



# How to get your next office move right

Anyone that has moved home knows how stressful and expensive it can be. An office move is no different, and maybe even worse. The ‘family’ is bigger for one thing, and everyone has a PC. With breakout areas, quiet spaces and kitchens to contemplate, weeks can disappear simply resolving the seating plan. Perhaps the only advantage moving office has over moving home is the absence of a spice drawer.

We feel your pain. Having been intimately involved in commercial real estate for two decades we’ve seen at close hand moves that go smoothly and those that tumble into a stew of twisted power cords, staff angst and ballooning expenses.

Like so many other things in life, the difference is in the planning; what you do before the move will determine its success. With that in mind, here’s our three stage checklist to help you make your move go smoothly, even if it does include a spice drawer.

## Stage 1 – Before you move

**The Big Question:** Will you be managing the move yourself or do you have a staff member to run the process? If a staff member, they need to be:

- Senior enough to make decisions
- Experienced at multi-tasking
- A good motivator
- Knowledgeable about the business
- A great communicator
- Highly organised
- Good at sticking to a budget

**What type of building do you want to occupy?**

- Premium
- A-grade
- B-grade
- C-grade

**Location - What are the priorities for your business?**

- Public transport
- Proximity/access to clients
- Realistic commute for employees
- Local amenities
- Parking

**Building - What features do you require in the building?**

- Building amenities:
  - End of trip facilities
  - Café
  - Gym/ Wellness facilities
  - Bike storage
  - Car park
  - Onsite childcare facilities
  - Conference/events facilities
  - Concierge

**Are there other tenants that are your competitors/ partners/clients?**

- Environmental status – what is the buildings NABERS rating?
- Does the building meet disability compliance standards?
- Does the building have the appropriate technology required?

**Space requirements**

- Do you need more or less space than you currently occupy? Can you implement some spatial efficiencies as part of the move?
- Do you require a space already fitted out or an empty shell?

**Representation**

- Should you employ a tenant representative for negotiations or are you comfortable doing it yourself?
- What fees should you pay for representation?

**Outstanding lease obligations**

- If you currently occupy space, how long does the lease have to run?
- Can you exit the lease early?
- Can you afford to have two leases at once if you cannot overlap them?

## Stage 2 – The Lease

**The Big Question:** How long do you want to commit for, do you want an option for a further term and if so, how long out from the end of your current lease term do you want to decide on that option period?

**Lease type**

- Net lease: Rent plus building outgoings – Provides less certainty as the gross occupancy cost is not known until the end of the year once building outgoings are reconciled.

- Gross lease: All inclusive – less likely in office buildings – Complete certainty as tenants know their gross occupancy cost upfront

### Annual rent reviews

- Fixed or floating (CPI) increase?

### Incentive

- What are the market incentives for the area?
- Structure of the incentive?
  - Upfront cash/fit-out contribution
  - Rent free period
  - Rent abatement – a reduction in rent over part or all of the lease term

### Landlord works

- Does the Landlord need to undertake any works on the premises before you get access? Some common Landlord works include the removal of the previous tenant's fit-out plus new:
  - Carpet
  - Lighting
  - Ceiling tiles
  - Coat of paint on the walls

### Fit-out period/Early access

- Can you get early access to the premises in order to commence any fit-out works prior to lease commencement?

### Car parking

- If any dedicated parking is included, is it a clause in the lease or a separate licence agreement?

### Make good obligations

- If you choose to vacate, what are your responsibilities regarding the fit-out at the end of the lease?

### First right on space

- If space becomes available in the floor/building your business occupies, do you want a first right of refusal to allow you to expand if necessary?

### Early termination

- Do you want the right to terminate the lease early? What would be the terms associated with this clause? What will be the provisions around this clause?

### Lease security

- How much security should you be paying? – Generally, 10% of the gross rent, depending on the specifics of the deal. For example, a landlord may require further security if they provide a large capital contribution upfront.
- What form of security do you want to provide? Bank guarantee, lease bond, personal guarantee or security deposit?

### Market rent reviews

- What are the requirements of the market rent review? Who are the obligations on?

### Retail lease

- If the lease is deemed to be a Retail Lease under the Retail Leases Act 2003, you may enjoy rights/ protections under provisions under the act.

### Sub-leasing/Assignment

- Do you want to be able to sub-lease space if your business requirements change?
- Do you want to be able to assign your lease to another entity if your circumstances change or if the business is sold?

### Maintenance obligations

- What are you required to do in order to maintain the building or the premises? Do these obligations rest entirely with the tenant or landlord or split between the two?

### Building Signage

- Is it important to have your company's name on the building?
- How much would this cost?

### Insurance

- What insurance is required under the lease? Does your current policy adhere to this?

## Stage 3 – Once the lease is signed

### Finalise fit-out designs

- Does the proposal correctly represent your corporate brand/image?
- Will it provide a space conducive to your organisation's style of work?

### Organise fit-out works

- Will you use a project manager or look after the works yourself?
- What type of building contract are you going to use?
- Have you got the relevant regulatory approvals in place?
- Do you need to provide a notice to surrounding tenants of the works you are completing?

### Selecting furniture

- Has your architect/interior designer specified furniture as part of your fit-out? Or will this be completed internally within your business? – our advice, set a budget and leave it to the professionals
- Do any of your employees have specific needs that will impact your decision?

### IT, data and computers

- Is everything in place with the IT department?

## Telephones and internet

- Have you informed your providers that you will be making the move? Is the documentation in place?

## Client communication – important to let people know you are changing locations!

- Send out a letter
- Send out an email
- Schedule an update to your company website
- Update company stationary

## Plan the move

- Will it take place during business hours or on the weekend?
- Do you need to organise the removal of old furniture?
- Do you engage a professional removalist to simplify the process?

## Pack up the old office

- Ensure your staff know what items will be required in the new office. What can they throw out? Are the new desks smaller?

## Make the move and enjoy your new office!

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