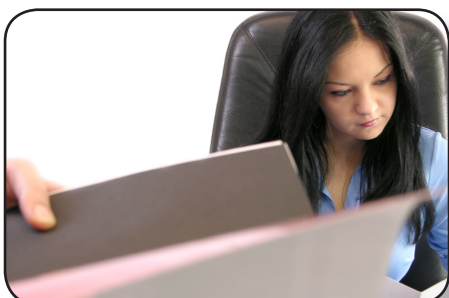
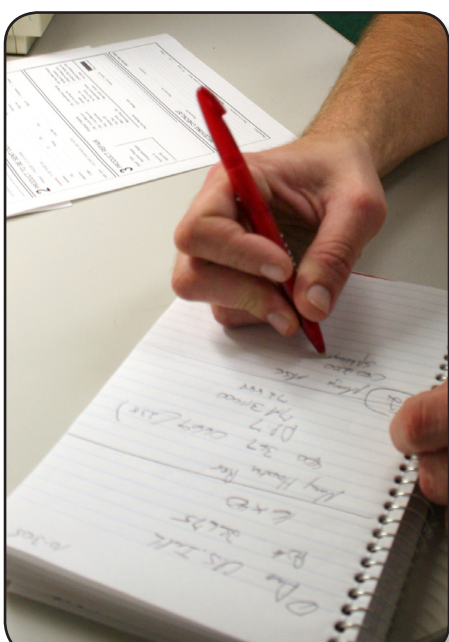
Why use a real estate broker for leasing a space?





There are a number of real estate brokers offering their services. As with hiring any broker, agent, representative or contractor, you, the client, need to be careful. When retaining a broker be sure the person specializes in your area of need. If you're buying a house, you should retain a residential specialist; if office space, an office broker, and the same with retail or industrial lease space or investments.

Discuss with the broker how they can help you be successful. Experience, diligence, and honesty are very important. However, a broker with extensive experience may not always be the best broker for you and your needs. If you require a smaller new office space, you may think you would like to have the most successful office broker with the most experience representing your interests. The plain truth is that the experienced successful broker may not be diligent on a small transaction. Your interests might be better served by a newer broker, with a strong team for support and supervision. That newer broker is often trying harder to succeed and make their name – it's all on the line and often they will devote considerably more time than will the senior broker.

After retaining a broker representative it is extremely important that the broker understands "how" to best serve your interests. For instance, if you are seeking an office you would consider area, size, layout, rental budget, term of lease, class of property and important amenities (conference room, workout room, ground floor, parking, etc.)? Do you have a business plan and financial statement prepared that you can provide to the Landlord? Timing will be very important.

You should now expect that the broker has the correct resources available and that he/she understands your needs. It is now incumbent on the broker to bring you all of the alternative availabilities which might work. A tour of those that appear to serve your interests could be in order. The broker should prompt you with questions regarding how well each

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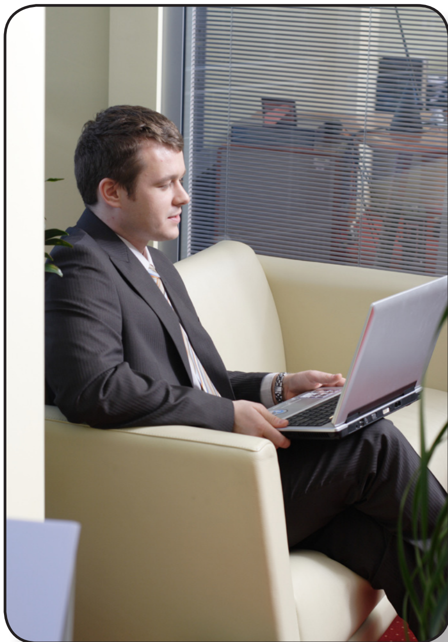

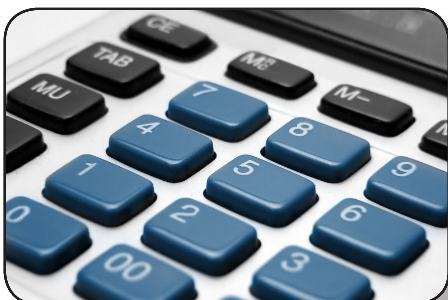

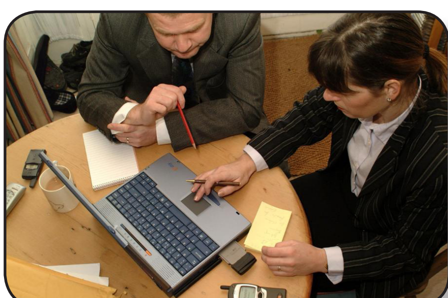

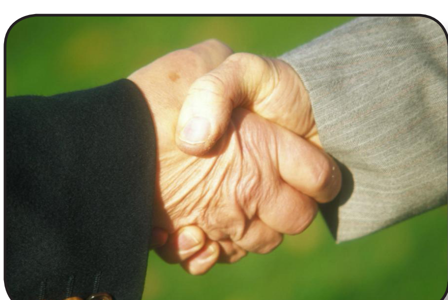

property meets the criteria, asking about terms and potential negotiability, all with an eye on timing.

Calculating Monthly Lease Payments! Normally, lease rates are calculated on a square foot/per year basis, especially for office and retail. For example: There are 1,000 SF for lease in the "Big Tall Building," and the lease rates are $25/ per SF.

1,000 SF x $25 = $25,000 per year
$25,000 / 12 months = $2,083 per month

Warehouse spaces are often quoted as cents per square foot/per month.

In some leases tenants are asked to pay triple net charges! These are the expenses incurred by the landlord and then charged back to the tenant on a pro-rata basis. Property taxes, insurance and common area maintenance are the most common net charges and are based on the percentage of occupied space by the tenant as it compares to the total building size. Ask for guidance from your broker regarding net charges.

A proposal would be in order when you see a property that could work. The proposal should contain the usual: premises, lease term, rental information and adjustments, tenant improvements, and less obvious, the options (renew, expand, and purchase). Again, timing is important; leave time to go to another property if this doesn't work.

The proposal process will lead to the lease. We highly recommend that prospective tenants have access to a qualified real estate attorney for advice. The broker and their team can often bring practical advice and help you and your attorney "wordsmith" the lease or purchase and sale agreement.

If this process happens carefully with a multiple year commitment, your interests will be well served.

Let us "make a difference" for you!

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