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Commercial Real Estate

Risk and exposure audit
2025

Introduction

Your Firm's physical office presence here in the UK you will form an important part of your brand and reputational identity as well as provide a business home to your lawyers and staff. You will likely occupy premises on a leased basis, and there are a number of circumstances which might prompt a closer look at your existing real estate position.

With the rise of hybrid working models, the demand for high quality yet sustainable space that is in line with your strategic ESG ambitions coupled with the maintenance of team culture and ease of people management, the considerations around your occupational built environment are as challenging as they have ever been.

Your Firm's underlying existing legal position is therefore the starting point in considering a revised occupational real estate strategy.

Key concerns

- The under-utilisation of existing space resulting in wasted real estate spend.
- The over-utilisation of space (due to growth projections, the firm will imminently run out of space to operate in).
- Outlining a “stay versus go” premises strategy.
- Your existing space is not fit for your current working practices (whether that is cellular offices, open plan or blended desk allocation) resulting in required physical alterations to your space.
- Ensuring your space and building complies with the UK Government's Minimum Energy Efficiency Standards (MEES) and that you are aware of the requirements and costs in complying with these.
- Looking to achieve financial efficiencies by creating and leveraging negotiating positions with your landlord due to upcoming lease “events”.
- Improving or rectifying current building performance issues such as air conditioning performance, security or manned reception presence.
- Managing and planning for dilapidations and lease exit obligations.
- Preparing for an upcoming rent review.
- Operating an existing break option and validly satisfying all associated break conditions.
- Procuring the return of a rent deposit from the landlord or ensuring any financial tests are satisfied to ensure early deposit release.
- Improving building management and building service charge provision following a decline in service levels, for example, following a recent sale in the building.

How we can help

- Review of existing lease documentation to prepare a diary of critical lease events, which can also include taking steps to obtain a full package of lease documentation.
- Deal with applications for consent under your lease whether for proposed alterations, telecommunications installations, lease assignment or proposed underletting of any surplus space.
- Advising on operating break options and potentially leveraging the same working with your appointed surveyor team.
- Advising on lease expiry obligations (whether the lease is brought to an by operation of a break or natural lease end).
- Reviewing alternative occupational arrangements such as serviced offices and managed office solutions to cover short-term occupational needs or overspill space.
- Advise on property litigation matters such as disputes with the landlord over lease breaches.

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