

“We began to search and negotiate for a new building. Shortly after starting we were contacted by Rare Space. They identified our needs and, through their property database, presented several buildings we had not considered. Together we completed negotiations on the perfect space for APG.”

John Joy, Co-Owner, APG Test Consultants

Evaluating Your Alternatives

In our last newsletter, we stressed the importance of creating an environment where landlords are actually competing for your business through the process of bidding for your company’s lease commitment. However, this does not mean that the building with the lowest lease rate is always the winner.

This month’s newsletter will help you identify other important considerations in evaluating the best building for your company. In order to comprehensively assess your real estate alternatives, consider the following in addition to the lease rate:

- **Functionality:** How well does the building or space support the operation of your business? Will it deliver efficiency, aid in work flow, and support your corporate culture? Is there sufficient parking? Does the building provide adequate after-hours HVAC and security services?
- **Expansion/Contraction:** Does the building offer additional space for growth and expansion? Is there flexibility if you need to contract during the lease term?
- **Location:** Is the location convenient/accessible for key employees, clients, and customers?
- **Image:** Does the building project the right image to your employees, clients, customers and the public?
- **Lease Terms:** Evaluate key lease terms such as rights of first refusal, termination options, and lease extensions. Is the security deposit comparable with the market? Will the landlord agree to a cap on expenses as well as the right to audit their operating expenses?
- **Amenities:** Building amenities can make a difference in the day-to-day functioning and efficiency of your firm. Is there a lunchroom/coffee shop on the premises? An exercise/workout facility? A bank? Would an onsite conference facility save you from having to go offsite for large meetings?
- **Building Management:** By signing a lease, you are entering into long-term *relationship*, and ultimately you must be comfortable with the building management/ownership. What is the reputation of the building management company? Are they available and responsive to tenant needs and requests? Do they keep the building in top condition and the systems running well? The best deal in the world isn’t a good deal if the building is not well managed.

Of course **price** remains a critical factor. The building you select must meet your budget and reflect a competitive market lease rate. However, the rate should not be the *only* factor in selecting the appropriate building for your company. The intangible and soft cost items must also receive consideration.

Next month, our newsletter will cover the aspects of successfully closing a commercial real estate deal. In the meantime, if you have any commercial real estate questions or space needs please contact us.

Best regards,



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Rare Space is a Tenant Advisory firm that uses the latest commercial real estate technology, including real time property information, sophisticated financial modeling tools and a comprehensive real estate process to produce superior results for our clients.