increased travel and housing costs coupled with higher interest on debt is contributing to the erosion of disposable income. Your benefits programme may need to be reviewed upwards.
- 14 Compliance and Sarbanes-Oxley** – at an operational level you may have to review the way you procure facilities related services, especially for capital works. For example, over certain levels it may not be appropriate to invite a favoured fit out contractor to price up a job! Instead, you may like to have their costs independently assessed and/or monitored. Better still put the project out to tender.

*Haywards is an independent consultancy working with corporate occupiers to help them get the most from their real estate, capital projects, facilities management and workplace infrastructure. We provide an easy partnership with our clients, which focuses on reducing overall costs, minimising exposure to risk and increasing control.*

To discuss how Haywards would be able to help you, please call us on **01494 488 493** or email [info@haywardsltd.co.uk](mailto:info@haywardsltd.co.uk)

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