

Are you paying too much Property Service Charge?



How do I know if I am being overcharged...?

Commercial Property Landlords frequently invoice their tenants for a share of the service charge costs that cover common area services such as repairs and maintenance, security and staff costs etc.

Many occupiers take these invoices at **face value** and pay them without really understanding exactly what services they are getting for their money and whether the invoices are **even legitimately** due from them!!

Despite the introduction of the RICS code of practice, many tenants are still being overcharged!

Who are McNeil Commercial?

Here at **McNeil Commercial**, we act on behalf of the tenants in relation to service charge matters.

Founded this year, **McNeil Commercial** is authorised and regulated by the **RICS** and carries professional indemnity Insurance so you can instruct us with **complete peace of mind**.

The principal **Jamie McNeil** has represented a large number of commercial property landlords over the last 12 years and has **extensive experience** in the setting up and running of **service charges** and dealing with service charge disputes.

This experience gives us **unique and valuable insight** into common Landlord practices and allows us to provide tenants with the **best possible advice** on service charge matters.

Your lease is the document that determines how much you should pay towards each of the common area expenses, however, Landlords and Tenants **frequently disagree** on the interpretation of leases.

A code of practice has been brought in by the RICS (The Royal Institution of Chartered Surveyors) to try and reduce the number of disputes in this area. This excellent resource is available FREE online at: www.servicechargecode.co.uk.

What do you charge?

Our Fees for a Service Charge Consultancy Service are as follows:

For an initial review of your lease and the appropriate service charge budget/certificate and for providing a recommendation on whether to challenge or not – our fee is a **fixed fee of £250 plus VAT**.

Once we have completed the initial review the decision to challenge a service charge invoice rests with you the client. Should you require us to proceed with challenging the landlord our challenge costs are on a time charge basis of £100 per hour or an incentive fee basis of 30% of savings achieved on a single disputed invoice or 30% of the reduction in year one on account service charge costs (whichever applies).

How much could I save?

As an example, assume a current service charge budget on a new **15 year lease** on a retail shop is **£3.60 per sq.ft per annum** and assume that it is reconciled on budget each year of the term.

For a **3,000 sq.ft retail unit** the **total service charge payable** would be **£162,000** over the term of the lease. Following successful challenge by **McNeil Commercial Limited** assume that the service charge is **reduced to £3.00 per sq.ft** per annum (and again is reconciled on budget each year of the term).

Total service charge payable over term of lease would then be **£135,000**, a year one **saving of £1,800**.

Total overall savings would therefore equal £27,000.

From this **deduct our £250** for the initial review plus our challenge fee equal to 30% of year one savings **£540**.

Total overall saving for the tenant over term of the lease is £26,210.

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Who can I ask about this?

Speak to your solicitor, accountant or other professional advisor and if you prefer, ask them to contact us to discuss our service. We are happy to work alongside your other professional advisors and do not cross sell.

Contact us today:

Tel : 01225 427 267

or : 07914 245 609

Email : info@mcneilcommercial.co.uk

You can start whenever you wish, however the earlier you act, the more you could save!

If you instruct us **before 1st December 2009** we will **discount our initial fixed fee by £50+VAT** and charge you **only £200+VAT**.

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www.mcneilcommercial.co.uk



RICS

The mark of
property professionalism worldwide