



SOUL spaces

CLIENT GUIDE



INTRODUCTION

Are you approaching the daunting task of relocating offices? Are you unsure where to begin or what you should be looking for with your business in mind? You'll be pleased to know that this comprehensive guide will provide you with everything you could possibly need to know when it comes to moving workplaces.

With over 7 years of extensive experience working within the Real Estate, Workplace and Construction industries, We will provide you with knowledgeable advice that will see you through the next 12-18 months with confidence.

The purpose of putting this guide together based on our experience, is to give you confidence to make the right decisions at each and every stage of the process.

We hope this guide empowers you and assists in ensuring a successful new office for your business.



THINKING OF MOVING
OFFICES? MAKE IT A
SUCCESS BY FOLLOWING
THESE

12 SIMPLE STEPS

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01

CHOOSE YOUR TEAM

You're probably reading this because you have what is referred to as a "compelling lease event" coming up soon. If so, there's no need to panic. We are here to guide you through the process, Most importantly, with the right team to manage the process to begin with.

As a start, would always recommend the following:

People Director/HR/Office Manager

your office will act as the hub of your companies' culture and so, your 'people' person will be vital in keeping your employees needs and wellbeing in mind throughout the process.

Financial Director/equivalent

you're yet to decide what you do, but controlling the budget is key to success.

COO or a Project Manager

the person who will take on the admin side to things.

Of course, the owner(s) have the ultimate decisionmaking authority but getting organised internally from day one will save time and resource in the long run.

02

YOUR OPTIONS

SERVICED/CO-WORKING

Flexible leases. Shared communal spaces. Serendipitous encounters. Free alcohol.

PROS

Understanding leases and prices is simple (usually priced per desk, per month) and you'll most likely receive a good service. The communal spaces are designed well and it's an attractive option for young businesses who don't want to commit to a five-year lease or are unsure if they will need more space or less space in the year ahead.

CONS

Shared communal space is good for meeting new connections but can be damaging to your company culture. The general condition of furniture and equipment usually isn't sustainable for the long-term, leading to things looking tired and worn. Operators traditionally make money by increasing the density within the office. Traditionally spaces are filled at one person every 100 sq ft, co-working can reduce this to 50 sq ft so it has the potential to feel busy at times. Additionally, costs can mount up for meeting rooms and other services which aren't included in your basic cost per desk per month. If security is a high priority to your company then a serviced office may not be right for you and most importantly, whilst you can get out of your lease quickly, the provider can remove you quickly too.

Professional opinion:

Serviced/Co-working is a great solution for businesses whether for swing space or a new home. We at Soul Spaces can provide you with an unbiased open view on what's available for your budget.

THE TRADITIONAL LEASE

Five-year commitments. Security within your lease. Self-contained. Control over your environment. Significant deposits and usually more capital expenditure.

PROS

The real benefit of having your own front door is the control you can have over your environment, culture and behaviours as a business. Having your own office provides security for your servers and data, independent comms rooms with power backups are commonplace in leased spaces. Confidentiality is key too; if you have guests who need privacy or meetings that require confidentiality this is much easier to create in your own space. Your office says a lot about you as a business, a leased space that is all yours and designed well provides a level of security for staff you are trying to attract as well as a belief that the business invests in its people.

Professional opinion:

My clients have usually had a very specific reason why a lease is a must for them. Culture, staff retention, security, privacy, control, status. In some projects there are some non-negotiables, you need to work out if there are any in yours which means a lease is right for you.

CONS

A five-year lease is a fixed agreement with the landlord; whilst most leases do have a break clause, it is unlikely you will exercise it. The process of finding space, agreeing a lease and appointing an office design company can be time consuming and frustrating (find out how to make the process smoother later in this guide). You will also need a 6-month rent deposit (minimum) and cash to pay for your office fit-out. Perhaps the most significant con is the lack of flexibility. The world is changing at pace and your business needs to evolve with it. Being in Southwark may have been right for 2015 but 2017 Old Street may have been better for the business. Overall, a lease requires a strong conviction and a good level of commitment.

02

YOUR OPTIONS

MANAGED

One stop shop. Increased rent but decreased capex. Easy to digest process.

PROS

Similarly to a serviced office, your monthly rent includes the small things like cleaning and general maintenance which releases some of the headache for office management. You still get some choice over your office design and independent needs, but the process is a lot simpler with the provider usually providing you with their own trusted contractors.

CONS

Whilst you get some choice, you don't get all the freedoms you would if you went down the route of your own lease. Your rent per month is at an increased rate which pays for the fit-out and all the services included which the providers will make a small profit on. You are therefore paying over the odds for your fit-out in the long run. If the cleaners or facilities management teams you've been provided aren't performing you are unable to go direct to the source and need to discuss with your provider who are again making profit on the services provided so whilst you save spending money up front you are again paying 5%+ extra over the course of the lease.

Conclusion:

The time saved directly impacts the price paid throughout the duration of the lease. If you want to have your own front door, a one stop shop for your office needs and keep the cash in the business then the managed solution is most definitely one to think about for your business.

CAT A+

The latest, and arguably most attractive, offering to the market. Cat A+ makes it possible for small businesses, that might have struggled to fund their own refurbishment and whose only other option would previously have been to share space in a co-working environment, to move into their own fully finished and functioning 'plug and play' space. Traditional lease without the capex.

PROS

Cat A+ is the landlord's response to the ever-evolving real estate market. It is a traditional lease that provides them with the security and valued asset they need but ensuring the tenant doesn't need to outlay hundreds of thousands of pounds to have the privilege of being in their building. If you want a best in class office design with all the independence and control without the capital expenditure, then the Cat A+ solution is probably right for you. You won't need to get in to contract with a construction company and go through the admin of dealing with the legalities of a license to alter which will save you money on legal fees.

Professional opinion:

Reviewing the Cat A+ solutions in the market is a no-brainer. Most of the biggest and best landlords are now offering this solution. We think it provides you with the control you need without the administrative processes associated.

CONS

There is a limit to what level of fit-out the landlord will cover. They will stick to their budget which is usually around £40 per sq ft which may mean you need to find the cash for some additional items. The office design is based on enough data to make the design 90% correct for most business types but it won't be 100% accurate to your needs. You will often need to use the landlords designated contractor which isn't a negative but does restrict you from choosing the design partner you believe to be right for you.



03

TERMINOLOGY

There are a few different categories in the construction industry which represents how we classify the building or office floors' current condition. You may have heard some of these terms thrown around before so here's some context behind them:

SHELL & CORE

No existing services or refurbishment in place. An empty shell which requires a large investment.

CAT A

The landlord has installed ceilings, flooring, water, heating and cooling, ready for the incoming occupier to modify to their specific needs.

CAT B

The end users fit out installed. I.e. meeting rooms, tea points, partitions, reception desk and company branding.

CAT A+

The landlord has installed a Cat B for a speculative tenant. Often slightly fewer meeting rooms than a Cat B with desking at a 1:80 sq ft density which allows the tenant some room to modify.

04

REPRESENTATION

Tenant representation is not necessarily needed but recommended. There are website such as **Realla** and **Hubble HQ** that claim to replace the tenant rep but I would be cautious with regards to the service you receive for the price you pay. You could do the search and negotiations yourself, but the time spent alongside the potential risks of overpaying on a 5-year lease generally leads most occupiers toward representation. Especially as tenant reps are experts in the real estate market; they have relationships with landlords which allow them to know what's on the market and what you should be paying.

The most well-known independents in the market are:

- Soul Spaces
- SHBRE
- Making Moves London

More widely recognised corporates are:

- Savills
- CBRE
- Colliers

What does an agent do?

- lead the search for the office space you need
- lead the negotiations on price per sq ft
- agree the main principles of the heads of terms
- ensure no stone is left unturned throughout the process and recommend the right surveying and legal teams to ensure all risk is managed

Why should you use them?

- greater access to properties, including those which aren't yet on the market
- experience of the real estate market which enables them to save you time in the negotiation phase
- in-house teams to deliver whatever outcome you need, managed, serviced or a traditional lease
- financially incentivised to get you the cheapest cost possible

What should you pay?

If you go to a serviced office or a managed provider, the tenant reps are usually paid by the provider which means the service you receive is...free! With a traditional lease the tenant reps in the past have been financially incentivized on the savings they make you over the term of the lease. As the market has got more competitive these agencies are now willing to provide the same service for around **5%-6%** of the first years rent. Some will still provide different options on their costs with a cap at around 10% but I would recommend fixing the fee at as close to 5% as possible. Whilst the companies listed in this guide service lines vary the service levels are similar and you can expect a good experience from all.

Independents vs Corporates?

The most significant differentiator between the two when it comes to tenant representation is the independents desire to stay independent and represent tenants only. Corporates will have teams and functions who represent the landlord's interest and the tenant's interests, trying to get the best deal for both which the independents will of course question the ethical approach of this method. There are pros of using a larger corporate company, perhaps being in the same office as those you are trying to do a deal with isn't necessarily a bad thing. There are also the other service lines they can provide such as workplace consultancy and project management which are useful if you decide to press forward with a lease and office space of your own.

Meet three, narrow it down to two and then let the best pitch and/or person win.



05

THE BRIEF

**I have a lease event. I have picked my internal team. I get the terminology.
Representation sounds good. What to do next?**

Every project needs a brief and a desired outcome. Taking the time to form these at the beginning of the process will allow your external partners to hit the ground running and get to know you in a shorter amount of time.

A written down well-formed brief will also provide clear direction and clarity around what type of workplace solution is best for you. Every business is different and each workplace unique and so naturally, your business requires you to make the right choice.

The desired outcome written down provides a reference point throughout the project for your internal team and ensures you know what success looks like once you have moved in at the end of the successful project.

END OF PART I

If you have followed the guide to this point, you are in pretty good shape and already more knowledgeable than many similar businesses who have endured this journey before you.

If you've formed your brief and decided that a serviced office/co-working space is best for you then I'm pleased part one has been of assistance. All you need to do now is choose your serviced office broker and enjoy viewing the different spaces available. Part 2 focuses on the journey for the traditional leased option providing a real inside knowledge of the process and pitfalls to be aware of.

If you have found the guide useful, please comment on our LinkedIn page here and recommend us to others who are about to go on the same journey.

An aerial photograph of a coastal area. On the left, there's a dark, rocky breakwater or pier extending into the water, with white foam from waves crashing against it. To the right of the breakwater is a sandy area with some sparse green vegetation. Further right is a paved road with a yellow dashed line down the center. To the right of the road is another sandy area with more green vegetation. On the far right is a body of water, which appears to be a bay or a large pond, with a dark, silty or muddy appearance. The overall scene is a coastal landscape with man-made structures and natural elements.

PART II

SO, YOU HAVE BETWEEN
9-12 MONTHS UNTIL
YOUR LEASE EXPIRES...

06

SPACE

Space utilisation has changed dramatically in the last ten years. Hot desking, agile working, activity-based working and smaller desks have all changed the landscape when it comes to how much space you need. Typically, we work in square feet. Each person in your workplace requires between 60 sq ft and 120 sq ft depending on the type of workplace you require.

60-75 Sqft:

Tight! Recruitment style office, not much soft seating and small breakout areas.

80-90 Sqft:

Cozy! Slightly more spacious than a recruitment style office but your team will most likely still be eating their lunch at their desks.

95-100 Sqft:

London Luxury! 100 sq ft per person is the golden ticket to a healthy environment within the office.

These numbers aren't arbitrary. There are 3 key reasons you need to ensure your office design fits within these parameters:

FRESH AIR

Most buildings infrastructure calculate their fresh air intake and extract based on 100 sqft per person. Some can increase the capacity to cater for as low as 60 sqft but any office that packs people in below this density will continuously struggle with heating, cooling and fresh air. Lack of fresh air makes people much less efficient in their working.

FIRE EXITS

Buildings need fire assessments. Fire assessments are based on having an amount of people in the building at one time, often worked to a ratio of 1/100 sqft. You can work with the fire assessors to lower this number depending on how many fire exits on the floor and the occupancy of the building but again below 1/60 sqft per person and you will struggle to get the boxes ticked that you need to safely work in the office.

BUILDING CONTROL

Long story cut short - if you don't have a building control certificate/if your office doesn't comply to their recommendations and something catastrophic happens... It's all on you.

COMPLEXITIES

The modern-day workforce isn't as straightforward as it used to be. Sales reps who are in one day a week, HR who work from home three days a week but need a fixed desk, we are on a recruitment drive but unsure on the roles... Sound familiar?

If this is something you're currently stuck with then it is worth employing a workplace consultant for a short period of time. Workplace consultants work in tandem with your tenant rep and can help their search be more guided and specific around the size you need and the type and shape of space that will work best for your business.

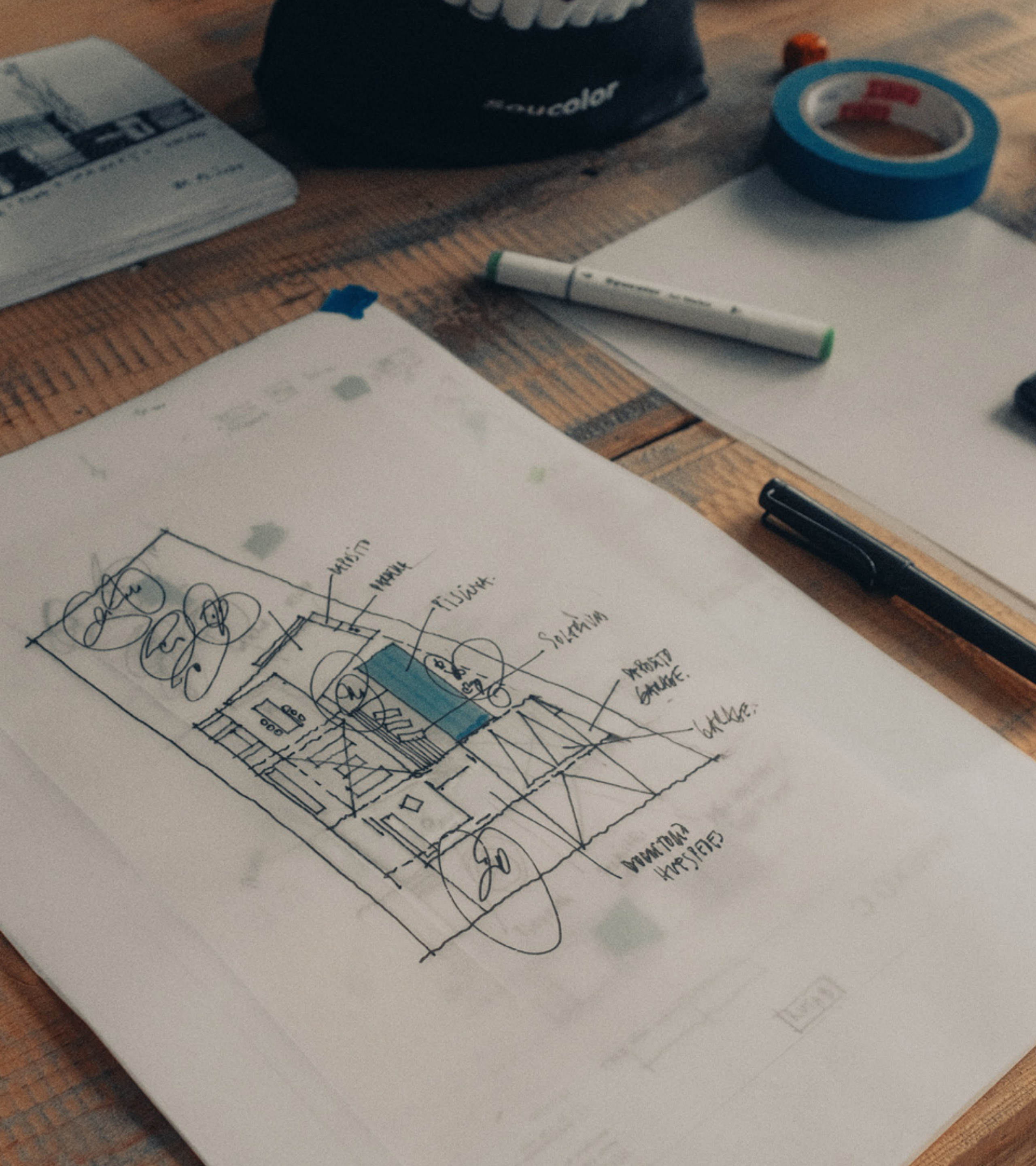
At Soul Spaces we have our own in-house workplace consultancy company focused on a human-first, design-led process. This helps them to understand how people and organisations behave in space and deliver solutions to improve businesses and their employees as a result. In light of recent events, they've put together a Hybrid Working programme which helps to support businesses in getting their offices back up and running again safely and securely.

PROFESSIONAL OPINION

it's important to be specific with what you want the outcome to be when engaging with workplace consultants. They have a lot of tools and ideas but work with the team who give you the most focus on the outcome you want for the budget you have.

Financially the independents may be more expensive, but they provide an unbiased data set, their money is in the transaction and not the build so if it turns out you don't need an office at all, it makes no real difference to them.

Sister companies of design and build companies will have an eye on the build and may offer a more competitive or even free service to start building a relationship with you. This isn't a negative whatsoever, but I would recommend paying for the service you receive, it just means psychologically the company doesn't feel you owe them something. On top of this, I would think about a pro-bono deal of sorts. We'll pay you but if we use you for the build, we get 50% back. Make the company really sweat for your work and get more for your money.



07

Your journey to the new office and the time it takes really depends on the size of your business.

Whilst each project is unique, here are some guidelines:

10-25 PEOPLE = 5 MONTHS

12 Weeks finding and procuring the building
4 weeks design prep and lead in
4 weeks construction

30-45 PEOPLE = 6 MONTHS

12 Weeks finding and procuring the building
6 weeks design prep and lead in
6 weeks construction

50-65 PEOPLE = 9 MONTHS

18 Weeks finding and procuring the building
9 weeks design prep and lead in
9 weeks construction

70-100 PEOPLE = 12 MONTHS

20 Weeks finding and procuring the building
14 weeks design prep and lead in
14 weeks construction



08

EXTERNAL PROJECT MANAGMENT

Below is a list of third-party suppliers you will most likely need to employ or engage with at some point in your project.

- Tenant representation
- Workplace consultant
- Design and build main contractor
- Real estate solicitors
- Construction solicitors
- Furniture broker
- Internet provider
- IT/AV architect
- Landlord
- Building management
- Landlord's solicitors
- Landlords facilities manager

Each party need to be employed or engaged with at the right time, procured diligently and dealt with professionally - lots of spinning plates.

There are several companies within the industry who work to ensure there are no disasters along the way; they exist to de-risk your project.

They are paid a small percentage of the total contract value and will claim to save you the money at the back end through their cost analysis and value engineering.

If your project is above 5000 sq ft there is obvious value of employing an external project management company. It is best to be clear on what services you require. Cost-control, contract administration and programme management being the three key areas your internal team could most likely do with some help on. Negotiate hard on their fee, make it clear to them what good looks like to you and what you expect from them in terms of reporting.

09

COSTS

The question I know you'll have been wanting to ask – how much will a move cost me!? As a guide to help give you an idea, I've based the costs below based on a 5000 sq ft office relocation with a rent profile of £60 per sq ft. The costs provided are at an entry level to an office refurbishment.

Every project is unique but 70% of projects fall into this bracket and should therefore provide you with a good indication of the cash you will need to make your new workplace dream a reality.

Description	Cost Per Sqft	Total cost, 5000Sqft
Office Refurbishment	£40.00	£200,000.00
AV	£6.00	£30,000.00
IT	£4.00	£20,000.00
New furniture	£12.00	£60,000.00
Furniture Relocation	£2.00	£10,000.00
Security	£2.00	£10,000.00
		£330,000.00

Description	Cost
Tenant representation	£22,500.00
External Project Management	£16,500.00
Workplace Consultants	£10,000.00
Solicitors	£12,500.00
	£61,500.00

Description	Cost PA
Rent	£300,000.00
Business rates and services	£50,000.00
	£350,000.00

Assuming you will have 65 desks in 5000 sq ft, the cost per desk per month over the 5-year lease equates to £549.10 per month.

Description	Costs
5 year rent + rates+ fit-out + services	£2,141,500.00
Cost per month over five year term	£35,691.67
Cost per desk (60 desks)	£594.86

The cost of a traditional lease with your own personalised office design when broken down shows that the rate is comparable to what you pay per month at a serviced office.

The rate per sq ft you can compete a fit-out is quite broad. The most cost-effective office refurbishment cost I have been a part of sat around £25 and the most expensive £120 but most sit around £40-55 per sq ft. If you have existing furniture and AV hardware then these are great areas to save costs (as well as help the environment) and will reduce your capital expenditure further.

So, the real question is does your business have the capital, the security and the appetite for the longer term investment of a traditional lease?

How will you know when it is the right time to move toward having your own front door?

I have listed some triggers in a tick box style below. Go through and tick which ones are relevant to your business. Go:

- Repeat business/repeat revenue for a sustained period of time
 - In house IT/Office team
 - First professional contract
 - Employee headcount reaching 20 with the outlook to grow to beyond 30 in the next 12 months
- External investment received or pending
 - Sustained cash flow
 - Strong pipeline and forward order book
 - External board/non-exec support
 - Banking facility acquired to help support growth

If you have ticked around 60% it's probably time to move and start thinking about the next steps of the business lifecycle. If you have ticked 50% then stay put for a little longer. Less than 50% perhaps a manager or a serviced is still the right way to go.



10

PROCUREMENT

Procuring your design and build partner can be broken down in to five simple steps.
Following this process will save you time and resource.

1. WRITE A BRIEF

Be as detailed as you possibly can at this stage. By now you should know how much space you need, have seen offices you like, have a budget in mind and understand your workplace dynamics well enough to give your potential partners a good steer.

3. PROVIDE THE THREE WITH YOUR BRIEF

Go on their websites and see their case studies, choose images from all and share what you do like and just as importantly, what you don't like. Provide all teams with a one week turn around and clear direction on what you would like to see from them at the next meeting.

2. HAVE A BEAUTY PARADE!

Be as detailed as you possibly can at this stage. By now you should know how much space you need, have seen offices you like, have a budget in mind and understand your workplace dynamics well enough to give your potential partners a good steer.

4. NARROW THE PROCESS DOWN TO TWO

You will be able to tell the people you would prefer to work with and who has really bought in to the project. Provide the two remaining companies with a two to three-week period and provide them with as much time as you can. Going to furniture show rooms, seeing their previous projects, being stuck in a taxi going across London together will give a real insight in to whether they are people you can work with over the next six to nine months.

5. PITCH

Provide both team with an hour and fifteen minutes with a ten-minute Q+A and enjoy the process. Pitches should be fun, engaging and interesting, if they aren't then you probably have the wrong people pitching. Your decision will be based on costs, design, personalities, experience, technical capabilities, added value and the fun factor. Give yourself a week to decide and go over the pitches again in your own time with the internal team.

WHAT DOES IT MEAN, WHO CAN HELP AND WHAT DO I WANT?

If you have got to this stage and you're still feeling positive about your new office, then you have followed the process well and should be getting prepared for a straightforward construction process.

Before you dive into the contract read this section carefully. We always had the mentality that a contract should never be used, relationships are key to crisis consensus but there are some items you should make sure you have clarity on prior to the contract and some key items within the contract to ensure you are protected in case the relationship does turn sour.

11

CONTRACTS

PRE-CONTRACT

- Ask your contractor for the construction drawings. These are the drawings they will build to, and it is therefore paramount you become familiar with these. Ask all the questions you need to ask and don't feel silly or uncomfortable doing so. These 2d plans are what you are paying for. The most important thing you need to do is ensure the drawings and the scope of works match! Floorbox quantities, joinery pieces, storage units, ensuring the accuracy at the front end will save a lot of confusion at completion.
- Review the contractor's insurance and ask for a breakdown of what is covered. Most larger contractors will have impressive coverage, but it is possible that some smaller ones will not. If you are unsatisfied with their policy, then it could be a deal breaker.
- Sit down with the key person in your account for 30 minutes, make it clear what you expect regarding the cost, the build process, the quality of construction, the content of meetings and the frequency of reporting. The grey areas are where problems arise, make sure the key person knows you are holding them accountable if this information doesn't filter through.

CONTRACT TERMS/EMPLOYERS' REQS

It's most definitely worth employing a legal contractor to review the terms and be advised by the experts, but this should provide you with a base of information to work from.

- **LAD's (Liquidated asset damages).** Ensure these are in the contract. These relate to the project overrunning on the programme and what damages you should receive if they do. Even if it is a small contract get these in place. If nothing else, they are a deterrent to the contractor and will ensure their full focus on the project.
- **The building rules.** Ensure the contractor agrees to the building rules and has had sight of them. There are often noisy works and delivery restrictions which a good contractor will be aware of but a bad one won't.
- **Type of contract.** Whilst most contractors will have internal contracts that are largely based off a JCT minor works, it's best to simply use a JCT minor works contract. This will save you costs with solicitors and allow you to focus on agreeing the employer's requirements only.
- **Defects!** Ensure you get minimum 12 months defects with 2.5% held. Non-negotiable.

Putting these points into practice will provide you with the comfort you need prior to entering a contract of this magnitude.



12

COMPLETION

Congratulations! You have a brand-new office that has taken you 9 months to 12 months from concept to completion. Enjoy the champagne and all the praise from your peers as they move from the old in to the new. Just be sure to keep the following in mind:

- **Defects.** Ensure you have clarity with your contractor on what a defect is and be conscious that these can occur any time in the next 12 months. The contractor and their suppliers are liable to replace or repair any that arise so having clarity from the beginning will ensure a positive relationship.
- **Further Works.** Your design and build contractor may have been exceptional for the large project but still may not be the best place for the small projects you need in the future. Moving a partition, fixing a door handle, small to medium bits and bobs that could be completed at a more competitive rate. There are handymen around who are perhaps less reliable but better for the balance sheet.
- **Warranties.** Your water heater, AC unit and carpet tiles all have warranties which are only valid if your cleaners are aware of the details on how to clean and you keep the units maintained at the recommended times each year. Bring this to your contacts attention at practical completion.
- **Post-Occupancy Study.** The workplace you have designed for the business now may not be the workplace the business needs in 12 months' time. That may be difficult to swallow but let it digest for a while. The business is an ecosystem that evolves daily, and you may want to track the differences and how the office is being used. Workplace consultants can provide post-occupancy studies which will help you make the most efficient workplace you've ever worked in.
- **The Handover!** Often rushed at the end of an exhausting push for completion by the contractors, the detail you need may be missed. Give the contractor a day or two to get their breath back and demand a morning or an afternoon (with a beer after!) to really hand the space back to you and run through how everything works, the air conditioning, the IT install, the ergonomic chairs and the fancy pendant lighting!

END OF PART II

That's the end of part 2, I hope it has been of use and you will use this guide as your project develops. I am passionate about business and assisting in your success is the positive feeling I strive for. If this has been useful, or if you have any questions at all, let me know! If you have really liked our work then please introduce us to a business you know with a similar dilemma and we will be happy to share our guide with them too.

For any more information please contact:

The author of this guide, by emailing him at:

or by calling:

Joe Gillam

joe@soulspaces.london

07859784148

So, the final part, stick with us! Below you will find some of our very best case studies with key information and our offerings.



#DOITWITHSOUL