

CUTTING COSTS – RENT AND RATES

These are tough times for all businesses. The economic constraints on sales require an even greater focus on reducing costs. In this respect one of your major overheads will be property costs and in particular rent and rates. It is therefore important to look very closely at the opportunities to reduce these specific costs.

RENT

The main opportunities for reducing or rescheduling rental payments occur at ***Lease Expiries, Rent review and Break Dates.***

If any of these events are imminent, action is required now. A forthcoming lease renewal enables the market rent to be set reflecting current conditions and therefore potentially lower than the passing figure. A rent review may allow the rent to fall to market levels and a Tenant Break gives an occupier the ability to consider alternative premises and lower rents.

Even if the above events are not imminent a ***Rent Re-negotiation*** may still be possible. For example, a Landlord may accept a lower rent now in return for the lease term being extended, or on the basis of an extra rent review being introduced or a future rent review being prior agreed. There are many possibilities that could ultimately benefit both parties.

RATES

Have you challenged your current Rateable Value (RV) ? This forms the basis of your rates bill. Even though the RV was set in 2005 it is not too late to Appeal. If you have already challenged the RV, subsequent alterations to the premises, or parts becoming vacant may warrant a further Appeal.

Successful Appeals can result in substantial savings being backdated to 2005.

At ***London Clancy*** our team of locally based Specialist Chartered Surveyors can offer expert advice on Rent and Rates. We work to primarily performance fees based on savings achieved. We would welcome the opportunity of investigating the potential for Rent and Rates savings at your premises.

Please contact Mark Clancy FRICS on 01256 480917 (DDI) or by email, markclancy@londonclancy.co.uk or visit our website at www.londonclancy.com

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Basingstoke

The Courtyard
15 Winchester Road
Basingstoke
Hampshire RG21 8UE

Tel: +44 (0)1256 462222
Fax: +44 (0)1256 840146

Camberley

6 Minster Court
Tuscum Way
Camberley
Surrey GU15 3YY

Tel: +44 (0)1276 682055
Fax: +44 (0)1276 675125

Southampton

2 Carlton Crescent
Southampton
Hampshire SO15 2EY

Tel: +44 (0)2380 330442
Fax: +44 (0)2380 220143

**Commercial Property
Consultants**

Chartered Surveyors