Case Study

Service Charge Savings
Boiler Replacement

PROPERTY SOLUTIONS

managing service charges

Leading UK Service Charge Consultants

Property Solutions (PSL) acted for a national client in respect of the replacement of boilers close to lease expiry.

Savings on Service Charge Costs associated with Boiler Replacement

The managing agent wrote to PSL's client to advise that the boilers in the building required replacement due to their age and obsolescence (lack of spare parts). PSL engaged with the managing agent and challenged their decision to replace the boilers. PSL requested the maintenance records for the boilers to verify that they had been properly maintained. However, the building had only recently been acquired by the present Landlord, and the maintenance records had reportedly been lost.

PSL reviewed technical information provided by the managing agent, which established that the decision to replace the boilers was based upon a visual inspection only, with age being the primary factor. A lack of spare parts had also been claimed as a reason to replace the boilers. However, PSL made enquiries with the manufacturer and discovered that the majority of parts, including those that were critical to the functioning of the boilers, were still available. PSL argued that the boilers were still performing with no evidence of disrepair, and that key parts were available and could be ordered and retained at the building to ensure minimal downtime should the boilers malfunction.

Due to continued disagreement, the Landlord escalated the matter to their legal representatives, and PSL's client also sought their own advice. A solution was achieved by PSL meeting with their client and the Landlord and agreeing a reduced contribution towards the cost of the works that balanced the use our client had made of the boilers during their lease term with the lack of evidence of disrepair on the part of the Landlord.

TYPE
Multi-Let Office Building

LOCATION:
Regional Centre, UK

BUILDING AREA:
Circa 15,000 sq. ft

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