



# Offices code of practice devised

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A NEW code of practice comes into force this month aimed at ending costly disputes over service charges between owners and occupiers of office, retail and industrial premises.

The Code of Practice for Service Charges in Commercial Property sets down guidelines to promote better communication and transparency between landlords and tenants and to help keep disputes out of the courts.

The guidelines were composed by the Royal Institution of Chartered Surveyors (RICS).

Its Northern Ireland commercial property spokesman, Chris Callan, says that service charges can often be a contentious area and, in extreme cases, can lead to costly legal proceedings.

"Poorly managed services are very often a source of disagreement, so this code sets down a simple set of standards that all users of commercial property can expect when dealing with owners and their managers," he said.

"While the code cannot override existing leases, it provides the property industry with a clear set of recommendations which, if implemented, will benefit all parties, including managing agents.

"When agreeing new lease terms or renewing existing leases, RICS recommends that owners and occupiers ensure their advisors have taken the opportunity to align the new lease with the code."

For the first time the code contains a set of standard industry expenditure and income categories to help standardise the structure for reporting and

analysing service charges.

It also contains the option for disputes to be settled using alternative dispute resolution procedures. The RICS has set up a panel to mediate or determine service charge disputes.

The code, endorsed by a number of industry bodies, can be downloaded free from [www.servicechargecode.co.uk](http://www.servicechargecode.co.uk) and it brings Northern Ireland into line with the rest of the UK.

Brenda Doris of Tughan Solicitors in Belfast provided legal advice and guidance in the development of the code.

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**RICS Northern Ireland commercial property spokesman Chris Callan (right) launches the Service Charges code with RICS Northern Ireland director Ben Collins**