

COMMERCIAL PROPERTY SERVICE CHARGE SEMINAR

Change we can all believe in

PRESENTATION TITLE

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THE ASSET FACTOR

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The Process is Flawed Creating Distrust

Capital replacement example

- 12 year old building
- New 5 year lease
- Boiler has economic life of 15 years

Scen 1 – Not advised – customer pays 100% of replacement

Scen 2 – Advised Capped Service Charge – landlord tries not to replace and service standards fall.

Customer always loses





The Future

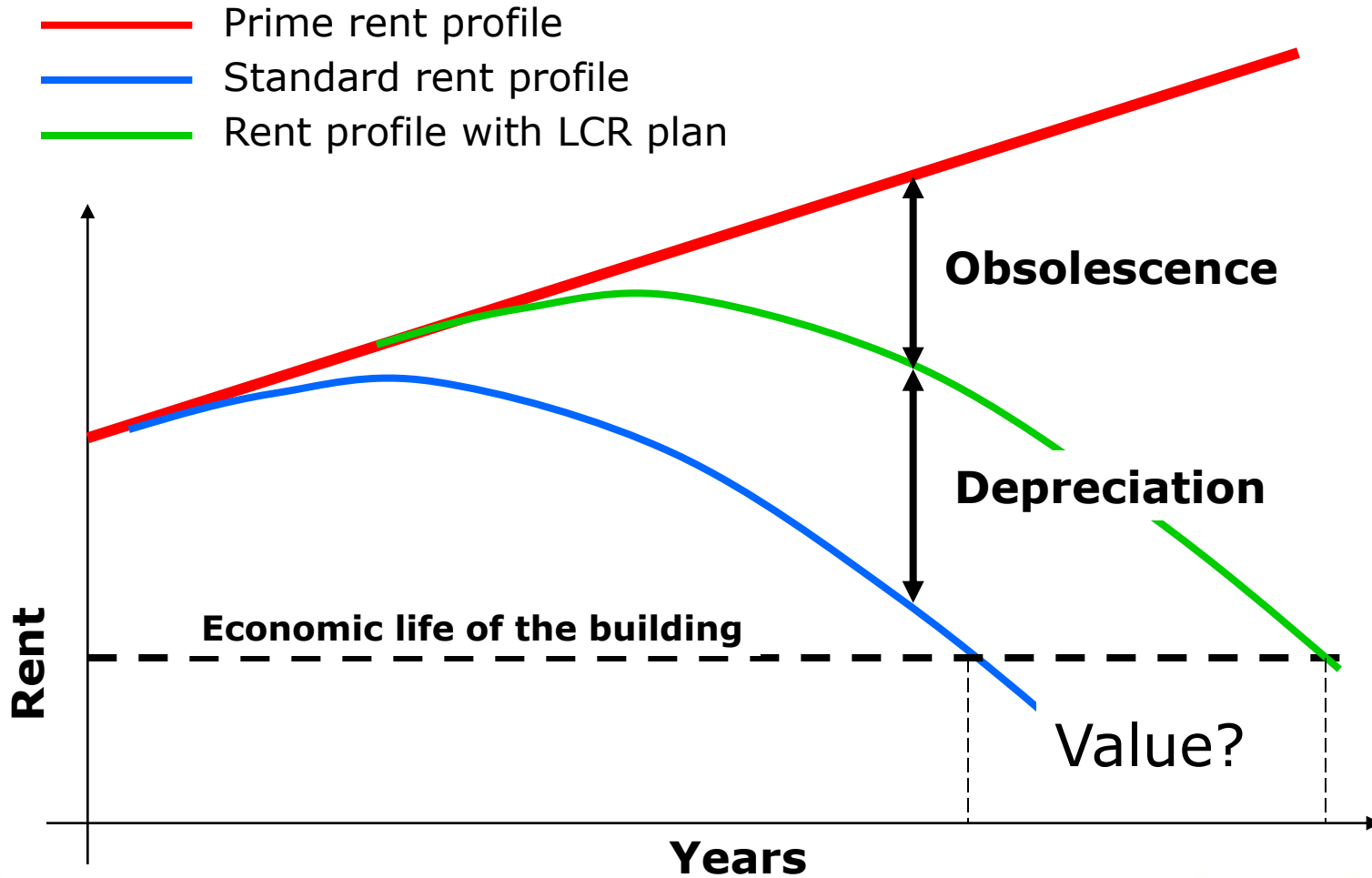
- Customers must start paying for life of the components of the building regardless of timing of their lease; and
- Landlords must start providing inclusive or life cost explicit leases, and/or
- Third party intermediaries may take those risks on behalf of landlords.
- Property Management industry needs to progress.

This is good for customers – more reliable service
This is good for landlords – potentially higher margins
and greater building value.



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