

Advisory

# When can less be more when it comes to property?

10 routes to cost reduction

PRICEWATERHOUSECOOPERS

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10

ways to get  
more for less  
from your  
property



## Occupy space efficiently

Ask yourself  
does each  
member of  
staff require  
a desk?

Make it policy  
that workstations  
are shared.  
Take managers  
out of offices.

Embed and  
enforce space  
standards e.g.  
PwC target  
is 8sqm per  
person.

You may have invested in communication technology – is it being used smartly to reduce dependency on property?

Mobile and follow-me telephony and remote intranet access can be exploited to support flexible working and home working.

Flexible working reduces demand for property. Write policies on flexible working and embed.

Work flexibly



Have you a plan for capturing savings where demand for space is reducing (e.g. as a result of using space efficiently or business restructuring)?

Make a plan for realising savings from using space efficiently or business downsizing.

Accommodate the new business need in fewer buildings. Sub-let spare space where buildings cannot be released.

Consolidate



Relocate

# 4

Why do you need to be located in London or in prime space?

The annual cost of a central London workstation can be £10,000 compared to £5,000 for a regional workstation. Consider property and labour markets, grants, customers, and suppliers in selecting a location.

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## Postpone projects

What are the consequences of postponing refurbishment works, pre-lets or planned maintenance?

It may be better to pay contractual penalties and walk, while planning for the upturn.

Explore 'value engineering' critical capital projects to get the same for less.

Are you paying for a higher level of FM service than is necessary?

Clarify the FM specifications in your service charge and explore 'win-win' actions with your landlord.

Challenge all other FM requirements (e.g. cleaning frequency and chauffeured fleets). Check suppliers are providing all you're paying for.

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Reduce FM specifications

Do you run staff energy awareness campaigns and do cleaners and security switch off lights and electronic devices?

Switch off air conditioning out of hours, replace bulbs with energy savers, and use multi-functional printers.

Claim tax incentives that promote sustainable buildings.



Embrace sustainability

# 8

## Renegotiate terms

Have you investigated re-gearing your lease?

In a falling market your landlord may agree to provide you with a financial benefit in exchange for a commitment to remain in their premises. Incentives include rent free periods or discounts from market rent.

## Challenge business rates

Have you reviewed the rateable value of your property? Is your occupancy of buildings changing? Do you have vacant space?

Review whether rate reliefs may be claimed on under-utilised buildings



# 10

## Procure smartly

How long is it since you market tested FM services?

Consolidating FM suppliers can achieve lower unit prices and reduce management costs.

You could join a procurement consortium or collaborate with other tenants.

Specialist procurement strategies (e.g. for energy and telephony) can deliver significant savings.

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# ways to get more for less from your property

- 1 Occupy space efficiently
- 2 Work flexibly
- 3 Consolidate space
- 4 Relocate to cheaper premises
- 5 Postpone projects
- 6 Reduce FM specifications
- 7 Embrace sustainability
- 8 Renegotiate terms
- 9 Challenge business rates
- 10 Procure smartly

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