



Last month we saw Cleaver Fulton Rankin complete the due diligence for its US technology client. In this issue, with only a week left to close the deal, the pressure is on as attention turns to new trading premises and the legal implications of relocation.



Scott Kennedy, corporate partner at Cleaver Fulton Rankin.

Scott Kennedy, corporate partner and project manager on the deal, shares his work blog with us.

Relocation Issues

Mon 23rd:

The target holds its current offices under a lease, which is due to expire within the next few months.

Sorting out new premises is one of the client's biggest priorities right now. The current offices are old and about 30 miles outside Belfast, which just isn't viable long term considering the level of anticipated growth. The ideal would be modern premises within easy reach of both local airports.

Negotiations with one particular landlord of units in a local business park have been ongoing and the client was grateful for our advice that capital grants against construction costs for new premises might be available from Invest Northern Ireland. It is an option they are keen to explore further and are making some enquiries. If they do qualify it would assist them in developing a bespoke property solution to meet their future growth plans.

In the meantime, they need to arrange to stay at their current offices until new premises are acquired and fitted out. We suggested that they seek to agree

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with their current landlord a renewal of their current lease for a term of say 5 years, but with a break clause - in effect a “get out clause” which they can trigger when new premises are ready. The landlord may demand a premium for having a break clause but on the other hand, he may be happy to have an existing tenant renew his lease, regardless of the length of time the tenant may ultimately stay.

Tues 24th:

I've just been chatting through the issue of relocation with our employment team. We've had to explain to the client that local law requires an employer to consult with its staff on this matter. Another slight cultural hurdle for them to overcome.

We checked the company's handbook and there's no mention

of a mobility clause obliging employees to move. While this won't affect key personnel and senior management's new contracts which include mobility clauses as part and parcel of the deal terms, for more junior employees, who are subject to the standard terms and conditions of employment, it could pose a problem. The client's HR team are going to sit down with the affected employees on an individual basis to talk about the transaction in general terms and, more specifically, the proposed transfer to Belfast. Our employment team are working closely with them on this.

Just heard the current landlord will agree the renewal terms we have suggested, but as expected they will charge us for it. Draft renewal lease to follow shortly.