



# SQUATTERS MOVE IN ON COMMERCIAL PROPERTY

A former rehab clinic in Central London, one of the oldest pubs in London and Ipswich's county hall have all recently been occupied by squatters and are the latest proof that commercial premises are at greater risk since changes in the law made squatting in domestic properties illegal.

Commercial landlords are not protected by the law and squatting carries significant financial implications for them, from damage to property to site security and rising insurance premiums.

Squatting in residential properties became a criminal offence in September 2012 resulting in a maximum penalty of 6 months imprisonment and a fine of £5,000.

Coverage for the legal costs involved in obtaining a court possession order and enforcing it, is provided within the Lockton Asset policy wording

## What about non-residential buildings?

Squatters occupying non-residential buildings will still be able to claim "squatter's rights". A survey carried out by Lockton in February 2012 revealed that squatting in residential properties accounted for only 38% of cases, whereas problems in commercial buildings accounted for 62% of cases. We expect claims to rise by between 35-40% on empty commercial properties over the coming months as landlords will be liable not only for any injuries incurred by trespassing squatters but also for damage that will occur to the property when they are present.

## Steps to Reduce the Risk

Lockton can advise on effective protection measures to be taken which will also carry weight with insurers. Such measures include:

### Security

If a property is going to be empty for some time, all doors and windows should be properly secured and any alarms activated. If possible install steel security grills on all windows and doors to inhibit entry attempts and investigate if it would be possible to install anti-climbing devices such as roll bars. Ensure CCTV equipment is in proper working order. Additional measures such as boarding up letter boxes can also help.

## Regular Inspections

Carry out and document weekly inspections, repairing any minor damage, removing waste and combustible materials, introducing fencing, security guards, additional lighting and alarms. It is also important to make sure insurers are informed when the property is left empty for an extended period and to remove all valuable items.

## Utilities

Turning off water, gas and electricity supplies can also help reduce the risk of unwanted visitors along with padlocking or securing isolation valves.

## Third Party Liability

One important consideration easily overlooked is the property owner's duty of care in respect of anyone visiting their property. Failure to remove hazards could leave owners liable for any resulting injuries, even for those trespassing on their property.

## Insurance Cover

Although not generally provided under a standard insurance policy wording, coverage for the legal costs involved in obtaining a court possession order and enforcing it, is provided within the Lockton Asset policy wording.

If you require any advice, please contact Roy Manley.



**Roy Manley**  
Lockton - Real Estate & Construction  
Business Development Executive  
Tel: +44 (0)20 7933 2753  
Mobile: +44 (0)7795 302096  
Email: roy.manley@uk.lockton.com