



**Simplifying  
Entrepreneurs'  
Lives**

**ignitionlaw**

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## **Top Tips for an Office Move**

Key considerations to bear in mind before committing to moving your business' office

## Works

So you've found the property, you can see yourselves in there and you want to move in yesterday, but take a breath, slow down for just a second, and consider all the factors involved before diving in and uprooting your entire operation!

### Heads of Terms

Time spent agreeing the details of the terms of your occupation at the outset is rarely wasted. The Heads of Terms should cover any points key to the space you need. Once negotiations are under way and the Landlord knows the need for space is becoming more urgent, the tenant's bargaining power to agree these points will be weakened. And exciting as the space is, you do not want to waste time negotiating with a landlord that is unaware of or unable to accommodate your key requirements.

### Works

Does anything need doing to the property before you move in or is it perfect as is? Agreeing details for works to a property and obtaining quotes from contractors can take time, so it's well worth addressing this very early on in your thought process.

### Landlord's Works

If the landlord has agreed to carry out works prior to your occupation, it's important to get them to commit to an exact list of works and timings and preferably to have completed the works before you are committed to take your lease. This might include works to remedy any disrepairs (see the Repairs paragraph below for more information).

### Tenant's Works

You will most likely want to put your own stamp on the property. However, it's crucial to get the details of works approved at the same time as the main terms of your occupation at the outset. Without formal consent in place, it's likely there will be delays to the works commencing and ultimately your occupation of the property.

### IT/Infrastructure

You need to consider whether the IT infrastructure is sufficient. If you require a connection to a new provider, or infrastructure that's over and above the current services/conduits in the building, you may need an agreement with a third party infrastructure provider, or to carry out works outside of your property. Either can lead to lengthy delays, so it is always key to establish this early on (ideally when you first look around).

### Repairs

The standard position is that the tenant is responsible for keeping the property in full repair. This means that regardless of what state the property is in at the outset, the tenant will be required to return it in full repair (which is often a surprise to first time tenants and can be very costly). Check the property very carefully during your initial visit/inspection, and if in doubt, get it surveyed or at least carefully inspected by a professional. If there are any issues, we can normally agree with a landlord to attach a photographic schedule of condition evidencing the initial state of repair and limiting your obligations to that condition. Alternatively, we can try to get the landlord to rectify any disrepair prior to your occupation. Again it is worth raising this early.

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## Key Considerations

### Furniture/fixtures and fittings

Is there anything you want to keep or do you want to inherit a blank canvas? Talk to the landlord about what is going and what is staying when you move in. Have a look around. Are there any items that could be costly to repair or replace, for example boilers/air-conditioning units? These are often overlooked, but can place a large and often unanticipated financial burden on an occupier if in disrepair (and note that such disrepair is not easy to record in a photographic schedule of condition).

### Third Parties

If your landlord is itself a tenant of a long lease, you may need the consent of its landlord before it can grant your lease (which can affect timescales). It is important to understand this at the outset, as someone will have to pay the superior landlord's legal (and possibly surveyor/agent) fees. This will often fall to the tenant if something different is not expressly agreed at the outset.

If your landlord's interest in the property is charged, they will most likely need to obtain bank consent to the grant of the lease. This can in some cases be time consuming, so again needs to be flagged early, as it can have timing implications.

### Compliance

If you are taking a lease of 7 years or more, this will have to be registered at HM Land Registry following completion, and there is a small fee for doing this based on the level of rent payable.

Unless the rent is below the taxable thresholds, there will be stamp duty land tax payable on the grant of any new lease. This is due within 14 days of completion of the lease, and failure to pay within this deadline can result in fines or penalties. It is worth calculating what this will be at the outset (or asking us to) so you can factor this into your moving costs.

### Costs

Make sure you have factored in all of the costs associated with the lease and the costs of moving. Ordinarily the tenant will be responsible for all costs associated with the property such as rates, utilities, service charges, insurance rent and VAT to name a few. Note that the 'Annual Rent' figure quoted is not usually the total amount payable (as you will typically need to pay insurance rent, service charges, rates and utilities on top), and these additional expenses can mount up significantly. Consider whether the Landlord will agree to an 'all-inclusive' rent or whether you can agree a fixed service charge contribution or a capped contribution so you know exactly what your outgoings will be.

It is usual to carry out various pre-contract searches before taking on a new lease. These vary greatly in cost depending on which searches are carried out, from around £250 for your most basic search to as much as £1,000 for a full suite of searches. Some searches can take several weeks to come back so it is advisable to discuss these with us very early on in the process. The basic legal principal is 'buyer beware', so whether or not you carry these out, once you have taken the lease, you would be subject to anything the searches reveal. However, having the searches to hand when negotiating the lease may give you the opportunity to insert certain terms to mitigate anything revealed by the searches.

### Timings?

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The legal process can take longer than you might imagine, especially if any third-party consents are needed and searches are required. With that in mind, it is worth starting the process as soon as possible, before your need to move becomes desperately urgent. It is much easier to stall things slightly in order to secure all the protections we would want for you. However, if a landlord knows your business is about to become homeless, this could leave you in a very weak negotiating position.

**We are here to help and we are always happy to have initial calls around a possible property or heads of terms points.**

*This short guide has been prepared for directors and owners of private limited companies for information purposes only, in particular to provide a summary of the key points typically considered in the context of commercial leases. This guide does not constitute legal advice and should not be relied upon. For specific queries and any further information, please contact Ignition Law for advice relating to your particular circumstances.*