

# Enabling a smooth transition to a new site



SBM enabled a smooth transition to a new property by handling simultaneous transactions with a reduction in repairing liabilities.

**Our client's property scenario**

Our client occupied a 25,000 sqft. industrial unit in the East Midlands and following a major contract win, needed more space.

They instructed SBM to review options to move to a 50,000sq ft premises and design a strategy for the disposal of the smaller unit.

“Timing and relationships were key to success, requiring the disciplined coordination of multiple parties.”

### Property challenges

A major challenge was to handle the transactions simultaneously to avoid the client having the burden of two properties.

After an exhaustive search and the successful acquisition of a new property, the pressure was on to dispose of the old property.

Timing and relationships were key to success, requiring the disciplined coordination of multiple parties.

The potential dilapidation liability was estimated at £400,000 – a serious concern but the market was buoyant with the opportunity to transfer some of this liability to the next occupier.

Securing the existing landlord's consent, the continued cooperation and patience of the incoming tenant as well as challenging the quality of the new landlord's refurbishment were among the many challenges.

### Property solution

To find a new property, SBM's research team produced a matrix of availability – clarifying the conditions of a buoyant market - and a matrix identifying property opportunities for expansion.

A local broker was selected and equipped with the materials they needed to launch an effective campaign to find a new tenant. Simultaneously, negotiations were opened in respect of the preferred options for a new unit.

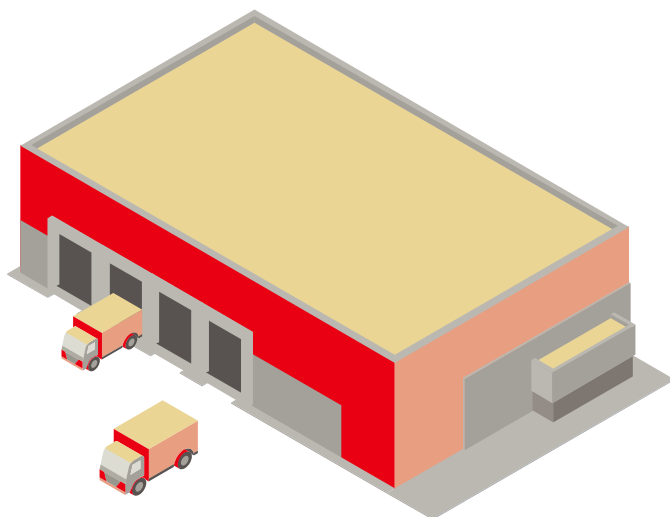
A new occupant was identified, heads of terms for the new property were negotiated, the costs of due diligence was identified and implemented.

The lease disposal took place simultaneously with the move to the new unit.

The liability for dilapidations was mostly transferred to the new occupier – with their agreement - who were partly compensated with a rent free period.

### Result

- ✓ Lease reviewed and options identified with assessment of the local market
- ✓ Assessment of dilapidations and negotiation of liabilities
- ✓ Transaction management
- ✓ 60% reduction in repairing liabilities
- ✓ Smooth relocation



### SBM expertise applied



#### Building Surveying

Review of works required and dilapidations.



#### Research

Research of interested parties, local market and brokers.



#### Financial

Negotiation of dilapidations liability.



#### Operationally

Enabled smooth transition to a new site.