

# LEASING OFFICE SPACE THAT'S RIGHT FOR YOU:

a step-by-step guide

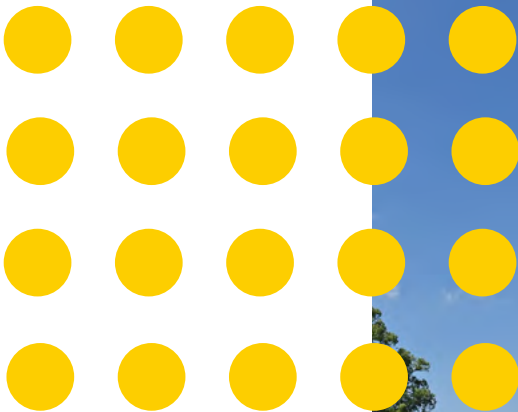


# The journey to your new office starts here...

In an ideal world, the process of leasing a new office would be as simple as 'find it, like it, lease it'.

However, in reality, the path to your new office can be littered with frustrating obstacles and commonplace challenges, though with the help of **FI Real Estate Management**, we can make this an exciting, pain-free experience.

In this guide, we will outline the steps when leasing office space, as well as the commonly made mistakes and the kinds of questions you should consider before taking the next step.

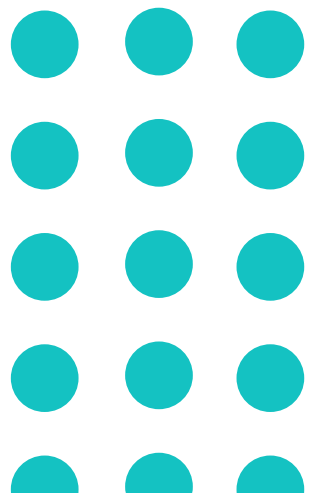


We love to see our tenants set up in an office that will help them thrive and perfectly suits how they operate. And with our wide-ranging portfolio of properties, we're confident we have the ideal office solution for your business.

We'll make it our mission to really understand your company's inner workings, exhausting all options and possibilities: from how we can achieve the fairest terms for you, to discovering the best office in the optimal location.

Even after you're up and running, that isn't 'job done' for us - far from it. Our dedicated team of asset managers can routinely check in to make sure you're happy in your new office and being properly looked after. If you're not happy in your new office, neither are we.

Moving into a new office is already an imposing proposition, but here at **FI Real Estate Management**, we seek to make it that little bit more manageable.



# Step 1: Assessing the viability of your new office space

You may already have a checklist of requirements your new office has to satisfy - even if it's just in your head - and that's great.

As soon as you pin down what your office needs to do, then scoping out potential spaces and eliminating unsuitable options can be a lot easier. Here are a few important pointers to make sure your new office does the job...



## Size of space

Without setting a few parameters first, simply launching into your property search can be an overwhelming process. However, one of the deciding factors that determines boundaries is the size of the space your business will need. You'll want to go for a space that can comfortably accommodate your workforce but it's worth including some wriggle room to allow for extra equipment or workstations when your business grows.

Additionally, in an age where more space allows for greater social distancing, employees are likely to feel safer in more spacious surroundings.



It can be difficult to look at an empty space and know whether it's a suitable size, so that's why we at **FI Real Estate Management** make the effort to get to grips with your company top to bottom and determine whether a certain space fits your needs.





# Making a statement

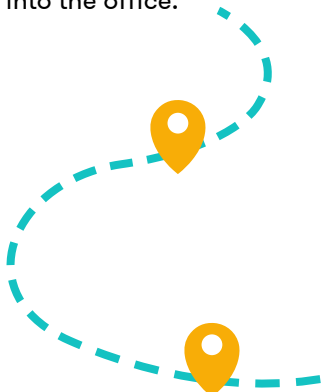
Your office is a physical representation of your business. Sure, it needs to serve its purpose and provide a professional, productive environment, but its appearance must create the right impression too.

A substandard-looking office can sully a company's reputation, but at the same time, going over the top or selling your business as something it's not can be equally as damaging, so try to stick with spaces and buildings in line with what you do.

## Location, location, location

Any businesses relocating from an existing office should be mindful of their new setup's location. Shifting too far afield or to a place that's awkward to reach can send negative shockwaves through your workforce.

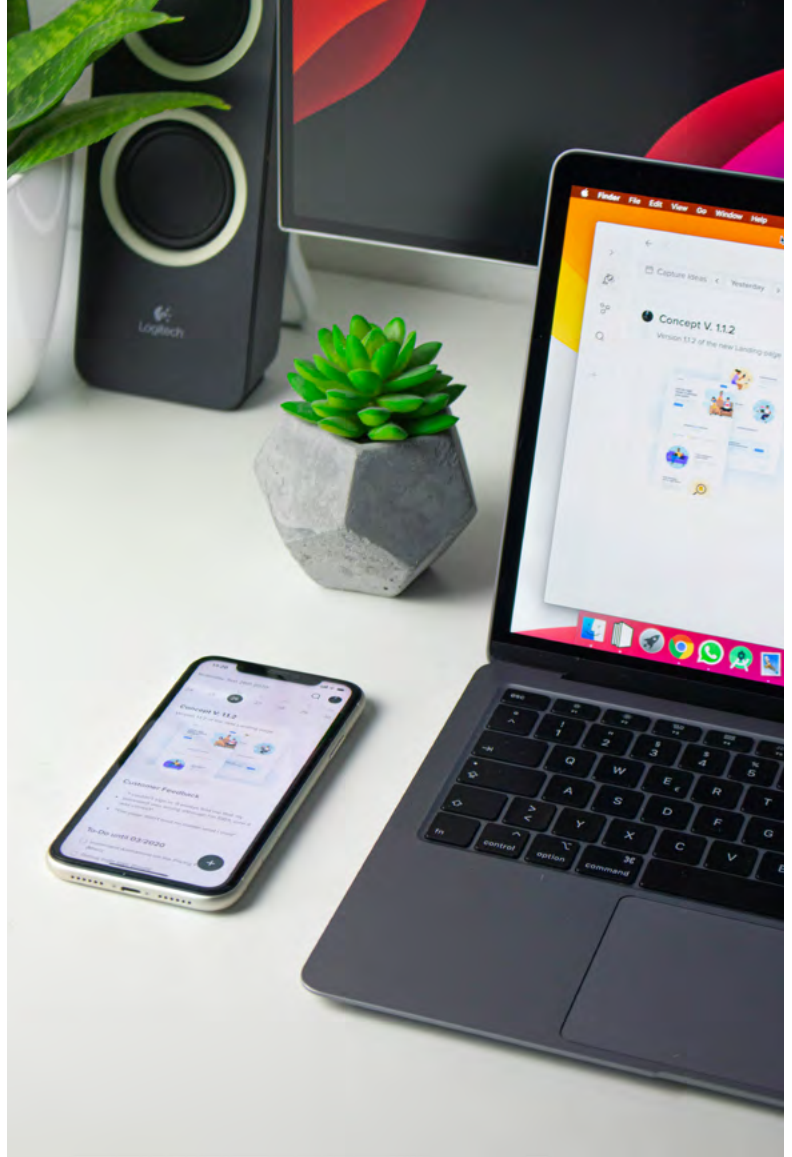
Offices in city and town centres are often well served by public transport, but for the exceptions, you have to consider how people will get into the office.



Local affordable parking can be a solution but if it isn't, will your employees be prepared to stomach the awkward commute? Talent that has seen their commute double overnight could consider jumping ship. In contrast to inner city locations, rural offices can offer their own unique benefits, such as free parking, a better work-life balance, and more cost-effective solution with lower rents.

Similarly, leasing an office in a highly desirable area can put a strain on company budgets, creating financial pressures elsewhere in your business and even forcing you to prematurely terminate your lease, which comes with its own set of problems.

Regardless of where you're looking, **FI Real Estate Management** has offices available to let in highly desirable and cost-effective locations throughout the UK with excellent transport links and ample parking, so chances are high we have a suitable space in the right spot for you.





## Access and accessibility

Ask yourself will the office be accessible when you need it. Not every office is available around the clock and businesses operating outside of the usual 9-to-5 may require 24-hour access, so always enquire about access times.

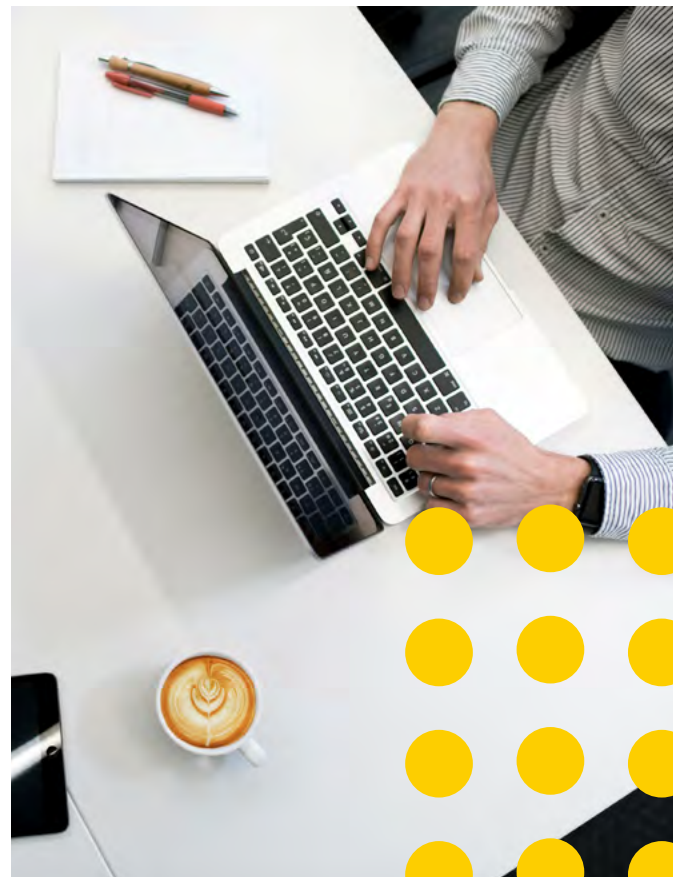
In terms of accessibility, double check whether the office is fully compliant with the Disability Discrimination Act (DDA). This requires companies to make reasonable adjustments and remove physical features and barriers to help disabled people access their offices. None of your current employees may have a disability but any future hires and visitors could.



## Getting online

The last thing you want to do is move into your new office space only to be horrified at the snail-like internet speeds, so be sure to check the office's connectivity.

One way to verify whether your potential new office is up to standard is its eWave connectivity star rating, which assesses a property's ADSL broadband speed, mobile coverage and fixed network infrastructure.



## Jargon buster



You're bound to encounter many baffling terms on the journey to leasing your new office space – and we want you to understand what's what when you're negotiating terms or looking over the paperwork.

So we asked some of the property managers around FI HQ to round up and clarify the most common nuggets of jargon - this is what they came back with...

### Rent

A regular payment made to a landlord by a tenant occupying a property.

### Rent Review

The process of assessing and adjusting the rent paid on a commercial property, usually to reflect current market value. In theory, rents for a commercial property could increase or decrease, depending on demand, surrounding area, inflation etc.

### Term

The agreed duration of the lease. Typically, it's anything between five and 500 years! But that can be negotiated to be shorter or longer.

### Heads of Terms (HOTs)

A document that summarises the intended terms of a commercial transaction. HOTs aren't usually legally binding, but they express the intent to complete the transaction and serve as a starting point for further negotiations between parties.

### Parties

The people or companies involved in the contract - typically, the tenant and the landlord -but can also include a management company comprising leaseholders in the building.

### Service Charge

A payment made by a tenant towards the cost of services and repairs beyond those specifically for the property.



At **FI Real Estate Management**, we won't bore you with overly complicated lingo and instead opt for a more straight-talking approach, so you understand precisely what you're signing up for.

## Step 2: Viewing your new office space

When searching for your next office, you can only get so far from behind a computer.

Let's say a stint of online shortlisting has uncovered at least one serious contender. To really understand that space, there's nothing better than heading over and viewing it in person.

You wouldn't buy a house without having a nosey around, and similarly, you shouldn't lease a new office without physically standing in the room and getting a genuine feel for the space. These are our tips for when you finally go viewing...

### Location

Your physical journey to the space should give a solid indication of how easy it is to reach. The area and building in which your new office is based will form part of your business' first impressions too, so question whether you're happy with that.

For any business regularly greeting visitors and clients, this can't be undervalued. If you struggle to find the front door, how do you expect first-time visitors to do the same? An elusive business can leave a poor initial impression and potentially get meetings off to an awkward start.

### Furniture

There's often a deceptively long lead time on office furniture, stretching up to six weeks in some cases. If the office doesn't come fully furnished, begin thinking about sourcing furniture soon.

### Use your senses

Looks aren't everything. It's true that going to view a property is largely about seeing it first-hand without the online filter, but this is your chance to assess how the space sounds, smells, and feels.

If the office is situated in a busy area, could external noise become an issue and hinder your business' operations?

Give the air a whiff too. It might be a strange suggestion but if there are any funky scents, enquire where they are coming from and make sure they're addressed as part of your lease.

Finally, think back to how the office looked in the listing. Do the photos match up to what you're seeing in the flesh?

### Positive personnel

It's important to strike a positive working relationship with your landlord and to be convinced that they'll act in a professional manner that fairly serves your interests.

Any landlord will be keen to win over prospective tenants from the off, so the onus is more on them to impress.

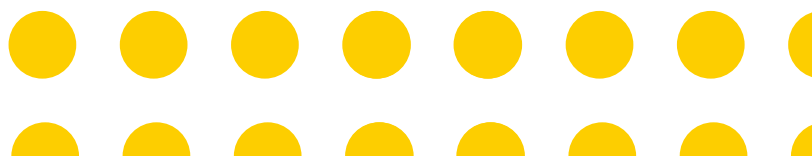
But in the unlucky event that you're landed with someone who isn't professional or knowledgeable, ask yourself if you're prepared to see through the deal and the duration of the lease with them.



## QUIZ

Take the opportunity to put our on-site team on the spot and ask specific questions about the office - this could weed out any potentially unforeseen surprises.

- ✓ Who are the nearby/neighbouring companies, and will you be sharing anything with them like kitchens, meeting rooms, or WCs? Either way, you'll have the opportunity to collaborate with like-minded businesses that could complement your goals.
- ✓ If there's anything you like the look of (i.e. furniture, fixtures), find out if they'll still be there when you move in.
- ✓ At **FI Real Estate Management**, we'll identify who is responsible for insuring, repairing and maintaining the building, and verify what the property can and can't be used for.
- ✓ Can the property be sublet at any point during the tenancy? Double check that the premises complies with fire regulations.
- ✓ For instance, we'll work with the local councils to determine whether your intended use is acceptable to the planning authority.
- ✓ By asking these questions face-to-face without the filter or safety net afforded by an email or phone call, you stand a greater chance of uncovering any areas of concern.
- ✓ If you need to change the building's use, our asset managers will guide you through the process or find solutions to minimise the time and cost involved in this process.
- ✓ With direct access to landlords, we can get any questions answered quickly with transparency.





# Rent cost anatomy: what goes into what you pay?

Rent isn't simply a figure that's plucked out of thin air; it's the numerical summary of various factors and it's taken very seriously.

Here are some of the key ingredients that go into deciding how much you pay every month.



## Market demand

If you're not the only interested party, the price of a property could be higher.

## Strength of company

This one comes down to the tenant themselves. If they're a consistently well-performing, financially stable company, it builds trust and confidence, as well as a solid foundation for discussions surrounding rent.

## Size

It makes sense that the bigger the space, the more you pay. However, opting for a larger space is likely to lead to a lower price per square foot, resulting in a better deal for the tenant.

## Location

If your new office is in a fancy part of town, surrounded by every possible amenity, expect to pay a premium. In contrast, hard-to-reach offices with few surrounding shops and scant transport links are likely to be much cheaper.

## Condition

Similarly, a newly furnished office will command a higher rent than an unloved property that hasn't seen a drop of paint in decades.

## Length of lease

Leases with a longer duration (or term) are likely to work out as a better deal with lower monthly rent costs and a stronger value price per square foot.



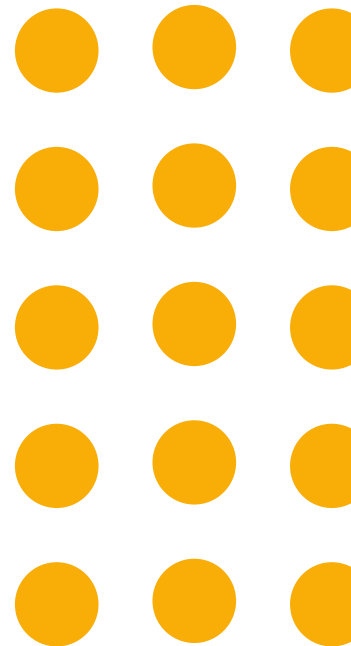


## Step 3: Negotiating your lease

So you've viewed the place, it lived up to expectations, and you're excited about finally getting the keys. The finishing line is in sight but don't hire the moving vans just yet because it's time to pick through the paperwork.

This last step is arguably the most important because it's the final hurdle of the journey.

Here are some other key points you need to be aware of when negotiating your lease.



### Keeping promises

Think back to any conversations you've had with us so far: are all our promises laid down in the lease? It may have been mentioned that your company is entitled to a certain number of parking spaces or that you can use breakrooms that aren't contained within your leased space.

At **FI Real Estate Management**, the person you do the deal with is the person you will be dealing with throughout your lease. We value consistency and loathe miscommunication, so that's why we keep things simple with a single point of contact from beginning to end.

## What's included?

Your rent is one regular expenditure that any occupier can expect, but it rarely includes other operating costs, such as service charge.

Will you the occupier be responsible for keeping the lights on, literally? Who is footing the bill to keep your office heated and air conditioned? Where is the internet coming from?

This is the time that you get all these details down in black and white and create a stronger tenant-landlord relationship, keeping costs down.



Of course, not all utility providers were created equally, so at **FI Real Estate Management**, we can take care of pulling in reliable, high-quality companies, thus sparing you another round of juggling contracts.

## Making sense

Leases can be complicated documents and plain English words can take a different meaning within a lease. Take the time to comprehend any complicated terms and ensure you understand everything you're about to sign.

At **FI Real Estate Management**, after you've signed, you can expect fantastic support. That includes our tenant pack, which explains everything in layman's

terms, as well as a specialised service from our dedicated team of asset managers.

## Set the date(s)

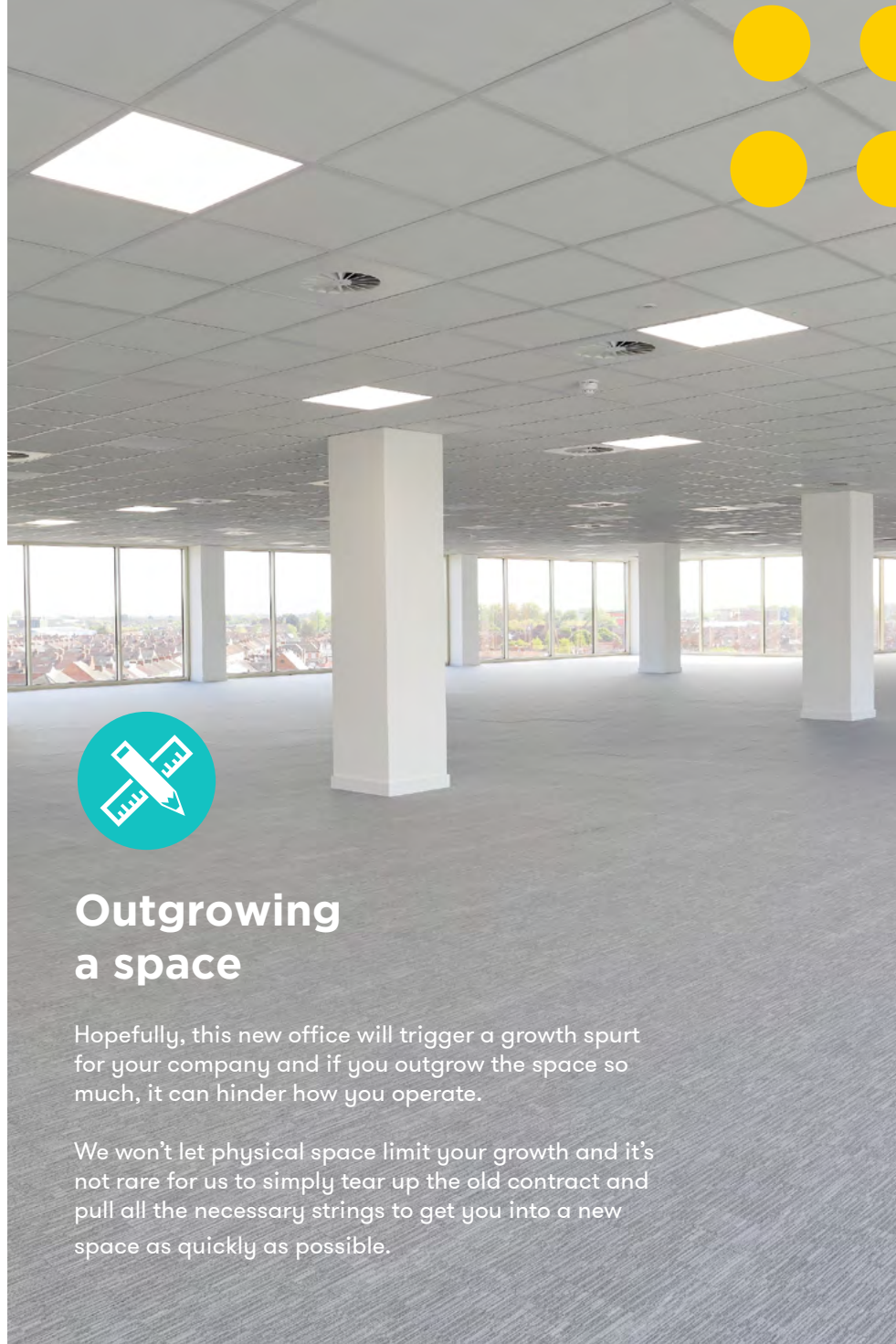
It's important to establish when exactly your lease begins and when it is due to expire. But it's perhaps equally vital to pin down any other significant dates.

If the space isn't ready to move in right away, when will work be completed and when can you realistically move in?

## Risk of rising rent

It should go without saying that you should only lease office space your company can afford.

However, regular rent increases aren't uncommon and typically built in, so ensure these are spelled out in your lease and the more we know about your long-term business strategy, the more we can tailor the figures to your needs.



## Outgrowing a space

Hopefully, this new office will trigger a growth spurt for your company and if you outgrow the space so much, it can hinder how you operate.

We won't let physical space limit your growth and it's not rare for us to simply tear up the old contract and pull all the necessary strings to get you into a new space as quickly as possible.





## Common challenges when leasing new office space

By this point, you'll be able to appreciate that leasing office space isn't exactly a straightforward process, so here we're highlighting some other things to consider...

### Being cagey

This isn't the time for keeping secrets – a tenant will always see better results and swifter progress by being completely open with their landlord. When tenants outline the strategy of their business, **FI Real Estate Management** is better equipped to provide informed advice, establish a stronger working relationship, introduce tenants to a wider business network, and communicate beyond the realms of lease negotiations. In short, help us to help you.

### Car parking

Never assume that just because a car park is attached to the property that your workforce will be able to use it. Spaces may be allocated to different businesses or the car park may belong to a private firm.

### Insolvent limited companies

When a limited company becomes insolvent, that doesn't necessarily mean the lease is rendered invalid.

### VAT

A company not registered for VAT doesn't always mean they'll be exempt from paying VAT on its lease. Definitely one to triple check.

### Property uses

When looking at the lease, take note of the property's permitted uses. If the list of potential future uses is lengthy, the property is more likely to be considered more valuable down the line which may be reflected with hefty rent rises.



It's all very well reading this now but when you're trying to run a company at the same time, certain factors can be neglected.

However, the keen and knowledgeable team at **FI Real Estate Management** can guide you through the process, ensuring your new office space will serve you well and includes everything you need to succeed and thrive.



# Thank you

We hope that this eBook has clarified the process of leasing new office space and outlined the major steps involved.

With a property portfolio of more than 10 million sq ft and over 40 years' experience in asset and property management, **FI Real Estate Management** is recognised as one of the UK's most established names in commercial property.

But we pride ourselves on being more than just a landlord. After moving into your new office, you will be looked after by our dedicated team to ensure you receive the best service.

**FI Real Estate Management** can also pro-actively help fuel your business growth via our tenant-to-supplier initiative and by connecting you to our wider business network.

Tell us what you want from your new office via our [enquiry form](#) and we'll take it from there.

Alternatively, call us directly on **0845 500 61 61**.

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