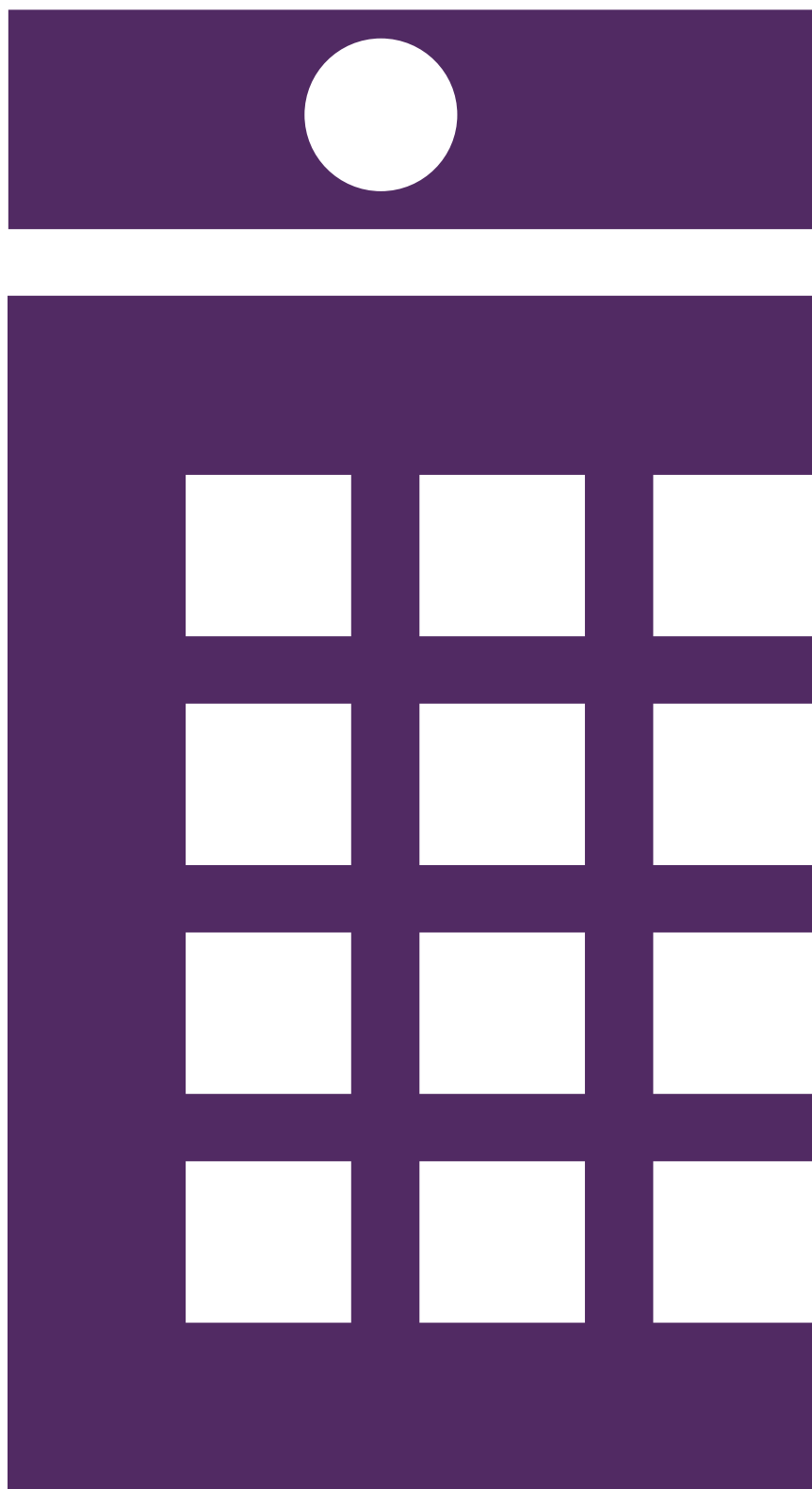


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## Planning property cash flow

Property costs are an important part of operating expenses for most businesses, whether you own or lease your premises. It is therefore vital to have a clear view of the outgoings relating to your property and of when the major items of expense will occur.





If you are a tenant, there will also be points in the lease calendar that require action on your part. These include the dates of possible break clauses and rent reviews and, of course, the date when the lease itself expires. You need to be certain that you protect your position by observing the formal steps and serving the formal notices that may be required and you need to budget for the expense of professional advice that will probably be needed from your chartered surveyor and/or solicitor.

You should draw up a property cash flow chart, showing the important property dates and payments. If you are a tenant you should read your lease and mark on the chart the important dates (getting your chartered surveyor or solicitor to give you a hand, to avoid mistakes). The vital dates include the rent review date, the date of any break clause and the date the lease ends. The entries should include the dates for serving notice in relation to break clauses or requesting a new lease. The chart should also show when you are required to redecorate the premises.

As well as making sure that you do not overlook any lease obligations or the need to serve essential notices, the chart will show you what your annual costs of occupation really are and when you may need to budget for the increase in rent that could follow a rent review.

Example of property cash flow table

	Period			
Item	Date/Amount	Date/Amount	Date/Amount	Date/Amount
<b>Rent</b>				
<b>Rates</b>				
UBR				
Water				
<b>Decoration</b>				
External				
Internal				
<b>Insurance</b>				
<b>Service charge</b>				
<b>Fees</b>				
Rent review				
Lease renewal				
Chartered Surveyor				
Solicitor				
<b>Other</b>				
<b>TOTAL</b>				



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