

## Typical Example: Schedule of Condition Offices in Surrey

A Schedule of Condition protects clients taking on a new building in a leasehold arrangement. It allows them to document the condition of the building before taking it on, and helps ensure that they cannot be unfairly penalised for repairs when they later leave that building at the end of a lease (subject to appropriate referencing of the Schedule of Condition in the lease). Without it, tenants may find that they end up with a significant liability for firstly having to put the building into repair at their cost.

In a typical example of this, Fairweathers were instructed to undertake a Schedule of Condition of circa 7,300 sq ft of good quality office accommodation, prior to our client taking a Full Repairing and Insuring (FRI) Lease on the premises.

The Schedule of Condition was prepared for appropriate incorporation within the lease. It limited our client's immediate and future dilapidations liability. The Schedule carefully detailed in writing and photographic evidence the existing condition of the premises. It also recorded existing partitioning positions, in order to limit any reinstatement liability at the end of the lease term.

In instances where the Heads of Terms will not permit a Schedule of Condition to limit the repairing liability, then any building components in particularly poor condition / disrepair could be expressly excluded from any tenant's liability to maintain / pay costs towards repair of such components. Alternatively, additional rent free periods can be negotiated for the liability for such repair to remain with the tenant. We are pleased to provide advice on all such matters.

