

KAIROS®
TRUSTED ASSET INTELLIGENCE

CASE STUDY:

Lease Reviews for Asset Management

National Healthcare Provider

The Challenge

A national healthcare provider with 50+ clinic locations engaged *Kairos* to capture maintainable assets across their portfolio.

At the pilot site, the lease documentation indicated a scope of roughly 400 square metres of tenant fit-out. When our auditors arrived, the local facilities manager saw it differently: "You need to capture the whole building. The landlord has handed everything over to us."

That meant a four-level hospital. 4,000 square metres. A 10x scope change based on an informal arrangement that had never been documented.

Head office could not confirm what had actually changed, or whether "handed over" meant maintenance responsibility, capital replacement, or both. If the chiller failed and needed $200,000 to replace, nobody knew who would pay.

Before we could capture any data, we had to establish what the client was actually responsible for.



How The Challenge Emerged

The portfolio had been built over two decades through a mix of acquisitions, new builds and opportunistic leases. Some sites were owned outright, others leased under arrangements negotiated by property managers who had long since moved on.

Lease files contained layers of amendments: extensions, COVID rent relief agreements, side letters about HVAC servicing. At one site, the "lease" was actually four separate documents that nobody had reconciled. At another, the site team had been maintaining the air handling units for years because it was easier than arguing with the landlord, even though the lease said otherwise.

Site teams operated on "what we've always done" while head office worked off paperwork that no longer reflected reality.

The Solution

Kairos conducted a lease review across the portfolio, consolidating all documentation into an obligations matrix for each site: who maintains what, who replaces what, and what the make-good requirements are, with clause references throughout.

The review identified sites where the client was maintaining assets that were the landlord's responsibility, and sites where obligations existed that nobody had budgeted for. We also flagged tenancies with no baseline condition documentation, creating unquantified make-good exposure.

Only after establishing these responsibilities did we proceed with asset data capture.

The Results

For the pilot site, we documented the informal handover arrangement properly. The client now knows that major plant replacement sits with them and can budget accordingly.

Across the portfolio, the client has a clear picture of their actual obligations. Their asset register feeds directly into maintenance planning and capex forecasting, built on documented responsibilities rather than inherited assumptions.





About *Kairos*

Kairos is Australia's specialist asset data capture company. Our healthcare clients include Dept of Health Victoria, SA Health, Epworth Hospitals, Western Health, Nexus Hospitals and Virtus Health.

Asset data is only useful if it reflects reality. That's why we start with the question of what you're actually responsible for.

To find out more, visit kairosstrategies.com.au or phone 1300 212 177.

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