

# REAL ESTATE PORTFOLIO DIAGNOSIS

*If you cannot answer all of these questions you are exposed to risk within your real estate portfolio or are missing potential opportunities to reduce costs. Call us for a complimentary real estate review and assessment.*

## General Information

- 1 How many properties do you:
  - a) Own
  - b) Lease
- 2 How many total square feet do you have?
- 3 What is your annual real estate budget for this year?
- 4 How many leases do you have expiring in the next 18 months?
- 5 How many lease renewal notice dates do you have approaching in the next 3 months?

## Legal Documentation

- 5 Do your leases contain:
  - a) Renewal option provisions?
  - b) Lease termination provisions?
  - c) Expansion/contraction options?
  - d) Assignment and sublease provisions?
  - e) Exclusivity rights?
  - d) Lease audit rights?
  - f) Balanced repair and maintenance obligations (landlord and tenant)?
  - g) Restrictions that could influence your occupancy?

## Financial

- 6 What is your benchmark for rent as a percentage of sales/revenues?
- 7 What is your average occupancy cost:
  - a) Per lease?
  - b) Per square foot?
  - c) By geographic market?
- 8 What is your annual spend for external legal counsel relating to real estate?
- 9 What Key Performance Indicators do you track for real estate activities?
- 10 How are capital budgets prepared and managed for your real estate portfolio?

## Lease Administration & Auditing

- 11 Do you consistently challenge operating expense adjustments/reconciliations?
- 12 Do you have a detailed record of historical Operating Expense payments?
- 13 Do you utilize your lease payment data for benchmarking and analysis?
- 14 Do you conduct systematic lease audits on a regular basis?
- 15 What operating expense recoveries have you obtained this year?
- 16 Have you achieved any retroactive savings? Avoided future costs?
- 17 Have you recently contested the tax assessment on any of your occupied buildings?

## Facility Management

- 18 Do you have an established process for handling maintenance & repairs?
- 19 Do you coordinate service calls and keep a historical record?
- 20 Do you conduct physical building inspections prior to building occupancy? During?

## Construction & Project Management

- 21 Do you have a dedicated and specialized team to handle construction/renovation projects?
- 22 Who coordinates construction and procurement activities?
- 23 Do your construction projects generally fall within budget and on schedule?

## Strategic Planning

- 24 Is your real estate team/department involved prior to a new business acquisition?
- 25 What internal process do you have in place for handling lease transactions?
- 26 Have you assessed your existing leases to determine if rental reductions are possible?

