



Tenants Guide to Alterations

OFFICE



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Alterations

We find ourselves in the midst of the largest home working experiment ever undertaken. The consequences will continue long into the future and will have a lasting impact on how businesses manage their operations. The introduction of Covid-Secure measures for the workplace along with existing and evolving media and communication technologies will compel companies to look carefully at how they use and pay for their office space.

There are two reasons for this:

1. Health, Safety and Staff Wellbeing
2. Operating costs and economic impact of social distancing measures



Reasons for Altering Your Office Space

These are unprecedented times for businesses, many of which are tied to lease contracts for their office space.

If you are renting office space you may need to review your space requirements. This might be part of your space planning arrangements to ensure Safeguarding for your staff and visitors to make your space Covid-Secure.

You may also discover that you have surplus space that no longer serves your business but will cause a drain on your financial reserves whilst you are tied to a lease. You might consider subletting some of that space thus requiring a new layout and refit.

Re-imagining your space can help optimise your floor plan so you can cut back on wastage and costs for space that is surplus to your requirements.



Check YOUR lease

Before considering whether you should alter your space you need to check whether you are permitted to do so under the terms of your lease. Do not go through all the trouble of finding contractors and drafting plans before checking your contractual obligations.

Some leases prohibit alterations; others may allow for partial alterations but with specific conditions such as non-structural works or some configuration requirement. There might be conditions for reinstatement of the premises when you return possession to your landlord at the end of the lease. This is a cost consideration that will need to be factored into your budget.

If you find that you are restricted by your lease but need to find a solution you might consider talking to your Landlord to see if he is willing to relax the restriction/s and permit some alterations. Forward thinking Landlord's in the current business climate are probably more inclined to help their tenant's find a solution, so you still might have options available to you.



Due diligence

Re-imagining your space can be an ideal solution for your needs, but not if you fail to recognise all of the cost implications.

First assess how your space is currently working. Then identify how you would like to work whilst developing your safeguarding plan.

Develop your design concepts and solutions to create a workplace that reflects your business brand and culture.

Take care to plan and schedule your refurbishment works and split these into key phased installations.

Adopt a phased timeline that works around you and minimises interruption to your core business activities.

Optimise the construction of your office while you continue to work, keeping disruption of daily operations to a minimum. Consider out-of-hours working but be mindful of local authority noise restrictions and landlord's building regulations, especially if you are in a residential zone.

Consider retaining the services of a building surveyor to manage your project or use a design and build company for a more inclusive package of services.



Preparation of documents and plans

You will need to prepare drawings, floor plans and layout details of your project.

These will be required by your landlord as part of your application for consent to alterations. Make sure that you obtain landlord's consent before instructing and commencing your works.

Some of these plans may involve technical details and specifications for electrical installations, coms, lighting and engineering aspects such as air-conditioning or fire safety systems.

Make sure that you engage the services of suitably qualified technicians to help with this information.



Health and Safety

You will need to prepare risk assessments as part of your works strategy to ensure safe working. You will also need to establish a method of working to take account of your access and egress of men and materials during the works.

Noisy works such as drilling, and hammering will need to be timed so as to minimise disturbance to neighbours.



Regulatory consent

Make sure that you seek and obtain relevant building regulations, party wall requirements and construction design and management regulations.

Project Management

You might consider the services of a project manager and solicitor to help with the consent process, design, and management of the works. ITango can help you procure the professional services so that you can feel fully supported during this process.



Lease clauses to be aware of when altering your premises

We summarise the type of clauses that are typical in leases, which will or may have a significant bearing on your proposals for your new office plan. This means that you may be accountable to your landlord for the actions of your contractors as well as your own staff during these works.



Repairing obligations

The tenant is responsible for ensuring that the 'entire' premises are kept in repair. The definition of repair varies depending on the original lease.

Comply with statutes

This relates to the observance and compliance of appropriate Acts of Parliament orders, regulations and byelaws that might relate to your demised premises. There is usually a requirement for the tenant to indemnify the Landlord in such matters.

Planning

Usually a requirement to comply with Planning Acts and consents permissions and conditions that affect the Demised Premises. These might include works carried out on the premises or the use of the premises.

Fees

- To pay or indemnify the landlord against all costs charges and expenses (including professional fees) incurred by the Landlord:-
- incidental to or in contemplation of the preparation and service of a schedule of dilapidations or notice to repair.
- in connection with or in procuring the remedying of any breach of covenant on the part of the Tenant.
- in connection with any application for landlord's consent.
- in connection with the approval and supervision of any permitted works to or affecting the Demised Premises.

Fire Precautions

Typically, to comply with requirements and recommendations of the appropriate authority and those of the insurer's in relation to fire precautions affecting the Demised Premises and the impact on the building as a whole, particularly for those areas outside of your demised premises.

There is also a standard obligation to keep the Demised Premises sufficiently supplied and equipped with fire-fighting extinguishing apparatus and appliances to ensure safe working and protection during the course of the works.

Such requirements will be set out in your contractors health and safety risk assessment for your works.



Alter services

There might be a prohibition to alter or to add to the electrical installation wiring or related services within the Demised Premises without your Landlord's prior written consent. There will be references to the relevant Institutions of Engineering and Technology and the regulations of the electricity supply authority.

To repair or replace any electrical installation wiring or other services in the Demised Premises if it becomes dangerous or is required. The use of suitably qualified contractor/s approved by the Landlord is often stated.

Alterations

Not to make any installation or alteration to the structure.

Not to make any internal erection alteration or addition to the Demised Premises without landlords previous written consent. There might be a reinstatement obligation requiring the tenant to put the premises back to its previous state when the tenant returns possession to the landlord on expiry of the lease. You will be required to provide plans, specifications and risk assessments and method statements and submit these to the landlord for his approval as part of the consent process.



Not to cause nuisance

Not to use the Demised Premises or any part thereof in a manner which may be a nuisance to the Landlord or other occupiers.

This is especially relevant during noisy and disruptive works. There will usually be a requirement to keep the Landlord indemnified against proceedings and damages that might arise out of a breach or nuisance. Complaints can arise from neighbouring premises or local officials as part of any planning or building regulatory requirements.



Regulations

To comply with all reasonable regulations imposed by the Landlord for the management of the Building. This might relate to access and movement out of the building.

Propping open fire exits and carrying materials and rubble out of the building can present particular challenges for the tenant, his contractor, and the landlord. Remember, your landlord has obligations to other occupiers and neighbours and may be liable for the actions of 3rd parties if the works are not properly supervised and co-ordinated.

Indemnity

To indemnify the Landlord from all liability in respect of any injury to or the death of any person or damage to any property or the infringement or destruction of any right arising out of the repair, condition, or any alteration by the Tenant.

The tenant may need to seek appropriate indemnity insurance cover. A contractor will have insurance for this purpose, but you will need to check with the landlord to make sure that the level of cover is correct and complies with your lease obligations.

Not to vitiate insurance

Not to do something that would invalidate the landlord's insurance.

To pay additional premium/s

To pay the Landlord the amount of any increase in the insurance premium where this is attributable to the works carried out on behalf of the tenant in respect of its alterations to the Demised Premises.

