

CONTACT

To discuss your requirements or specific circumstances, please contact:



STEPHEN ROCKHILL
Partner, Construction & Engineering

T: +44 (0)1483 401210

E: stephen.rockhill@stevens-bolton.com

“Practical and proactive”

CHAMBERS UK

“Stephen Rockhill is praised for his ‘depth of knowledge’”

LEGAL 500

“Excellent industry specific guidance”

CHAMBERS UK

TOP 10 TIPS FOR TENANTS – FIT OUT WORKS



STEVENS&BOLTON

Wey House, Farnham Road, Guildford, Surrey GU1 4YD

T: +44 (0)1483 302264 F: +44 (0)1483 302254

www.stevens-bolton.com

STEVENS&BOLTON

TOP 10 TIPS FOR TENANTS – FIT OUT WORKS

Tenant Fit Out works come with a number of potential issues and pitfalls. Often the construction issues are left to the last moment and there is a mad scramble to put the correct documentation in place. In order to help you on the way we have listed our “top ten” issues which should be considered by every Tenant before engaging in a Fit Out process.

1. Method of procurement

The method of procurement you choose can have a big impact on the ultimate cost of the fit out works as well as the time taken to complete the works. It can also impact the level of control you have over the design and finish of the final interiors. Should you go for design and build or conventional? We can advise you on the pros and cons of various options available.

2. Forms of contract / contract amendments / risk and responsibility

Many standard forms of contract do not cater specifically for the fit out scenario and do not address the practical realities of risk and responsibilities for fit out works (including insurance obligations etc). We can help you make the necessary changes to the contracts so that the risk is properly managed.

3. Time for completion / Liquidated damages

Consideration needs to be given not only to your losses in the event of a delay, but also any liabilities you may have under any Agreement

for Lease. Liquidated damages are not a ‘one size fits all’ solution, and such clauses need to be carefully considered and tailored to fit your particular requirements.

4. Insurance requirements

Care needs to be taken to clarify who is responsible for insuring the works and/or the existing structure, to ensure that there are no gaps in cover, and that you are not left carrying an uninsured risk, or unable to claim under an insurance policy held by another party.

5. Design / dealing with changes

Who is to have control of the design? Could there be design changes during the progress of the fit-out works? Without adequate safeguards in place, you may find that you end up with a design that does not meet your needs and/or incurring a high cost for any changes.

6. Programme / sectional completion / phased occupation

Programme is often a key issue for a Tenant. Sectional completion and/or phased occupation may be of benefit in allowing you to start working from a site before all of the fit out works have been completed. However, taking occupation of part of a construction site before completion of the whole has a number of risks, which can come as a nasty shock when problems arise. We can help you to identify and manage that risk.

7. Defects in existing areas / shell & core

Who is responsible for remedying existing defects? If the Landlord (or others), what control do you have over the timing of remedial works and/or the impact this may have on the fit out works?

8. Payment regime

The Housing Grants Construction and Regeneration Act 1996 (as amended) requires strict procedures to be followed by Employers when dealing with payments to contractors and consultants. Failure by a Tenant Employer to comply with the detail of the Act can be severe. We will make sure you and your team are fully aware of the processes and provide you with the necessary pro forma documents.

9. Design warranties and/or product guarantees

What design warranties and/or product guarantees may be required? Do you have the benefit of these? What is their scope and for how long do they last? All these issues are important when you are entering into a fully repairing lease.

10. Scope of fit out

You will need to be careful to clarify up front what will constitute the fit out works, whether any of these are to be paid by the Landlord, and whether you may start the fit out works prior to the completion of any Landlord works (such as shell and core). A failure to agree the scope of the works at the beginning can leave you with a reduced period for carrying out your fit out works along with increased costs.