



## Our Services - Landlords

 **PROPERTY  
SOLUTIONS**  
managing service charges

 **bellrock**  
A Bellrock Group Company

Leading UK  
Service Charge Consultants



# Our Services - Landlords

We provide operational and strategic advice on efficient commercial service charge management, working with Landlords of both office and retail properties.

## About Property Solutions

We deliver a range of service charge portfolio administration and consultancy services to improve the management of commercial service charges, by offering expert advice to property owners and occupiers in the office and retail sectors.

Our team of experienced consultants offer a blend of specialist skills comprised of property, audit, construction, contract and facilities management. Our ongoing commitment to producing industry - leading research and engagement with academic institutions helps us to fully understand the market and to continually drive the industry forward.

## When representing landlords in service charge matters, our aim is to:

- Ensure good governances of their service charge accounts
- Avoid future service charge disputes and challenges
- Help increase tenant retention
- Mitigate future risks by performing pre-acquisition due-diligence audits
- Enable smooth hand-overs of service charge accounts at point of sale or change of managing party





## Service Charge Audit

Service charges should be administered and managed in accordance with the relevant lease provisions in each of the occupiers' leases. These lease provisions could be different from one another and, due to there being no over-riding legislation covering commercial service charges, need to be interpreted in the light of relevant case law.

The RICS Code of Practice; Service Charges in Commercial Property sets out what is considered best practice in the industry and offers guidance on how to produce service charge accounts that embody the principles of transparency, fairness and communication.

Our service charge audit can be used as an official certification of the service charge accounts (although we are not accountants we can work alongside them) or as a pre-certification exercise to mitigate issues arising at a later date.

The audit considers the following when assessing the quality of the service charge accounts:

- Compliance with lease terms
- Compliance with service contracts in place
- The scheduling of service charge costs and their apportionment between and within schedules
- Compliance with the requirements of the RICS Code
- Whether or not the services offer value for money
- How funds are managed and handled
- How accruals are handled and reported
- The reporting of the accounts to the occupiers

The result is improved management information which assists planning changes to the service charge management and helps inform decision making.

## Portfolio Service Charge Management

Although service charges are invariably a lower value occupancy cost (compared to principal rent and business rates), they can prove more contentious depending on the way they are administered, accounted for and reported upon.

We assist landlords either via their managing agents or their own surveyors (if they are self-managing) by making sure the service charge process is smooth and their management and accounting are in line with best practice as outlined in the RICS Code of Practice; Service Charges in Commercial Property.

Using industry-recognised property management accounting software, information regarding the client's occupiers is held securely on our system and through robust internal processes and regular client reporting the management of all the occupancy costs can be handled in an efficient and effective manner.

Property Solutions is regulated by the RICS to hold client monies and carries out the following activities throughout the service charge cycle:

- Setting up and issuing the annual service charge budgets, involving liaising with several stakeholders in order to gather and collate the associated costs
- Issuing quarterly demands for service charges
- Collecting these charges on the client's behalf
- Certifying the service charge accounts at year-end and issuing both the certificate and the resulting reconciliation statements

## Service Charge Consultancy

When approaching a Service Charge issue on behalf of a landlord we first ensure that we have a firm understanding of the problem itself and its operational impact upon our client.

Leases involved and especially their service charge provisions are the starting point as these constitute the contractual framework on the basis of which the service charges should be managed. Upon review, the particular service charge issue is split into its constituent parts and each tackled individually.

Examples of activities we have undertaken on behalf of landlords are:

- Setting up of a service charge framework at a re-developed building
- Carrying out security risk assessments at individual buildings and across developments
- Assessing the recoverability of items of major works during the redevelopment of a mixed-use scheme
- Performing a due-diligence service charge review at a mixed use scheme in Central London
- Looking at particular services at a shopping centre that are being questioned by tenants
- Advising on dilapidations negotiations
- Performing a high level health-check on the service charge accounts at an individual location or at portfolio level

Whatever the issue is we will formulate a solution based upon the available information and the client's requirements.

### For further information contact:

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