



case study

3 – 5 Broad Street, March

Uprove Plc

Result:

Set Square's management of the dilapidations claim against the previous Tenant, and subsequent implementation of the necessary works to put the building into tenantable repair, has resulted in the building being immediately relet to a blue chip retail occupier. The improvement in tenant covenant has offset market-driven rent reductions, thereby protecting the value of the investment.

Project:

The property had previously been let on a long lease and the tenant had failed to undertake works on termination to comply with repair, reinstatement and redecoration covenants. There were issues over structural stability, water ingress from old slate roofs, dangerous electrical services, woodworm and rising dampness. The Tenants fit out as a pharmacy remained within the ground floor area. Further investigations showed the drainage system had collapsed.

The previous Tenant was responsible for putting and keeping the premises in repair, and reinstatement of alterations if required by the Landlord. The surveyor acting for the previous Tenant disputed the extent of disrepair and failed to put forward an acceptable cash offer to settle.

Solution:

Having been unable to achieve a satisfactory cash settlement following initial negotiations, the opportunity to relet to a blue chip Tenant required decisive action in order to mitigate losses and secure a long-term, stable income from the investment. A specification for the necessary repairs was prepared and tendered via our panel of approved contractors. The work was managed by Set Square to achieve the required quality standard, and to ensure it completed on time to avoid delaying reletting to the new Tenant.

On our recommendation, solicitors were instructed to assist in recovery of the losses to the Landlord, including costs of works, fees and mesne profits. The evidence gathered and documented at lease termination, together with Set Square's proactive approach to mitigating loss support the Landlord's claim for damages significantly in excess of the Tenant's cash offer.