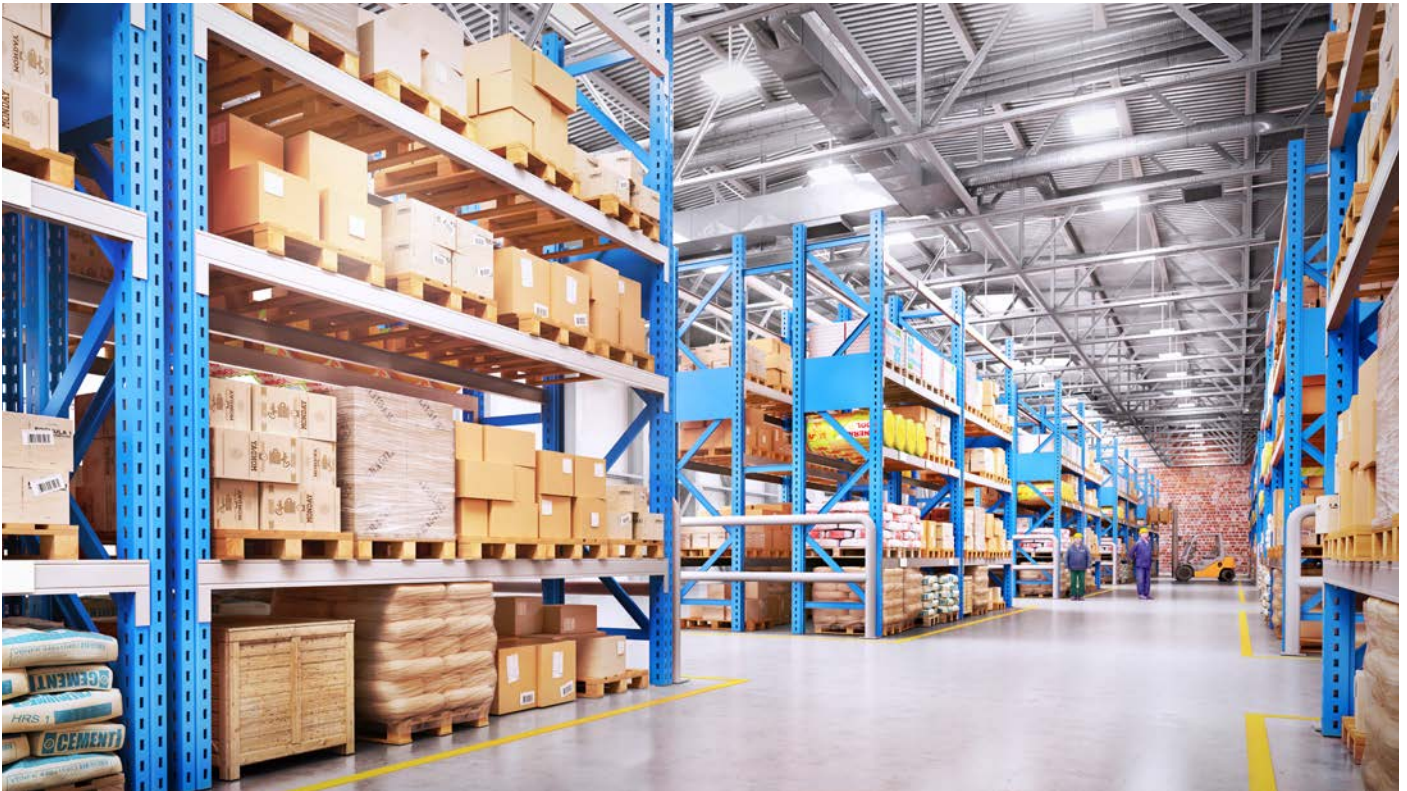


Maximising operational flexibility during a period of high commercial sensitivity.



SBM integrated with our client's team to maximise operational flexibility for two new leases during a period of high commercial and political sensitivity.

Our client's property scenario

Following a corporate acquisition, our client inherited two units near Canterbury with looming lease expiry dates.

Working alongside our client's business planning team, SBM advised on realistic costed options to extend the existing leases.

Unit 1

Warehouse facility with a lease due to end Sept 2021 - approx 50,000 sq ft.

Unit 2

Production facility with a lease due to end December 2021 - approx 140,000 sq ft.

“Bearing in mind the exposure to the lease expiry dates together with the acute need to focus on cost and maintain flexibility, our project strategy was implemented and achieved a successful outcome for our client.”

Property challenges

- The units had been poorly maintained and the likelihood of a higher dilapidations claim needed to be taken into consideration.
- Unauthorised and unlicensed alterations had taken place.
- There was a complete absence of genuinely comparable evidence in the local market to build up a compelling narrative to incentivise the landlord or demonstrate alternative property options.
- Confidentiality needed to be maintained during the negotiations while a further stay / go analysis was underway.

Property solution

SBM integrated with our client’s team to maximise operational flexibility within the new leases during a period of high commercial and political sensitivity. A non-disclosure agreement was secured with the landlord to maintain the integrity of the integration review.

Through meticulous market research, a journalistic style approach to capturing market data and opening channels of communication with all stakeholders, we were able to analyse and advise on all the possible options available.

Communicating with our client and ensuring a complete understanding both within the plant facility and within our client’s board of directors – we were able to secure agreement on our negotiating strategy and proceeded to complete Heads of Terms within a 48-hour period.

Result

- ✓ **Secured our client’s continued and uninterrupted operation.**
- ✓ **A rental level in line with local market conditions.**
- ✓ **Reduced repairing obligations.**
- ✓ **The flexibility to remain in occupation should they wish, or the opportunity to leave at pre-negotiated intervals during the lease.**

Our client achieved a 1:18 ROI on their investment thanks to our services.

SBM expertise applied



Research

In-depth original market research of comparable property in the local area – looking at transactions evidence rather than availability to gain a negotiation position on the lease renewal and term length.



Building Surveying

Provision of a roof and building survey, dilapidations estimate, legal services.



Negotiations

Negotiations by highly experienced and RICS qualified lease specialists. Compiled the Heads of Terms and set out the position in an effective and compelling way with coordination through to completion.

