



case study

Channel House, 7 Esplanade, St Helier, Jersey

Channel House Trustees

Result:

Set Square achieved a saving of £432k over the Landlord's original claim for dilapidations.

Project:

7 Esplanade is a self-contained office building in the centre of St Helier's business district. The premises were held by Set Square's client on an Underlease which expired in 2008. In the last few months of the term, the Landlord served an extensive schedule of dilapidations on the Head Tenant, which was then served on the Under Tenant, with damaged claimed at £487k for the works required to comply on termination.

Negotiations between the parties began with the Head Tenant and Under Tenant being represented by a local Jersey-based surveyor. Concerns at potential conflict of interest issues and lack of rigour around the assessment of the Landlord's claim brought about Set Square's involvement to act for Channel House, with the local surveyor being retained to act for the Head Tenant.

Solution:

First, Set Square undertook a detailed survey to assess each item of claim against the actual condition, and measured this against the lease obligations. This identified significant areas of dispute where disrepair had not been sufficiently identified, typically with the use of rolled-up general items under the banner "miscellaneous repairs."

Set Square then agreed to stand by a costing exercise carried out by a local Cost Management consultant. In this way, Set Square's unfamiliarity with local cost issues could not be used to attack any stand taken on costing issues.

Set square then used local contacts to investigate if there were any potential plans for the building when vacant. It became apparent that a detailed scheme for refurbishment was being put to tender; Set Square was fortunate to be given sight of those tender documents by one of the tendering organisations.

Using this knowledge, discussions took place to identify the impact of supersession issues. This principle is not widely acknowledged in Jersey, however Set Square's stance was supported by Jersey solicitor Ogier.