

PLANWELL

“There is no substitute for thorough preparation”

LEASING A COMMERCIAL SPACE

Frequently Asked Questions



FAQ

“Failing to plan is planning to fail”



- 1** Who pays the broker's fee?
- 2** How do I start the process?
- 3** How do I get the best terms from the landlord?
- 4** Will I get free rent or a TI Allowance?
- 5** Who will review the lease?

BROKERAGE

"Experience is the mother of wisdom"



BROKER CLIENT RELATIONSHIP

It is required by law that the agency relationship between client / tenant and broker be reduced to writing in a formal agreement. A fiduciary is a person who has a high duty of care for another person, the client. The law requires the fiduciary to place the client's interest ahead of his or her interest. When a licensee begins to provide agency services to a party, or a party believes that such services are being provided, the fiduciary relationship begins.

In most cases the broker will earn his fee from either the landlord or seller. The fee is customarily paid at the closing of the transaction. Unless it is otherwise negotiated, the broker normally does not collect any money directly from his client, the tenant.

READINESS

"A loaded wagon makes no noise"



STARTING THE PROCESS

We believe that being prepared to mobilize on an opportunity is of the utmost importance. It is possible to find the ideal space for a tenant on the very first inquiry. If the tenant is not prepared to submit a comprehensive offer when the ideal site is identified, then the broker has done a poor job of setting the tone for the transaction.

We encourage our clients to prepare a detailed business plan, projections, biography of operators and their experience, and a financial package on the individual or corporate entity providing the guaranty prior to any market exploration. All landlords are different and have different requirements. Our experience tells us that a fully comprehensive submission will net the fewest inquiries from the landlord and help to insure a swift negotiation.

We at Gulfstream are standing by to assist you in preparing the necessary documentation to acquire a suitable site for your expansion, relocation or new venture.

IDENTIFY

“Necessity is the mother of invention”



MARKET STUDY

Our firm utilizes a multitude of techniques to identify the best possible sites for our clients. In many cases we will prepare an outgoing email requirement that will reach 2500+ brokers and landlords in the Houston area. We typically do not reveal any sensitive information in the initial 'broker blasts'.

There is no substitute for driving the markets of interest. When performing a market drive we use digital photos and videos to give the client the best possible visualization without actually driving it themselves. Upon a cooperative edit of site submissions a 'site drive' will be compiled. This alleviates the necessity for the client to spend time driving prior to initial selection of sites.

We use modern mapping programs and available demographic studies to determine the spacing between the client's existing locations or a new operator from their competition. In most cases we help develop the criteria for acceptability of a site.

SELECTION

“Measure twice, cut once”



NEGOTIATION

Most transactions are deal driven, meaning that a landlord will consider all of the terms offered initially. The initial submission is called a 'Letter of Intent'. It outlines the general terms being considered. It is more efficient to negotiate in this 2 or 3 page letter than to begin with a hefty lease document. The basic terms usually considered in the "LOI" are:

- who are the parties? Landlord > Tenant >
- where is the site?
- which space within the site? size?
- rent being offered?
- type of lease? NNN ? Gross ? Gross E ?
- length of term? how long will the lease run?
- use? what is the tenant's business
- lease commencement? when does the lease start?
- rent commencement? when does the rent start?
- guarantor? how is the lease secured?
- deposit?

It is at this point that the broker also presents the business plan and tenant financials. It takes skill and know how to procure the best possible terms and we at Gulfstream will utilize all of our resources to insure our client gets the best possible deal.

BUSINESS / LEGAL

Some items contained within the lease pertain to business terms, while others are legal terms. We are unable to dispense legal advice but have a vast network of attorneys that we can refer. Depending on the transaction the legal fees a tenant should expect to pay to have a formal review can range from \$500 to \$5,000. Gulfstream is skilled at working together with the attorney of the tenant's choice to yield the best possible concessions and fairest lease agreement.

EXECUTION

"The longest mile is the last mile home"



TENANT / LANDLORD RELATIONSHIP

It is our duty to shepherd your transaction to the closing table. We take great pride in helping our client's understand the entire lease which they contemplate. There are many other detail items other than just signing the lease. We are standing by to help our client's get the best possible start at their new location. Gulfstream maintains an extensive network of vendors and services that may help the tenant take advantage of new opportunities.

We at Gulfstream Properties understand the importance of getting things right on behalf of our clients. Going the extra mile is not an exception, for us it's the rule. We understand that our success is closely tied to yours. Thank you for giving us the opportunity to serve you.

