

**Potential Cost Savings Areas**

Many tenants pay more than they should (sometimes 20% to 30% more), which can tie up several hundreds of thousands of dollars unnecessarily for too long. CresaPartners' Potential Cost Savings Analysis demonstrates the many ways a landlord can profit from a lease. These key areas need to be scrutinized and carefully negotiated to maximize savings for the tenant.

**Operating Expenses**

The tenant should have the right to audit the expenses to ensure they are not being overcharged.

**Real Estate Taxes**

You want the right to file for a tax abatement under a NNN lease structure. If it is a full service gross lease, then you need the right to make the landlord file for a tax abatement.

**Tenant Improvements**

You should receive a tenant improvement allowance that is commensurate with the rental rate proposed.

**Lease Flexibility**

You want to secure termination rights or expansion and contraction rights during certain time frames over the lease term. Subleasing provisions also need to be closely reviewed to minimize restrictions.

**Security Deposit**

The security deposit needs to be negotiated to be commensurate with the landlord's capital investment risk.

**Landlord Construction**

Landlords charge a percentage of the tenant improvement allowance as a supervision fee to monitor the tenant's construction.

**Right Size the Space**

Up front strategic planning provides the biggest opportunity for savings.

**Base Building Issues**

Tenants should understand what building components could be nearing their useful life and how replacements should be funded.

