

# GETTING REFITS RIGHT

Creative refitting of commercial properties to attract and retain tenants is becoming a necessity for property owners. **Miriam Bell** talks to an expert about what to do and how to do it well.

It's a rapidly changing world that we live in and there are few areas of it that are immune. Indeed, while the solidity and permanence of bricks and mortar might suggest otherwise, commercial property too is subject to the technology-driven trends that are reshaping much of what we know.

A perfect example of this can be seen in the retail property sector. Thanks to the challenge of online shopping, physical retail stores are having to evolve. No longer can they be the staid, impersonal stores of old. These days, a store needs to be an attractive destination and offer a more rewarding shopping experience for consumers.

That means many retail tenants look to extensive store refits to revitalise their brand. In turn, this means that landlords with retail properties need to be ready to adapt to ensure they have tenants to fill empty or surplus spaces.

In a similar vein, tenants often want office property to be modernised to improve the space or to upgrade it to a higher standard. And, again, landlords may have to look at remodelling or refitting their premises to attract good tenants.

As a result, undertaking the refit of a commercial property is becoming a more regular occurrence for commercial landlords. So, to help out, we talked to an expert to get a comprehensive rundown on the nuts and bolts of getting a commercial refit.

Retail tenants look to extensive store refits to revitalise their brand, which means landlords need to be ready to adapt to ensure they keep their tenants.



### CAREFUL PLANNING

Heather Crilly is a chartered building surveyor who works for Prendos, one of New Zealand's biggest building surveying and consultancy firms. Over her career, she has project managed many refits with a focus on the retail sector. She tells us what commercial property owners need to think about, and do, when they decide to refit a property:

The key to getting a refit project right is carefully planning and ensuring the right people are on board to see the refit through successfully.

In terms of planning, a property owner needs to begin by considering what they hope to achieve from a refit, including whether the existing building can be economically refurbished to meet the requirements. Part of this will include assessing their available budget and how much they want to spend. They will need to be realistic on this front and include contingency allowances for unforeseen items.

Following that, they'll have to establish whether there are any statutory restrictions or requirements (including fire safety provisions) and any planning or resource consent restrictions. Additionally, it's worth considering whether there are any other maintenance requirements for the building that could or should be addressed as part of the works.

Feasibility studies are not necessarily required but, before incurring any costs, a property owner should seek professional advice. That's to ensure they have the adequate budget to successfully carry out the proposed works and achieve the intended results before they expend large sums of money on designers and the like.

### EXPERT TEAM

Putting together an expert team to carry out the refit is the next step. Getting a project manager on board is recommended. They can advise on how the project can be delivered, the professionals required, timeframes and programme, procure a contractor/plan and deliver the works in accordance with the brief.

There are quite a number of professionals required for a refit. First up, they include an architect/designer, who will work on the concepts, plans and look of the refit, and a quantity surveyor, who will assist with feasibility studies, initial cost estimates and detailed cost plans and cost control as work progresses.

If the refit involves building works which need building consent from the

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**RIGHT Landlords need to negotiate the cost of the fit out with their tenant, but should pay attention to the quality and longevity of all the details including lighting, accessibility, and durability of products.**

council, a fire engineer and accessibility auditor will be required. Also, if there's a change of use or structural alterations involved, a structural engineer will have to advise on the structural requirements or seismic upgrades required.

This is all because works requiring consent must have fire safety and accessibility upgrades under the Building Act. That means upgrading the existing building to comply with the current building code on an "as near as reasonably practicable" basis. Such works can be expensive and need the involvement of professionals to prepare reports and provide advice.

In general, all building works must also comply with the current building code. If the building does not already comply with the current code, it should still

comply at least as far as it did before with the current building code once the works are complete.

It's important to remember that seismic strengthening may also be required if a change of use of an existing building is required, or to any buildings that have been identified as "earthquake-prone". On top of this, new signage or alterations to existing entrances, extensions, and the like may require resource consent.

Further down the track, builders, mechanical and electrical systems consultants and security systems professionals also have to play a role. And there may be other professionals it would help to involve too. For example, in retail an experienced shop fitter could help.



### CLEAR COMMUNICATION

The property owner has to provide their team of professionals with a clear brief. This should communicate the aims of the refit and what the short- and long-term goals are; the levels of quality they require; the budget available; and the proposed timeframes.

They should also ensure they have appropriate contracts in place in case things go sour with a contractor. Any contract should clearly set out the requirements, specifications, agreed timescales and contract sums as well as how any disputes will be resolved. A qualified person should be in place to administer the contract.

Once all this is in place, if the property owner is confident their team can successfully implement their requirements they should step back during

the construction phase. However, it's advisable that they stay involved, attend project control group meetings and visit the site regularly to ensure that the works are progressing to their satisfaction.

While they should allow any quality issues to be raised and resolved by their consultants, it is easier to address issues as they occur rather than find at the end of the project.

This lessens the possibility that the finished project does not meet owner expectations for some reason.

Throughout the refit it's important to constantly review progress on site against the contractors' programme to ensure that works proceed to plan. This means any delays or issues can be pre-empted or mitigated against. A knowledge of the legal requirements

in relation to the building being returned to use is also imperative.

### FINAL TIPS

There are a number of additional elements that property owners should always consider. These include lighting, accessibility, durability of products, and quality of fit out, versus the cost to achieve the required "look", and any branding and signage.

One final thought: it's worth noting that when one element of a building is upgraded it can make adjacent finishes look more dilapidated. Therefore, a good refit should aim to achieve a homogenous appearance throughout a building. But cosmetic upgrades, like repainting adjacent areas, can help avoid this problem without breaking the bank. ■