



**PHOENIX & PARTNERS**

**QUALITY OF SERVICE DOCUMENT**

## PHOENIX & PARTNERS

Phoenix & Partners was established on 1st January 1999 by Richard Phoenix.

Richard Phoenix is a Fellow of the Royal Institution of Chartered Surveyors and has over 25 years of commercial property experience, with Hillier Parker (now CB Richard Ellis), Phoenix Beard (now GBR Phoenix Beard) and with his own practice, Phoenix & Partners.

**Specialisation:** Richard Phoenix specialises in the relocation of corporate occupiers from their existing site to either a new building or a brown field development site.

**The purpose of this document** is to provide an insight into the quality of service and attention to detail that Phoenix & Partners offers to companies seeking to relocate. This approach is adopted for both the sale/letting of a property or the acquisition of a building/site.

Phoenix & Partners has close links with both Funding Institutions and developers and hence where there are problem sites or existing leases, by utilising these contacts it is possible for an overall strategy to take place whereby the existing lease/premises can be acquired with alternative premises being secured simultaneously.

## **CLIENT LIST**

A selection of clients we have worked with:

### **OCCUPATIONAL**

BRITISH AMERICAN DRAMA ACADEMY  
LLOYDS TSB  
MARKS & SPENCERS  
MAXON COMMUNICATIONS  
MEGGER GROUP  
NHS  
OLYMPIA (UK)  
SIGNATURE INDUSTRIES  
TYCOELECTRONICS  
YALE UNIVERSITY PRESS

### **COMMERCIAL DEVELOPERS**

ARGENT LAND  
HARROW ESTATES  
LEGAL & GENERAL  
STANDARD LIFE ASSURANCE COMPANY  
USS PENSION FUND

### **RESIDENTIAL DEVELOPERS**

BARRATTS  
BELLWAY HOMES  
FAIRVIEW NEW HOMES  
TAYLOR WIMPEY

### **INSTITUTIONAL/FUNDING**

BANK OF SCOTLAND  
LLOYDS TSB  
ROYAL BANK OF SCOTLAND  
STANDARD LIFE ASSURANCE COMPANY



**A. QUALITY OF SERVICE WHEN TAKING ON  
A NEW DISPOSAL INSTRUCTION**



## **INDEX**



<b>A.</b>		<b>INDEX</b>
<b>Page 7</b>	<b>(1)</b>	<b>The Client</b>
<b>Pages 9/10</b>	<b>(2)</b>	<b>Quality of Service - Marketing</b>
<b>Pages 12</b>	<b>(3)</b>	<b>Pre Instruction Process</b>
<b>Pages 14</b>	<b>(4)</b>	<b>Procedure for carrying out inspection and report to client for instruction</b>
<b>Pages 22/23</b>	<b>(5)</b>	<b>Progressing Instruction</b>
<b>Pages 25</b>	<b>(6)</b>	<b>Negotiation</b>
<b>Pages 27</b>	<b>(7)</b>	<b>Post Transaction</b>



## **1. THE CLIENT**

## **(1) THE CLIENT**

Our joint objective is to let/sell the property as soon as it is practically possible achieving the maximum rent/price.

In order to achieve the objective, all the potential lessees/purchasers will not only need to be identified, but also correctly targeted in order to enhance the chance of a successful letting/sale taking place.

The client in order to appoint an agent has to be confident in that agent's ability to identify and target those potential lessees/purchasers. He must be sure that the agent is committed to marketing the product properly etc.

Phoenix & Partners through its considerable experience in the Agency field, has established and maintained contacts throughout the marketing industries which would enable us to achieve the client's objective.



## 2. QUALITY OF SERVICE MARKETING

## (2) QUALITY OF SERVICE MARKETING

When taking on a new instruction Phoenix & Partners aim to give the highest quality of service to their client in providing a total package covering all aspects of marketing in order to facilitate the identifying and targeting of potential occupiers.

We have a team of professionals and experts throughout the marketing industry who we can rely on to provide a high grade of service to market the product.

The following are various marketing aspects which may be required to dispose of an instruction which we cover in our approach.

- a. **E - Commerce:** We have subscription membership for numerous property databases and societies to cover every aspect required for industrial, office and retail asset classes, whether for sourcing market evidence, identifying the level of competition or potential relocation opportunities.
- b. **Advertising:** Within 48 hours we can identify which are the best publications (local & national) to advertise in, together with a breakdown of the circulation figures.
- c. **Board:** Boards, banners & flags can be erected on a given instruction within a short notice to any size, shape or colour required, including relevant planning permissions.
- d. **Direct Mailing:** We can provide any mailing list (within 5 working days) of all the national and local office/industrial/retail companies to any given size range by either turnover or number of employees
- e. **Show Suites** We have a show suite consultant who provides direct advice on what is required and can tailor this to the budget. Once they have been instructed, they can put together a show suite within 4 weeks and arrange the furniture on a hire/ purchase basis. Obviously the time scale will be different should a show suite need to be constructed.
- f. **Brochure/ Mailer** We have brochure consultants who we can all upon who specialise in major business schemes and can expertly piece together a brochure within 4 weeks upon receiving instructions.
- g. **PR:** Our P.R. consultants have dealt with major schemes and can provide a total (on-going) P.R. service to completely promote the product from conception to completion.

- h. **Sales Representatives:** We have contacts with both out of work surveyors and professional marketing representatives who are familiar with telephone canvassing and promoting major schemes and also with specifications for buildings.
- i. **Photography:** We have a number of photographers that we use who are well respected, well priced and are experienced in promoting buildings etc.
- j. **Specialist Consultants:** We have a number of specialist consultants who have advised us over the years on such subjects as leisure facilities, crèches and traffic flows etc.
- k. **Research:** We use an out of house research company who have data banks covering the whole of Europe and U.K. We believe these are more comprehensive than the in-house research facilities which are offered by most surveying companies.
- l. **Space Planning:** Phoenix & Partners can call upon at 48 hours notice to undertake any space planning operation required for either marketing purpose or for dealing with a specific occupier's enquiry.

The marketing of an instruction is smoothly and efficiently undertaken with ourselves overseeing all the aspects of the marketing. Because we are confident of all the people we are able to spend more time undertaking the most important tasks of **approaching and speaking to the occupiers direct.**



### 3. PRE-INSTRUCTION PROCESS

### **(3) PRE-INSTRUCTION PROCESS**

#### **(1) Verify Status of Client's Instruction**

- Is Client known within the firm
- Confidential

#### **(2) Conflict of interest**

- With existing instructions
- With existing clients
- Personal conflict of interest

#### **(3) Broad Objectives of Client**

- Income
- Timescale
- Forced sale

#### **(4) Market Knowledge**

#### **(5) Fee basis**



#### **4. PROCEDURE FOR CARRYING OUT INSPECTION & REPORT TO CLIENT FOR INSTRUCTION**

#### (4) PROCEDURE FOR CARRYING OUT INSPECTION & REPORT TO CLIENT FOR INSTRUCTION

##### (1) Inspection

###### (i) Location:

- Road
- Rail
- Airports
- Bus
- Pedestrian

###### (ii) Site Access:

- Cars
- Lorries/vans
- Turning/loading facilities

###### (iii) Commissionaire

###### (iv) Local Agents:

###### (v) The Property:

- Exterior
  - Description of exterior
  - Condition
  - Repairs needed
  - Age
  - Security
  - Photographs
  - Where to erect a letting/sale board
  - Contaminated land
- Interior
  - Photographs
  - Specification
  - Measurement (RICS Code)
    - Offices (Net Internal)
    - Industrial (Gross Internal)
    - Warehousing (Gross Internal)
    - New Industrial/Warehouse  
(Gross External)
  - Condition
  - Repairs

- Surrounding Area
  - Adjoining occupiers
  - Comparables/Letting Boards
  - New developments/potential new developments
  - New road proposals
  - General description of area
  - Contaminated land

## (2) Usual Marketing Recommendations

- Board
- Mailing
  - Enquiries (past and Present)
  - Clients
  - National Occupiers
  - Local Occupiers
  - E.A.C.H
  - Local Agents
  - Developers
  - Institutions
- Brochure/Particulars
  - Location
  - Description
  - Accommodation
  - Features
  - Specification
  - Tenure
  - Rent
  - Service Charge
  - Rates
  - VAT
  - Possession
  - Viewing
  - Legal Costs
  - Photographs
  - Misrepresentation Act 1967
  - Misdescription Act 1991
- Advertising
  - Local
  - National
  - Trade
  - Other
- Overall Marketing Budget

### (3) Other Marketing Recommendations

- Technical guide to the building
- Direct telephone canvas to named individuals
- European based mailing and advertising
- Interior display boards showing:
  - Space Planning
  - Floor layouts
  - Local occupiers
  - Transport
- Exhibition
  - Mobile exhibition for display at appropriate conferences
  - Agents Receptions
  - Targeted occupiers reception/themed party
  - Public relations launch/on-going activity
  - Local press "Advertorial"
  - Specialised lighting effects to exterior of building
  - Video

### (4) Other information to include in report to clients

- Planning
- Rates
- Tenure
  - Leasehold (options, review, term)
  - Freehold
  - Restrictive covenants
- Method of reporting
- Phoenix & Partners Service
- Fee basis
- Float Account
- Type of Agency
  - Joint/Sole
- Viewings
- Misrepresentation Act
  - Promotion information
  - Competition Schedule
- Estate Agents Act 1979
  - Information for Client's Document



## INSPECTION SHEET OFFICE

---

**DATE:**

### PROPERTY

#### Internal

1. Size: sq ft N.I

2. Specification

Suspended ceilings	Raised Floors	Double Glazing	Lift
Air-Conditioning/Heating	Lighting		
Reception	Toilets	Alarm	
Kitchen			

3. Condition:

4. Repairs.

5. Photographs

#### External

1. Description:

2. Age:

3. Condition:

4. Repairs:

5. Security:

6. Car Parking:

7. Board Erection:

8. Photographs:

Miscellaneous:

1. Location - road, rail, airports, bus, pedestrian.
2. Access - cars, lorries/vans, turning/loading facilities.
3. Adjoining occupiers.
4. Comparables
5. New/other developments
6. New road proposals.
7. Contamination.
8. Local Amenities.
9. Commissionaire/site security.



## INSPECTION SHEET INDUSTRIAL

**DATE:**

### PROPERTY

#### Internal

- |    |               |       |                 |              |
|----|---------------|-------|-----------------|--------------|
| 1. | Size          | sq.ft | Office Content: | sq.ft        |
| 2. | Specification |       |                 |              |
|    | Eaves Height  | ft    | Lighting.....   | Heating..... |
|    | WCs.....      |       |                 |              |
|    | Loading Door  |       | Kitchen.....    | Alarm.....   |
| 3. | Condition:    |       |                 |              |
| 4. | Repairs:      |       |                 |              |
| 5. | Photographs:  |       |                 |              |

#### External

1. Description:
2. Age:
3. Condition:
4. Repairs:
5. Security:
6. Yard area :
7. Car parking:
8. Loading bays:

9. Board Erection

10. Photographs

Miscellaneous:

1. Location - road, rail, airports, bus, pedestrian
2. Access - cars, lorries/vans, turning/loading facilities
3. Adjoining occupiers.
4. Comparables.
5. New/other developments
6. New road proposals.
7. Contamination
8. Local Amenities.
9. Commissionaire/site security.



## INSPECTION SHEET RETAIL

---

**DATE:**

### PROPERTY

#### Internal

1. Size: sq ft N.I

- Gross frontage
- Net frontage

2. Specification

- shell fit out
- fully fitted out, cost of strip out

3. Condition:

4. Repairs.

5. Photographs

#### External

1. Description:

2. Age:

3. Condition:

4. Repairs:

5. Security:

6. Car Parking:

7. Loading and unloading facilities

8. Return frontage

9. Board Erection:

10. Photographs:

Miscellaneous:

1. Pitch on High Street
2. Location - road, rail, airports, bus, pedestrian.
3. Access - cars, lorries/vans, turning/loading facilities.
4. Adjoining occupiers
5. Comparables
6. New/other developments
7. New road proposals
8. Local Amenities.



## **5. PROGRESSING INSTRUCTION**

## (5) PROGRESSING INSTRUCTION

### Reporting to clients

- (i) Reply to all clients correspondence within 48 hours
- (ii) Give client update on Enquiries in writing on a monthly basis
- (iii) The client should be made aware of all serious interest verbally and in writing rather than just wait for the monthly update.
- (iv) All offers written or verbal should be reported to the client in writing immediately
- (v) Give regular updates on marketing effectiveness to client.
- (vi) Advise the client of competition and deals in the market
  - Give regular updates
- (vii) Be aware of innovations regarding building specifications in order to advise the client
  - Be aware of building regulations in order to advise the client
- (viii) Give broad advice to client to include such responsibilities as:
  - Management of building/park
  - Condition of building for improvements
- (ix) Press releases where appropriate for building
- (x) Awareness of features in the press
- (xi) Agree regular marketing meetings with the client
- (xii) Advise the client on development/refurbishment opportunities.

### Viewing Arrangements

- (i) Local agents
- (ii) Adjoining occupiers
- (iii) Client
- (iv) Female staff to be accompanied
- (v) Keys held at local office
- (vi) Burglar Alarm
- (vii) Covering letter if keys lent out



## Dealing with Enquiries

- (i) Produce standard response
- (ii) Same day turnaround to respond to enquiries
- (iii) Regularly monitor enquiries
  - Occupiers to be chased within 3/7 days of sending out details
  - Agent lead enquiries to be chased 1 week prior to Enquiries update report to client

## Action when taking on a new Instruction for Disposal

- (i) Approach landlord
- (ii) Approach adjoining occupiers and tenants on Estate/Park
- (iii) Agree marketing recommendations and carry out on regular basis
  - e - commerce
  - Mailing
  - Advertising
  - Check condition of boards
  - Keep update on brochure/particulars
  - Keep control on marketing expenditure in order that it does exceed agreed marketing budget.
- (iv) Check other marketing tools where used
  - Occupiers Guides
  - Display boards
  - Mobile Exhibition
  - Arrange receptions
  - PR
- (v) Maintain close contact with local agents



## **6. NEGOTIATION**

**(6) NEGOTIATION**

- All offers to be reported to the client in writing
- Record all negotiations in writing
- Heads of Terms
  - Demise
  - Tenant
  - Surety
  - Lease
  - Service Charge
  - Rent
  - Rent Commencement Date
  - Break Option
  - Alienation
  - Legal Costs
  - References
- Instruct solicitors and chase on a regular basis



## **7. POST TRANSACTION**



**(7) POST TRANSACTION**

- Fee
- Outstanding Recoverable Expenditures
- Press Release
- Let/for sale slip
- Remove/Erect board



**B. QUALITY OF SERVICE WHEN TAKING  
ON A NEW ACQUISITION INSTRUCTION**



**B.**

**INDEX**

- (1) The Client**
- (2) Level of Service Required.**
- (3) Procedure for Carrying out Inspections for Purchase**
- (4) Acquisition of New Premises**
- (5) Project Management Approach**
- (6) Funding**



## 1. THE CLIENT

## **(1) THE CLIENT**

Our joint objective is to acquire the freehold or leasehold interest in the property as soon as it is practically possible meeting the client's location, staff specification and cost requirements.

In order to achieve the objective, all the potential lessors/vendors will not only need to be identified, but also correctly targeted in order to enhance the change of a successful acquisition taking place.

The client in order to appoint an agent has to be confident in that agents ability to identify and target those potential lessees/purchases. He must be sure that the agent is committed to marketing the product properly etc.

Phoenix & Partners through its considerable experience in the Agency field, has established and maintained significant occupiers, agents, developer and residential developer contacts throughout the industry which would enable us to achieve the client's objective.



## **2. LEVELS OF SERVICE REQUIRED**

## **(2) LEVELS OF SERVICE REQUIRED**

The level of service required of the advisers to the Company will vary according to the route which the Company decides to pursue in satisfying their requirement.

### **(i) AGENCY**

Search and negotiations for acquisition and/or buildings on a freehold or leasehold basis.

### **(ii) PROJECT MANAGEMENT**

Project Management services will be required to either arrange for the construction of a suitable building on a site previously acquired or to monitor the construction of a suitable building by a developer on behalf of the Company. This level of involvement may reduce dependent upon the form of building procurement required.

### **(iii) INVESTMENT & FUNDING**

Investment and funding advice will be required should the Company acquire a building on a freehold basis either directly or through a developer and subsequently require to negotiate sale and leaseback arrangements.

The above three disciplines necessarily overlap and require a close working relationship between the individuals involved and the client.



### **3. PROCEDURE FOR CARRYING OUT SITE INSPECTIONS FOR PURCHASE**

### (3) PROCEDURE FOR CARRYING OUT SITE INSPECTIONS FOR PURCHASE

#### *Inspection*

#### 1. Site Location

- a) Location of site
- b) Exact location of site within complex

#### 2. Site Access

- a) Description of infrastructure surrounding site.
- b) Access for cars, lorries etc.  
Infrastructure

- i) Road
- ii) Rail
- iii) Airport
- iv) Bus
- v) Pedestrian

#### 3. The Site Itself

- a) Area of the site
- b) Present use of site
- c) Description of site i.e.,
  - i) Flat
  - ii) Contaminated
  - iii) Concerted
- d) Description of buildings including their age.
- e) Quality of buildings.
- f) Take pictures of all buildings on site. Try to take pictures to show site from all four angles.

#### 4. Surrounding Area

- a) Describe the area as a whole i.e., industrial, residential, commercial.
- b) List neighbouring occupiers, type of building, state of repair, use.

#### 5. New Development

- a) List any new development occurring in the area
- b) Any proposed development
- c) What the development is going to be used for.
- d) List any vacant lane.

- e) Take pictures of development that has occurred

## **6. Letting Boards**

- a) Evidence of agents boards for:-
  - i) Units - to obtain information on passing rents/possible purchase.
  - ii) Vacant land - to ascertain what development is to be conducted.

## **7. Transport Proposals**

- a) List any proposals that are going to change the infrastructure surrounding the site.



## **4. ACQUISITION OF NEW PREMISES**

## **(4) ACQUISITION OF NEW PREMISES**

### **4.1 ACQUISITION ROUTES**

The following are the main routes through which the Company gain provision of a new purpose built headquarters building

#### **4.1.1 FREEHOLD LAND PURCHASE AND DIRECT DEVELOPMENT**

This would involve successfully acquiring a suitable site on a freehold basis and could be coupled with or followed by sale and leaseback arrangements should the Company prefer to occupy the premises on a leasehold basis, thereby releasing capital from the property.

#### **4.1.2 PROVISION OF A BUILDING THROUGH A DEVELOPMENT COMPANY**

This would involve negotiations with a development company in control of a suitable site to provide a building on either a freehold or leasehold basis to a specification as defined on behalf of the Company. Negotiations completed with a developer on a freehold basis may be followed by sale and leaseback arrangements if required. If this was a preferred option then there would need to be an overseeing role during the building contract by the Company or their advisers.

**N.B.** If a sale and leaseback option were undertaken, the location and design of the property would need to be addressed in great detail since investors will require the location and design of the property to be attractive to other potential occupiers should the Company vacate at the end of their lease.

#### **4.1.3 FREEHOLD PURCHASE OF EXISTING PROPERTY**

This would involve negotiations with the freeholder of the potential building or their agent. This could be coupled with or followed by sale and leaseback arrangements.

#### **3.1.4 LEASING AN EXISTING PROPERTY**

This would involve negotiations with the freeholder of the potential building or their agent to obtain possession of the buildings on terms that are suitable to the Company.

## **4.2 AGENCY APPROACH**

Should Phoenix & Partners be formally appointed then we would carry out the following procedure.

### **1.0 CONSULTATION**

Identify activity to be carried out in premises and therefore location conditions necessary.

Identify activity to be carried out in premises and therefore locational condition necessary.

- Planning consent required for use.
- Suitable environment.
- Amenities required by occupants.
- Confirm size and type of building :-
- Identify critical dimensions and specification of buildings i.e. length, width, height etc.
- Identify car parking/external storage/circulation requirements.
- Office requirement - Size, configuration and specification.
- Identify overall site size.
- \* Discuss tenure funding requirements of client -
  - + Purchase freehold site
  - Direct construction programme
  - Retain freehold interest or sale and leaseback options.
- \* Design & build and occupy on a freehold basis through a developer.
  - Design & build and occupy on a leasehold basis, funded by/or through a developer.

## **2.0 IDENTIFICATION OF OPPORTUNITIES**

- \* Site search based on criteria identified above
  - Location
  - Terms (Freehold/Leasehold)
  - Design and build potential
  - Physical site condition/potential for grant aid
- \* Search to identify availability of existing buildings
  - Leasehold
  - Freehold
  - Sale or leaseback from freehold to leasehold
- \* Discuss and advise on the production of a short list of opportunities
  - Assess effect of each short listed option on asset value

## **3.0 METHOD**

### **London & Local Agents**

We would establish contact with all the London and the local agents on your behalf in order to make sure that they are fully aware of your requirement

### **Local & Regional Occupiers**

We would advise you on the purchase of an up to date mailing list of local and regional occupiers within the area of search.

We have a specialised direct mailing house whom we use for this exercise and they target the individual within each of the designated companies whom specifically deals with property matters of this nature. Again we would advise that this exercise should be carried out once every three months.

### **Developers/Institutions**

Phoenix & Partners has extensive email and direct mailing lists of institutions, commercial and residential developers all of whom own significant land banks some of which may well be situated within your area of search.

We advise that we would write to each of these companies to make sure that they are aware of your requirement and to establish whether they have any sufficient land or buildings within the area of search.

### **Local Authorities**

We have all the names and addresses of the relevant local authorities and economic development officers within your area of search and again we would recommend writing to these parties advising them of your requirement.

### **Advertising**

In order to maximise the coverage for your requirement, local and national advertising would be of benefit.

### **Press Release**

Where appropriate we would suggest that a press release specifying your requirement, should be drawn up by ourselves with your approval, to be forwarded to the national property magazines of the Estates Gazette, Property Week and Estates Times as well as the local press.

## **4.0 NEGOTIATION**

Examine scope for serious negotiation on each property short listed

If freehold required

- A realistic cost for each site
- Level of which developers will provide a freehold design & build package.

If leasehold building is required

- Terms on which a developer may provide design and build package and fund leasehold occupation.
- Level of which developers will provide a design & build package on a freehold basis for which sale and leaseback terms in the market can be investigated.
- Level at which a developer will sell freehold land. Phoenix & Partners would then arrange for design and construction of premises and negotiate sale and leaseback in the market thereafter.

### Analysis of short list options

- Financial options available.  
Operational considerations for each option.

Complete negotiation on site/building/lease acquisition for identified option.

Co-ordinate close working relationship with client, legal advisors and project manager to ensure successful conclusion of legal negotiations.



## **5. PROJECT MANAGEMENT APPROACH**

## (5) PROJECT MANAGEMENT APPROACH

### 5.1 Project Management - Agent's Role

#### 5.1.1. FEASIBILITY STUDY/PROJECT APPRAISAL (*With sub-consultants, as required*)

- Prepare feasibility studies
  - Check site area and building requirement.
  - Prepare initial scheme design.
  - Discuss proposed development with Planning Authority.
  - Prepare initial budget cost plan.
  - Prepare initial project programme.
- Prepare development appraisals for proposed projects, advising on all aspects of legal documentation and development related issues.
- Programme and share client and project meetings throughout the project.
- Instruct site investigation and report, and environmental statements.
- Prepare detailed project cost plans and cash flows.
- Prepare comprehensive master programmes for all project phases.
- Prepare scheme designs, including interior design and operation.
- Co-ordinate and include in design specialists consultants operational requirements.
- Submit planning application to Local Planning Authority.
- Undertake public utilities negotiations regarding existing services and requirement for development.
- Make recommendation on specific clauses of the design & build contract.

### **5.1.2 BUILDING DESIGN STAGE** *(with sub-consultants, as required)*

- Operate meeting programme and chair client and project meetings.
- Liaise with specialist operational consultants.
- Prepare final scheme design and detailed drawings.
- Prepare detailed building specification.
- Specify the building controls with regard to operational requirements.
- Prepare a mechanical and electrical service design and specification.
- Prepare a structural design and detailed drawings.
- Prepare proposed interior design scheming including any corporate requirements.
- Prepare bills of quantities.
- Undertake financial check on proposed contractors.
- Commission artist's perspectives.
- Adjust project programme.
- Detailed financial controls to be put in place and operated during the contract.
- Adjust cost plans and cash/flows.
- Prepare and agree the contractors to be invited to tender for the contract.

### **5.1.3 CONTRACT DOCUMENTATION AND TENDER**

- Finalise contract conditions, including liquidated damages, maintenance period, contract programme, etc.
- Finalise employer's requirements document.
- Implement tender procedures and invite competitive tenders.
- Receive planning approval from Local Authority.
- Receive tenders, and formally open tenders.
- Prepare reconciliation report and recommend to client contractor to be appointed.



- Contract negotiation to finalise contract sum.
- Finalise contract programme.
- Instruction of contractor on behalf of client.
- Completion of contract document including:-
  - Contract (Under seal or hand)
  - Collateral warranties.
  - Performance bond. 'Build' policies.
  - Novation agreements (under Seal or Hand).

#### **5.1.4 CONSTRUCTION PHASE**

- Site possession by contractor.
- Construction contracted administration throughout contract period.
- Construction contract programme maintenance.
- Prepare monthly financial and contractual reports throughout contract.
- Operate contract variation and cost control.
- Certification of monthly interim payments or alternative payment methods.
- Programme and chair site and project meetings throughout construction phase.
- Continual client liaison via pre-programmed meetings.
- Supervise commissioning of building services and handover.
- Certify practical completion of building.

#### **5.1.5 BUILDING OPERATION**

- Receive O & M manuals and record drawings.
- Receive all statutory approvals and test certificates.
- Negotiation and settlement of final account.

- Monitoring throughout defects liability period.
- Certify completion and release of retentions.
- Provision of facilities for the management and maintenance of the building.
- Provide rebuilding valuation for fire and special perils insurance.
- Retain contract documents and secure store for six or twelve years.
- Provide to client all statutory approvals, test certificates and Licences.

## **5.2 Project Management - Client's Role**

### **5.2.1 FEASIBILITY STUDY/PROJECT APPRAISAL**

- Agree final management brief and instruct project manager, having checked professional indemnity cover.
- Complete site acquisition.
- With project management expertise agree the project brief
- With project manager expertise agree a project programme and budget.
- Attend client/project manager meetings.

### **5.2.2 DESIGN STAGE**

- Attend pre-programmed client/project manager meeting.
- Approve final design.
- Approve final performance specifications and drawings.
- Approve selected contractor tender lease.
- Improve employer's requirement document.

### **5.2.3 CONTRACT DOCUMENTATION & TENDER**

- Attend formal tender opening.
- Receive tender reports with recommendation on the appointment of contractor.

- Instruct appointment of contractor.
- Sign and seal contract documents and drawings prepared by Project Manager.

#### **5.2.4 CONSTRUCTION PHASE**

- Attend pre-programmed client/project manager meetings.
- Pay contractors interim certificates on certification from Project Manager, and in accordance with contract (on time).
- Attend site visits with Project Manager to see project progress.
- Take formal handover of building at practical completion.
- Place insurance cover for fire and special perils.

#### **5.2.5 BUILDING OPERATION**

- Receive operational and maintenance manual.
- Receive all statutory approvals and test certificates.
- Instruct building and building service maintenance contracts.
- Pay retention on completion of defects liability period on certificates from Project Manager.



## **(6) FUNDING**

## (6) FUNDING

We have established close contacts with institutional, Bank and joint venture companies which can be brought to bear to cover all the below finance scenarios required:

### 1. Forward Commitment /Sale and Leaseback

This whereby an institution may meet the costs of development including acquisition costs of the site, construction fees, interest and letting fees etc.

Forward funding transactions are a way to create new investment opportunities and are a tax efficient method of structuring development transactions. Typically, the transaction will involve the sale of a bare site on day one, with a pre-let agreement in place with an occupational tenant which is conditional on the construction of a building. The seller will enter into a separate development/funding agreement with you, in which the seller agrees to construct the building and in which you agree to provide finance to the seller for that construction (with an ability to charge interest). Structuring the transaction in this way means that the Stamp Duty Land Tax (SDLT) at day one is charged only on the value of the bare site, rather than on the value of the land plus the building which is to be constructed. Once the construction has completed, you agree to pay to the seller a final balancing payment based on the developed value of the property, but deducting the advances you have already made to the seller during construction

### 2. Contractor Funding

Construction companies may also provide equity in the form of short term development finance and may be provided as a package to the developer to ensure a building contract.

### 3. Mortgage

A commercial mortgage is a mortgage loan made using commercial property as collateral to secure repayment.

### 4. Mezzanine finance

Mezzanine finance can be used to fill the gap between primary bank funding and the actual amount required for your development. Mezzanine funding is far more expensive than the initial funding as there is more risk involved.

## 5. **Bridging Loans**

A bridging loan is one that is taken out as a temporary measure as a means of raising finance for a short term (less than 6 months) after which a longer-term arrangement is found. This could be where a property is being acquired at say an auction, or where it was not possible to secure a mortgage because of the state of the property.

## 6. **Equity finance**

Equity finance is share capital invested in a property for the medium to long-term in return for a share of the ownership in - and sometimes an element of control of - the property.

## 7. **Refurbishment finance**

Where substantial refurbishment is required, there are a number of specialist lenders that provide mortgages specifically for property's that need work undertaken to make them in a state fit for occupation.

## 8. **Development finance**

Most lenders base their funding on the costs of the scheme. Typically they would be prepared to lend up to 70% of the purchase cost of the land or buildings and then 70% of the costs of development. The lenders often prefer that the developer's contribution is front loaded. This means that the developer invests their capital in the acquisition of the property. In return the lender funds the development costs.

Some lenders are prepared to lend on the basis of the projected end value of a development. Typically they would lend up to 60% of the projected end value of the scheme. .

Alternatively, lenders like to take an equity stake in the development rather than lend all the money. The advantage to the developer here is that finance charges are kept down. The downside is that they only take a proportion of the final profit.