

HIRC

The High-Risers Club

1.9.2024 – Representing the Tenant

Coach Jeff Wright

Welcome

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Does anyone have anything great to share personally or professionally?



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Podcast

Tune in wherever you get your podcasts!

- **Last Week: Learning What Makes a Strong or Weak Residential or Commercial Market and the Steps You Need to Take to Have Success No Matter What with Coach Jeff Wright**
- **This Week: Some Rules to Follow in the Sales Process with Ed Schultek Session 2**

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Landlord/Tenant Checklist of Questions

1. Ownership
2. Organizational Documents
3. Standard Lease Documents
4. Lease Type
5. Escalations
6. Utilities – Who is responsible?
7. Janitorial Services
8. Base Term of Lease
9. Renewal Options
10. Tenant fit-up allowance
11. Building Plans
12. Site Plans
13. Parking
14. Signage
15. Permitted Use
16. Commencement Date
17. Rent Commencement Date
18. Free Rent
19. Assignment and Sublease
20. Building access and hours of operation
21. Security Deposit
22. Building Amenities
23. Termination Clause
24. Repairs – who is responsible?
25. Additional expenses
26. Guarantor Required
27. Storage
28. Building Security

1. Ownership

A. Confirm ownership of a property

B. Confirm the exact name of the title holder of record

2. Organizational Documents

A. Resolution approving the lease

B. Authority of the signatory to sign lease

3. Standard Lease Document (Review in Advance)

- A. Building size
- B. Leased premise address/unit numbers
- C. Leased premise size
 - Usable size
 - Rentable size
- D. Core factor
- E. Asking rent
- F. Base rent
- G. CAM charges
- H. Taxes
- I. Insurance

4. Lease Type

A. Triple Net (NNN)

B. Gross

C. Modified Gross

5. Escalations

6. Utilities – Who is Responsible?

A. Electric

B. Heat

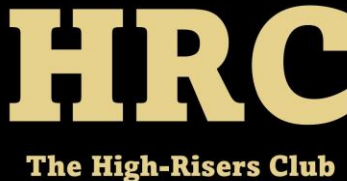
C. Water

D. Any particular time utilities not available to the space?

7. Janitorial Services

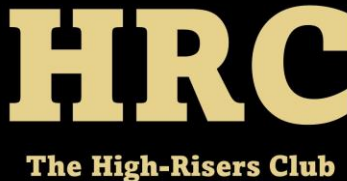
A. Included/not included

8. Base Term of Lease



9. Renewal Options

10. Tenant Fit-up Allowance



11. Building Plans

A. Unit Plan

12. Site Plans

13. Parking

A. Reserved spaces included

B. Unreserved spaces

14. Signage

- A. Exterior signage
- B. Directory signage
- C. Unit signage

15. Permitted Use

A. Exclusivity provided

B. Approvals to be obtained

16. Commencement Date

17. Rent Commencement Date

18. Free Rent

19. Assignment and Sublease

20. Building Access and Hours of Operation

21. Security Deposit

A. Number of months

22. Building Amenities

23. Termination Clause

24. Repairs – Who is responsible?

A. Mechanicals

B. Structure

C. Roof

D. Snow Removal

E. Landscaping

25. Additional Expenses

A. Any other expenses tenant would be expected to pay that have not been covered.

26. Guarantor Required

A. Y/N

27. Storage

28. Building Security

Representing a Tenant

1. Client identifies an interest in leasing commercial property.

Criteria:

- Retail lease of 3,500-5,000 usable sf
- Located in Hometown, USA
- Lease rate of \$15-\$20, with all expenses

Representing a Tenant

2. Sign an Exclusive Tenant Representation Agreement. If a commission is not being offered by the leasing agent, or the property is not currently on the market, determine if the tenant is willing to pay your fee if you locate something that fits their needs.

Representing a Tenant

3. Search CoStar, LoopNet, CREXI, MLS, etc.

Representing a Tenant

4. Send an email to commercial practitioners expressing your client's needs to see if they have any properties on or off the market that may fit the criteria.

Representing a Tenant

5. If there is an area in a given town that is of specific interest to your client, drive the area to look for “For Lease” signs by REALTORS® or by owners to identify properties that may fit the criteria.

Representing a Tenant

6. Assemble, review and tour properties to see if they fit the criteria or if there is something else that may be of interest.

Representing a Tenant

7. If there is a property of interest, request detailed information on it for your client.

- a. Rental rate
- b. Is the lease NNN, gross or modified gross?
- c. If it is NNN or modified gross, what is the additional rent?
- d. Is there any tenant fit-up allowance?
- e. Is the lease square footage being offered usable or rentable?

If it is not offered through the MLS, ask for written confirmation of the commission being offered and when it will be paid (e.g., lease execution, occupancy, etc.). Additionally, confirm if the commission will be paid on renewals or options and when those commissions will be paid.

Representing a Tenant

8. Sign non-disclosure or confidentiality agreements, if required.

Representing a Tenant

9. Pull the municipal building field/tax card to see what can be learned about the property

Representing a Tenant

10. Lease comps can be difficult to access unless you have an active MLS with a detailed commercial section, are a member of CoStar or are friends with some commercial appraisers.

Representing a Tenant

11. Prepare a Letter of Intent (LOI) and submit it to the listing broker or owner. Occasionally, you can ask the listing agent to submit a proposal based on the tenant's requirements. If both parties choose to engage, the terms of the Letter of Intent will be negotiated at this point.

Representing a Tenant

12. Execute a lease. The execution stage will include additional negotiation. The major difference in this stage of negotiations is that attorneys are usually involved at this point.

Representing a Tenant

13. Financing process starts, if required.

Representing a Tenant

14. Fit out begins, if required.

Representing a Tenant

15. CO issued, if required.

Representing a Tenant

16. You get paid.

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<https://www.facebook.com/groups/commercialrealestateforresidentialrealtors>



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Next Session

Representing the Tenant – Continued

Tuesday, January 16th, 2024
@ Noon Eastern

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