



case study

Fourth Floor, Dean Bradley House London SW1

Result:

Set Square enabled the client to successfully exercise a break clause in the lease for these premises, escaping the final 26 months of the lease and avoiding in excess of £500k of occupancy liabilities. In addition, Set Square's defence and management of the Landlord's claim for dilapidations produced a saving of £227k over the estimated total claim.

Project:

Set Square provided a monitoring role whilst the premises were vacated by the Tenant to ensure all fixtures and fittings were removed and the premises were yielded up with vacant possession by the due date. Other stipulations in the break clause were also checked for compliance to ensure the notice was effective.

A budget estimate of the total liability for dilapidations was prepared in the sum of £270k representing the cost of removal of alterations, partitions, medical consulting rooms, IT infrastructure, repair and redecoration, together with the reinstatement of open plan air conditioning systems.

An assessment of the likely intentions of the Landlord was undertaken. From this exercise it became apparent that there was a realistic chance of the premises being refurbished by the Landlord and therefore the potential issues of supersession could be substantial.

Solution:

Early meetings before the break date with the Landlord's dilapidations surveyor were convened to discuss possible courses of action. The Landlord expressed a wish to agree a cash settlement in the interests of assisting the Tenant to vacate without undue time pressures. Set Square developed a strong negotiating position by insisting that the Tenant was in a position to undertake the work which would survive any refurbishment by the Landlord.

This approach produced a claim figure from the Landlord which was significantly below the original estimate, together with details of the Landlord's proposed works to refurbish the premises. Set Square developed a counter offer in the sum of £37k based on actual costs from previous projects of a similar nature.

Final negotiations produced an agreed damages settlement of £37,750 including Landlord's fees in full and final settlement of the claim.