



WORKMAN RETAIL & LEISURE OCCUPIER UPDATE 26.03.2020

OUR APPROACH TO MANAGING SERVICE CHARGES DURING THE COVID-19 CRISIS

REDUCED OCCUPANCY LEVELS

In view of the rapidly evolving spread of Covid-19 and the elevated 'lock-down' status being enforced across the UK, we are seeing a significantly reduced level of occupancy across much of our managed portfolio.

We appreciate the speed at which the situation continues to develop and are planning towards there being further restrictions in due course.

COVID-19 IMPACT ON RETAIL & LEISURE SECTORS

Within the leisure sector and large sections of retail, occupiers are adjusting to significantly reduced levels of trading or Government mandated closures of their units.

At the same time a number of key retailers, such as supermarkets and discounters are seeing unprecedented demand for food and cleaning products. Retailers and site teams are working together to help ensure a safe and orderly access to their stores whilst maintaining social distancing.

These are unprecedented times and as such we are working with our clients, occupiers and service providers to ensure that service charge levels are appropriate to each property and the unique circumstances faced by each.

There is clearly a desire from occupiers and landlords alike to reduce service charge where occupancy levels are reduced.

GETTING THE BALANCE RIGHT

A balance is being struck between reducing non-essential services whilst ensuring statutory compliance, security and the safety of public, occupiers and staff is not jeopardised.

It is clear there is no 'one size fits all' approach. Our property management teams have the knowledge and experience to ensure the services provided remain fit for purpose.

All properties are being reviewed and not all changes will bring immediate savings, or indeed savings at all, where for example security needs to be enhanced.

For obvious cash flow reasons and to ensure each property is managed appropriately, it is important that on-account service charges continue to be paid in full. Any savings that are achieved will be passed on as a credit at the year end.

We continue to follow Government advice and work alongside various industry organisations to ensure we are providing our clients and occupiers with clear and appropriate advice during these challenging times.

If you have any specific concerns about your occupancy and the services provided to your property during the current crisis, please contact your Workman property manager or primary Workman contact in the first instance.