

RAAC What do I need to know?



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Agenda



Background



Failures



Risk Assessment



Identification



Managing RAAC



Service Charge



James Baker FRICS

Chartered Building Surveyor

Founder & Managing Director

Background

What is RAAC?

History

Concerns

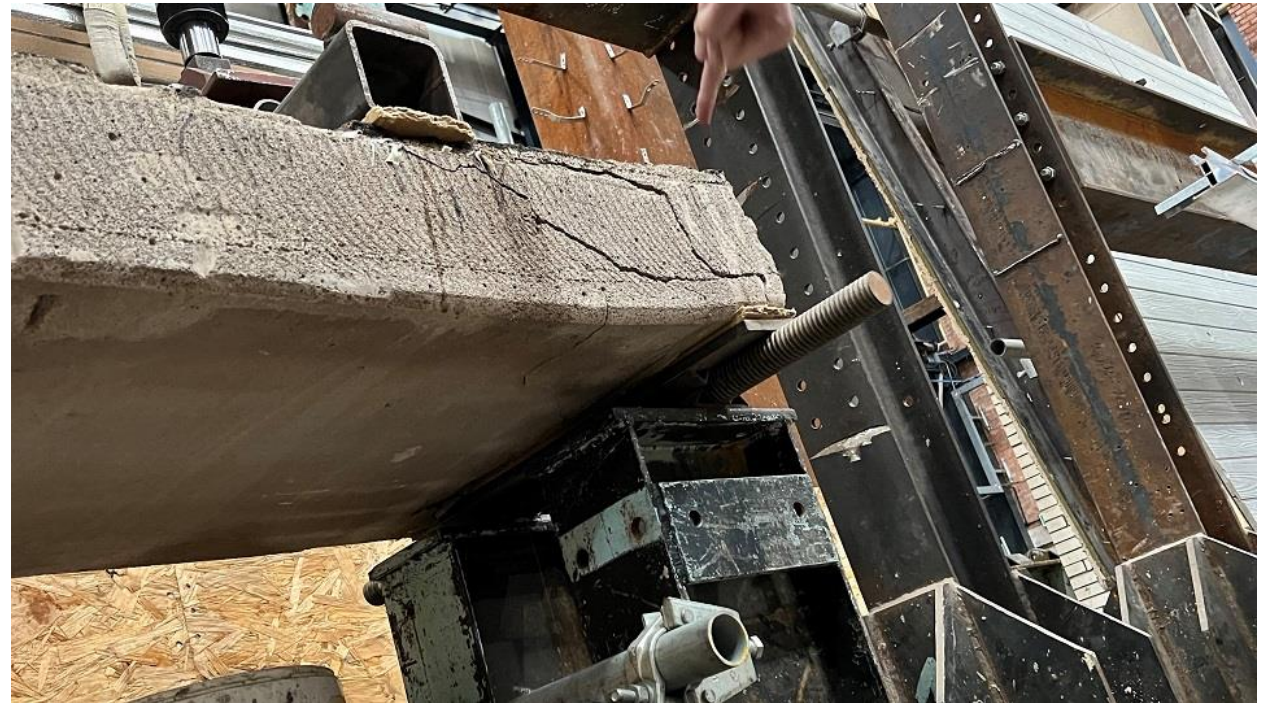


Failures

What is the risk?

Systemic problems

- Low compressive strength
- Porous
- Bubbly
- Bearing



Risk Assessment

Previous collapses

DfE assessment



Identification

No register

Specialist Engineers

Next steps



Managing RAAC

Conduct a risk assessment

Long term plan

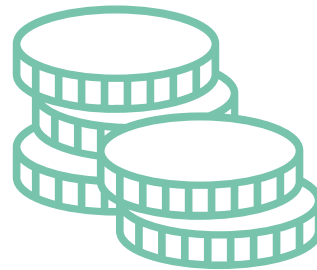
Checks

Notify

Warning Signs



All RAAC *ever* produced is now past
(or **very** soon to be at) the end of its
probable useful lifespan



Assure Consulting

- A Team of Occupier focussed Cost Saving Experts
- Services across the UK and Internationally, covering:

Service Charge Audit & Management
Insurance Audit & Management
Tenant Recharging
Treasury

- Using an intelligent, evidence-based approach, supported by our own system, Verivi.
- An established track record for Savings.
- Regulated by the RICS & certified ISO9001 for robust processes

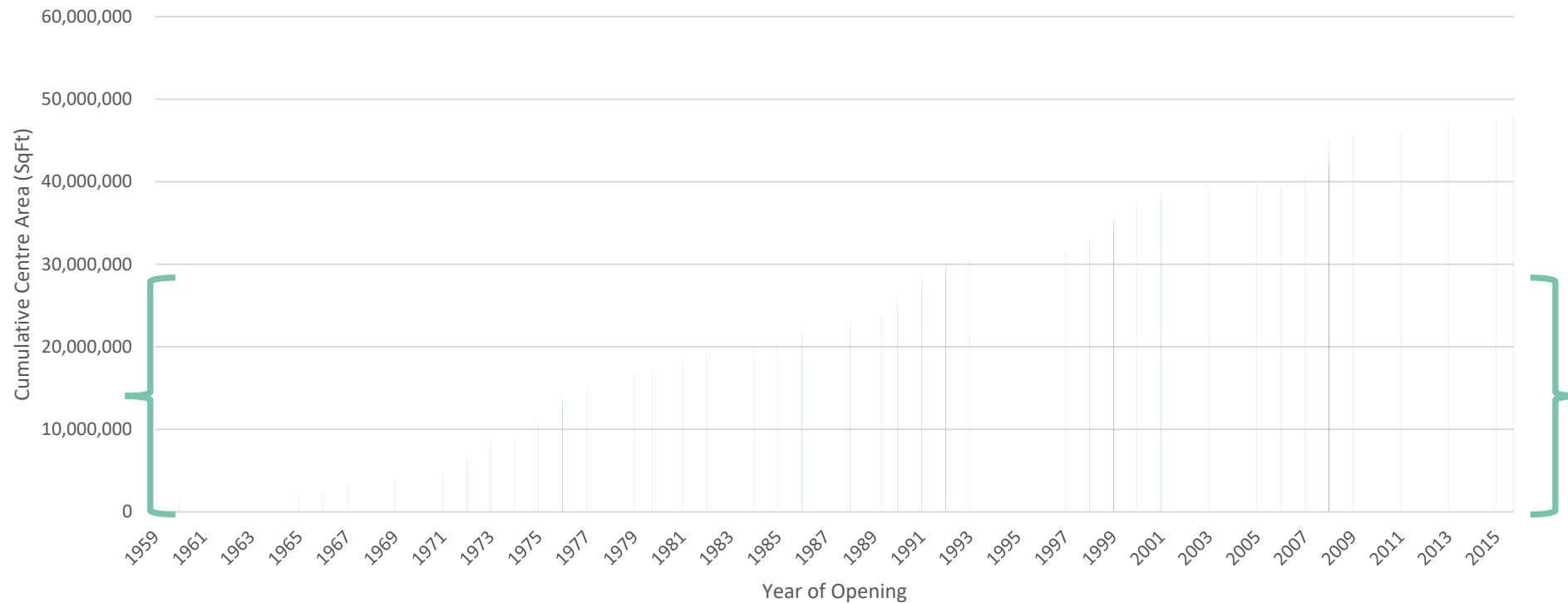


Assure Consulting



What we know so far...

UK Shopping Centre's



What we know so far...

- If the scheme is built after the 90's – won't have RAAC
- Well maintained properties are less likely to be seriously impacted
- Concentrated use in the Public Sector, but estimated that half the 4 million non-domestic buildings in the UK are at risk



What we know so far...

- **British Land** – No RAAC on any of their sites (*confirmed to Assure November 23*)
- **Landsec** – Auditing entire portfolio, ‘found in two assets and action was taken to mitigate the risk’ (*Landsec website*)
- **Hammerson** – ‘Assessments across the Group’s portfolio are ongoing’ (*Hammerson Annual Report 2023*)



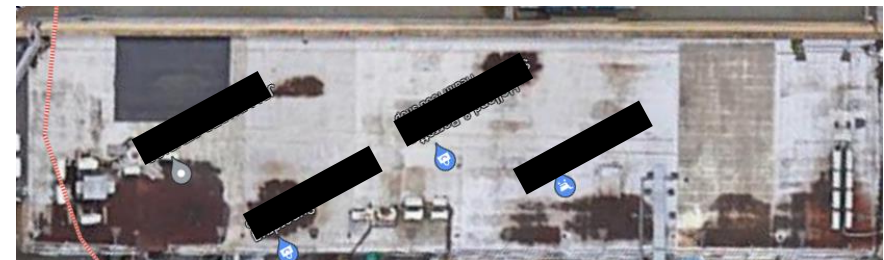
Considerations – Responsibility?

Part of the definition of the Premises

2.3 all those parts of the roofs of the Centre which exclusively cover the Premises or any part thereof;

2022YE Budget – Commentary for £2.7m of Roof Works

2. Schedule 7, Roof Repairs. As you are aware, the Landlord and managing agent has been carrying out investigations into issues with the RAAC planks forming part of the structure of the roof of your premises. The Landlord has now concluded those investigations and proposes to carry out works to replace the RAAC planks forming part of the roof of your premises, as well as other premises in the Centre, within the 22/23 budget year. In order for this to be achieved, we will be collecting the estimated individual costs from those occupiers affected by this issue, over the next 12 months. The total cost of this project is estimated at between 2.4 & 2.7m.



Considerations - Exclusions

*'Renewal only **when beyond economic to repair**'*

*'The costs of making good any defect in the Building to the extent that they arise as a result of fault workmanship or **design in the initial construction**'*

*'Any costs incurred in **remedial works due to the presence of RAAC**'*

When taking a lease of a building, check if it has RAAC

RAAC – The Service Charge Implications

- Still an evolving situation
- Consider lease terms
- Aim for a specific exclusion if the building is likely affected

Q&A



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