



Replace, Reduce, Relax.

Prologis LED **FAQs**

Frequently Asked Questions

Q: What is LED?

A: We have used our global scale to negotiate discounted pricing for high quality smart light fittings, with built in movement and daylight controls, that will difficult for anyone to match. This programme allows us to pass these savings on to you, so that you can enjoy the benefits of smart LED lighting (energy savings, lower maintenance costs and improved health and wellbeing) at the incredibly low price of €1 per square metre per annum for a maximum of 5 years or until the end of your lease agreement.

Q: If I want to proceed with LED what happens next?

A: Once we receive an instruction to proceed from you, we will arrange for our contractor to replace your current light fittings with LED light fittings. We will produce a simple 2 page contract for you to sign prior to the work being carried out. Following the installation, you will receive an invoice for the work carried out, which will be paid quarterly.

Q: Will this affect my current lease with Prologis?

A: No. In the case of like for like replacement of your high-level warehouse lighting, your current lease will be unaffected.

Q: What happens if we vacate the property before our 5-year agreement for LED ends?

A: The benefit of this arrangement is that, should you (or a group company) vacate the property before the 5 -year period ends, you simply stop making your quarterly payment.

Q: What will happen to the lights within the building when we vacate the property?

A: The lights must remain within the building you are vacating.

Q: Who will own the LED lights installed in the building?

A: The lighting installed will remain the property of Prologis.

Q: What if we want a more complex solution for areas outside the warehouse or specific aspects of our operation (e.g. pick towers, mezzanines or cold stores)?

A: The discounts we have negotiated relate specifically to high level warehouse lighting and that is the area where our programme will be most attractive. However, we may still be able to work with you to agree an alternative pricing structure and programme for more complex requirements.

Q: If I opt for a more complex solution will my existing lease be affected?

A: Yes. For more complex solutions we will work with you to agree an appropriate payment structure. This could be by way of an amendment to your current lease and payment of an additional amount on your quarterly rent.

Q: Who will carry out the installation?

A: The works will be carried out by specialist installers who will work directly with our expert lighting partner Signify. All upgrades will be overseen by a dedicated Prologis Project Manager who will make sure that works are planned upfront and delivered as agreed.

Q: Will we be supplied with a programme for the works?

A: Yes. We will agree start and finish dates with you and make sure that the works are carried out in an agreed sequence to minimise the risk of disruption to your business.

Q: How much can I expect to save on my energy bill if we install the new lights?

A: We would expect the new LED lighting to be 60-80% more energy efficient than non-LED lighting. Each light comes with integrated movement and daylight controls, so they will only operate when necessary and they will dim to take advantage of natural light when it is available.

The actual energy and costs you will save will vary depending on the quality of your current light fittings, the way that they are controlled and the nature of your operation.

Q: Is a reduction in energy costs the only benefit?

A: No. LED warehouse lighting has many benefits over traditional lighting other than reducing your energy bills.

Reduced Maintenance Costs

The fittings we have sourced for the LED programme have a design life in excess of 70,000 hours.

This is 3-5 times longer than you could expect from good quality fluorescent or metal halide lighting. As LED is essentially maintenance free, you will no longer need to spend money on costly access equipment to change failed bulbs.

We have used our buying power to negotiate a 7 year warranty with Signify which will protect you in the event that any fittings develop faults.

Safer Work Environment

Lighting degrades over time so it is possible that your current lighting system is providing less light than it should. Upgrading to LED ensures that the warehouse will be lit to a safe and appropriate level, which will be maintained for the life of the fittings.

Employee Health and Wellbeing

Numerous research studies document the relationship between lighting conditions and human performance. Working for an extended period in insufficient lighting can lead to worker fatigue.

LED lighting in warehouses is easier on the eyes, providing a better quality of light, with more consistent levels of luminance and colour temperature. Upgrading to good quality LED lighting can lead to happier, safer and more productive employees.

Q: What level of lux are the lights designed to provide?

A: We will aim to achieve an average of 250 lux at floor level, which is industry standard.

Q: What is the benefit to Prologis?

A: We know that warehouse lighting is one of the largest operational costs for our customers and we wanted to use our global scale to provide an LED solution at an unbeatable price for our customers. Prologis Essentials Marketplace is our way of helping customers find the products and services they need to run their businesses more cost-effectively.

Q: What happens if I assign my lease to another company?

A: The LED agreement is with the current occupier of the space and the agreement is not an amendment to the lease as it is a service contract. Therefore, the costs will continue to be paid by the original party as the LED contract comes to an end only when the lease terminates or is broken (or you assign to a company that isn't a group company).

Q: Who is responsible for maintaining the new lights going forward?

A: The maintenance of the light fittings and lamps will be the responsibility of the occupier. In the event of a failure of the fixture, this may be covered by the warranty from Signify. Beyond the five-year period the occupier will be responsible for the repair, maintenance and replacement of the fitting in line with the provisions of the lease.

Q What is the legal process and will we need to engage our legal teams to assist?

A: The agreement is a deliberately simple and straightforward supply agreement over two pages. There is no alteration to your lease, therefore, it should be treated in the same way you might contract with a stationery supplier or other service provider. Clearly, you can engage a lawyer but this is designed to be a document that is easily accessible.

If you want to drive-down energy costs, improve safety and efficiency and create a more pleasant working environment for your employees, then please get in touch with your Prologis contact person.

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