



# Optimising value from your real estate

## 10 tips for making the most of your property

- Minimising costs
- Improving efficiency
- Mitigating risks

**Lambert  
Smith  
Hampton**

[www.lsh.co.uk](http://www.lsh.co.uk)

# Optimising value from your real estate

**Many businesses are under pressure to reduce costs, mitigate risks and improve operational efficiency from real estate. This is a high priority particularly for office occupiers given that real estate is typically the second highest revenue cost after staff.**

Below are our top 10 tips to reduce costs and drive value given that property should be regarded as an asset for occupiers and investors alike:

## 1. Challenge landlord service charges

There is scope to challenge service charges without sacrificing quality of service. However, identifying these opportunities is not always easy - it requires an ability to analyse service charge accounts, challenge expenditure and exploit lease weaknesses.

## 2. Know your key lease dates

Keeping on top of your critical dates such as lease expiries, options and rent reviews through a systemised estates diary will enable you to better plan ahead. This will give you time to strategically review your needs and negotiate optimum terms.

## 3. Property rates management

Rates make up a significant proportion of real estate costs. Savings can be achieved through an informed understanding and awareness of where the opportunities exist to reduce liability such as during projects, when vacating and within the appeals cycle.

## 4. Review key service contracts

There may be cost savings to be identified by reviewing your contracts with building service suppliers. Areas to review include insurance, bulk purchasing, re-aligning service levels to requirements and improving unit pricing/ tariff arrangements.

## 5. Energy efficiency and utilities management

Regularly reviewing the energy supply market and the careful timing of contract renegotiations can reduce occupancy costs. Energy efficiency initiatives such as building management systems, smart meters and lighting remote sensors can also save money.

## 6. Restructure your lease terms

Landlords are eager to secure longer term agreements. Lease expiries, breaks and rent reviews can provide an opportunity to negotiate potential rent reductions, rent free periods, future break options or the removal of future liabilities such as dilapidations.

## 7. Maximise capital receipts from disposals

If you decide to dispose of surplus property assets, research and review the planning use of buildings before disposal. Securing an alternative planning consent e.g. residential use, may increase value particularly where there is redevelopment potential.

## 8. Reduce the amount of space you occupy

Most organisations can readily identify opportunities to vacate unnecessary accommodation. However, the implementation of a workplace strategy can help an organisation to change work practices, reduce accommodation costs, reduce its carbon footprint, boost productivity and enhance corporate image and staff morale.

## 9. Unlock value from real estate assets

Value can be delivered through redeploying capital tied up within a corporate property portfolio. This can be achieved through structured sale and leasebacks, creating a joint venture vehicle or introducing an operating company/ property company structure.

## 10. An agile approach to real estate strategy

Ensuring the continuous review and alignment between the corporate business strategy, operational business requirements and the portfolio requires a dynamic approach in order to respond to changing market dynamics and opportunities.

## How can we help you?

Our Corporate Advisory Services team brings together property professionals with corporate sector expertise who operate from regional hubs located across the UK and Ireland. Our service model is fully integrated across technical disciplines to provide the breadth of expertise required to deliver the services outlined above.

LSH has experience of working across diverse business sectors ranging from financial, media, manufacturing, logistics, infrastructure and retail occupiers. By harnessing our business sector focus, dedicated account management approach and in-depth knowledge of local property markets, our objective is to deliver tangible value to our clients' operations.

## About Us

At Lambert Smith Hampton, our clients mean a lot to us. Our success and reputation depends on how we contribute to their success and reputation. So why do our clients choose us? There are many reasons, but chief amongst them is that we're unashamedly and single-mindedly focused on the UK and Ireland. This means that we're on the ground, in the thick of it, at the heart of things. We're not here, there and everywhere. We're just here.

We want to understand all our clients' issues, from the huge right down to the tiny. This is – and always will be – the Lambert Smith Hampton approach. No stone is left unturned. No angle goes unconsidered. Every job is important.

**It sounds like hard work. It is. But that's how success happens.**

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