

**THE  
CORPORATE  
REAL ESTATE  
PLANNER**

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# **THE CORPORATE REAL ESTATE PLANNER**

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## Chapter 1: *page 7*

### Planning

The first steps in the relocation process include setting a moving schedule and choosing the professionals that will help organize your move. The following worksheets are designed to assist with both of these tasks.

1. Master Calendar Checklist
2. Master Relocation Calendar
3. Professional Interview
4. Real Estate Professional Interview

## Chapter 2: *page 15*

### Selling Yourself

Once you have chosen the spaces that you would like to negotiate for, prepare to prove your financial and professional credibility. By selling yourself as a good risk, you increase your negotiating strength. A business plan, monthly or quarterly profit/loss statements, balance sheet and, if you are a small or start-up business, a personal financial statement will prove your credibility.

1. Business Plan Outline
2. Personal Financial Statement

## Chapter 3: *page 21*

### Lease vs. Buy

While there is no magic formula for deciding whether to lease or buy, the following worksheets are designed to analyze your financial position before and after 10 years of each alternative.

1. Lease vs. Buy Worksheet Instructions
2. Lease vs. Buy Worksheet Sample
3. Lease vs. Buy Worksheet

## Chapter 4: *page 27*

### Space

Use moving as a way to design a more functional working environment. The following worksheets will help analyze your space needs, the first step in designing an effective working environment.

1. Amenities Checklist
2. Office Plan Worksheet
3. Space Needs Analysis
4. Office Staff Space Needs
5. Manufacturing/Warehouse Facility Space Needs
6. Summary of Specialized Space Needs

## Chapter 5: *page 36*

### Location

Location is one of the most important factors for many businesses. The worksheets contained in this chapter will help you analyze the locations that you are looking at and choose the location that will be the most beneficial to your company.

1. Location Questionnaire
2. Site Restrictions Questionnaire
3. Project Notes

## Chapter 6: *page 40*

### Inspection

Thoroughly inspect each building that you are considering. Tear out the space inspection and the lease rate forms and take them along with when you inspect each space. They will organize the important attributes of each space for later review and comparison.

1. Space Inspection Worksheet
2. Lease Rate Worksheet

## Chapter 7: *page 43*

### Mechanics

After you sign your lease, you pay for the upkeep and modernization of the mechanics of your space. Make sure they are in good condition and fit your needs before you move in. Take the following form along when you inspect each space to note the type and condition of the mechanical and electrical system.

1. Worksheet on Electrical and Mechanical Data



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## **Chapter 8:** *page 45*

### **Negotiating**

Negotiating for space is probably the single most important aspect of relocating. It will determine if you get the space you desire and how much you have to pay for it per month. The following worksheets will help prepare for negotiations by comparing each space you are negotiating for, determining your bottom line and analyzing your negotiating position.

1. Negotiable Items Checklist
2. Negotiating Strengths Analysis
3. Office Lease Review Worksheet Sample
4. Office Lease Review Worksheet
5. Office/Warehouse Lease Review Worksheet Sample
6. Office/Warehouse Lease Review Worksheet
7. Building Comparison Worksheet

## **Chapter 9:** *page 54*

### **Leases**

Read your lease before you sign it. The following worksheets are designed to familiarize you with your lease clauses and summarize your lease for easy future access to important provisions.

1. Leasing Data Worksheet
2. Lease Checklist

## **Chapter 10:** *page 58*

### **Communications**

Your communications system will, in large part, determine how smoothly your company processes information. Take the time to analyze your needs and choose the communications system that will help your business grow. The worksheets in this chapter are designed to do just that.

1. Communications Provider Interview
2. System Evaluation
3. Options Checklist
4. Options Glossary

## **Chapter 11:** *page 66*

### **Moving**

Use the worksheets in this chapter to prepare for your moving day. By being organized, you can move smoothly with only minor inconveniences to your employees and clients.

1. Moving Company Interview
2. Moving Calendar
3. Notification Checklist

## **Chapter 12:** *page 71*

### **Post-Move**

An organized post-move is just as important as an organized pre-move. Use the following worksheets to survey employee comments about the move and to organize your post-move file. The information will be useful when organizing your next move.

1. Tenant Improvement Punchlist
2. Employee Relocation Suggestions
3. Post-move File Checklist

## **Chapter 13:** *page 76*

### **Business Continuation**

Now that you are settled in your new space, protect the future of your company with a business continuation plan. These worksheets will help organize your business priorities and test your continuation plan.

1. Business Continuation Plan
2. General Impact Rating
3. Disaster Impact Rating

# INTRODUCTION

**T**he *Corporate Real Estate Planner* and the *Corporate Real Estate Guide* are designed as companion pieces. Together they offer methods by which you can plan, find and occupy a space that fits your business needs.

Before you use the *Planner*, read the *Guide*. It is the master reference, a narrative description of the process involved in relocating. The *Planner* is a workbook, a step-by-step guide that contains worksheets, checklists and calendars. The chapters in the *Planner* correlate directly to the corresponding chapters in the *Guide*. Once you have familiarized yourself with both books, you can use them to your best advantage.

Use the *Planner* to help you work through the decisions involved in your relocation. While the *Guide* offers you an abundance of information, the *Planner* offers the tools by which you can apply that information to your situation. You may find it useful to keep many of the *Planner* forms in the book. However, it could be helpful to tear some of the worksheets out and have your employees use them as they work on different aspects of your relocation.

Included in the *Planner* are worksheets and checklists for every step of the process. The process reflected here has been carefully considered by professionals with years of experience. Take advantage of their expertise and your relocation can be smoother than you ever dreamed possible.

When you decide you need new space, you may be tempted to begin by immediately looking at available spaces. Don't start in the middle of the process! Follow the order laid out in the *Planner*.



## Plan ahead, starting now

*Step by step analysis will save you money EVERY TIME!*



The more informed you are, the more prepared you are to make wise choices in the relocation process. The more organized you are, the smoother the relocation process can be. If you consider drawing up lists of engineers, attorneys, space planners, architects, interviewing communication experts, moving companies, real estate brokers, interior designers, choosing professionals, analyzing space, location and communications needs, applying for building permits, ordering furniture, equipment, carpet, setting up computers, installing communications systems, checking phones and computers, it gives you an idea of how involved this project is. It gives you an idea of why it's important to begin the process as far as in advance of your actual move date.

One of the first steps to take in this process is to choose the experts with whom you will work - real estate brokers, space planners, architects, engineers, interior designers, professional movers, communications specialists, office technology consultants, attorneys and accountants.

Interview a few people from each professional group. Review their qualifications - experience, references, licensing, education, training and professional affiliations. Choose people who are knowledgeable, professional and trustworthy. As you interview these professionals, use the following forms to help you choose the professionals with whom you will want work.

Master Relocation Calendar		PLANNING	
Make a calendar for all the steps in the relocation process. Include the following items:			
	4 months before move	Step 1	Day
		1	2
		3	4
		5	6
		7	8
		9	10
		11	12
		13	14
		15	16
		17	18
		19	20
		21	22
		23	24
		25	26
		27	28
		29	30
		31	1
		2	3
		4	5
		6	7
		8	9
		10	11
		12	13
		14	15
		16	17
		18	19
		20	21
		22	23
		24	25
		26	27
		28	29
		30	31
		1	2
		3	4
		5	6
		7	8
		9	10
		11	12
		13	14
		15	16
		17	18
		19	20
		21	22
		23	24
		25	26
		27	28
		29	30
		31	1
		2	3
		4	5
		6	7
		8	9
		10	11
		12	13
		14	15
		16	17
		18	19
		20	21
		22	23
		24	25
		26	27
		28	29
		30	31
		1	2
		3	4
		5	6
		7	8
		9	10
		11	12
		13	14
		15	16
		17	18
		19	20
		21	22
		23	24
		25	26
		27	28
		29	30
		31	1
		2	3
		4	5
		6	7
		8	9
		10	11
		12	13
		14	15
		16	17
		18	19
		20	21
		22	23
		24	25
		26	27
		28	29
		30	31
		1	2
		3	4
		5	6
		7	8
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		11	12
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		15	16
		17	18
		19	20
		21	22
		23	24
		25	26
		27	28
		29	30
		31	1
		2	3
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		10	11
		12	13
		14	15
		16	17
		18	19
		20	21
		22	23
		24	25
		26	2

## PLANNING

### Worksheet for master calendar

Careful planning and paying attention to details go far toward making relocation a manageable process. When you decide you will be moving, make a master calendar and fill it in with the following items.

Date		
Start	End	Person Responsible/Comments
		Identify need to move
		Identify move date
		Appoint internal relocation group
		Interview real estate brokers
		Interview space planners
		Interview interior designers
		Interview communications experts
		Interview architects
		Interview engineers
		Interview attorneys
		Interview moving companies
		Choose professionals
		Analyze space needs
		Analyze location needs
		Design three space plans
		Analyze communications needs
		Shop for space
		Check wiring at spaces for phones and computers
		Decide on communications system and equipment
		Negotiate with three owners/managers
		Choose one space
		Negotiate lease
		Schedule movers
		Decide what new equipment and furniture you need
		Call utilities to order service



Date \_\_\_\_\_

Start	End	Person Responsible/Comments
		Order furniture and equipment
		Order communications system and equipment
		Work with architects and engineers on space design
		Get bids for building out space
		Choose contractor for build out
		Review contractor's plan
		Approve plan
		Get plan approval from owner/manager
		Apply for building permits
		Sign lease or purchase property
		Begin notifying customers, associates, suppliers, etc.
		Check list of people to notify regarding move
		Order carpet and other finishing materials
		Begin construction
		Call communications providers to order service
		Order stationery, brochures, etc. with new address
		Get contractor's punchlist
		Install communications system
		Set up computers
		Check phones
		Check computers
		Check punchlist progress
		Move in furniture and equipment
		Move in people
		Open for business

### Notes:

# Master Relocation Calendar

Make a calendar for all the steps in the relocation process.

	Comments/Person Responsible	Month					
		Week	1	2	3	4	5
Identify need to move							
Identify move date							
Appoint internal relocation group							
Interview real estate brokers							
Interview space planners							
Interview interior designers							
Interview communications experts							
Interview architects							
Interview engineers							
Interview attorneys							
Interview moving companies							
Choose professionals							
Analyze space needs							
Analyze location needs							
Design three space plans							
Analyze communications needs							
Shop for space							
Check wiring at spaces for phones and computers							
Decide on communications system and equipment							
Negotiate with three owners/managers							
Choose one space							
Negotiate lease							
Schedule movers							
Decide what new equipment and furniture you need							
Order furniture and equipment							
Order communications system and equipment							
Work with architects and engineers on space design							
Get bids for building out space							
Choose contractor for build out							
Review contractor's plan							
Approve plan							
Get plan approval from owner/manager							
Apply for building permits							
Sign lease or purchase property							
Begin notifying customers, associates, suppliers, etc.							
Check list of people to notify regarding move							
Order carpet and other finishing materials							
Begin construction							
Call communications providers to order service							
Call utilities to order service							
Order stationery, brochures, etc. with new address							
Get contractors punchlist							
Install communications system							
Set up computers							
Check phones							
Check computers							
Check punchlist progress							
Move in furniture and equipment							
Move in people							
Open for business							



\_\_\_\_\_

[illegible]





# Professional Interview

Fill in this form when interviewing professionals you will need in the relocation process.

Profession:

Name:

Company:

Phone number:

Address:

Fee structure:

Specialty:

Years of experience in industry:

References:

Favorable impressions:

Reservations:

Professional organizations:

Professional affiliations:

Licensing:

Education:

Training:

Notes:

## Real Estate Professional Interview

Name: \_\_\_\_\_

Company: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

When interviewing real estate professionals, ask about their experience working with:

	Yes	No	Comments:
Architects	<input type="checkbox"/>	<input type="checkbox"/>	
Contractors	<input type="checkbox"/>	<input type="checkbox"/>	
Engineers	<input type="checkbox"/>	<input type="checkbox"/>	
Real estate attorneys	<input type="checkbox"/>	<input type="checkbox"/>	
Blueprints	<input type="checkbox"/>	<input type="checkbox"/>	
Financial analyses	<input type="checkbox"/>	<input type="checkbox"/>	
Leases and purchase agreements	<input type="checkbox"/>	<input type="checkbox"/>	
Space plans	<input type="checkbox"/>	<input type="checkbox"/>	

Ask about:

Property database	<input type="checkbox"/>	<input type="checkbox"/>
State licensing	<input type="checkbox"/>	<input type="checkbox"/>
Freedom to show all properties	<input type="checkbox"/>	<input type="checkbox"/>

Professional affiliations: \_\_\_\_\_

Years of experience: \_\_\_\_\_

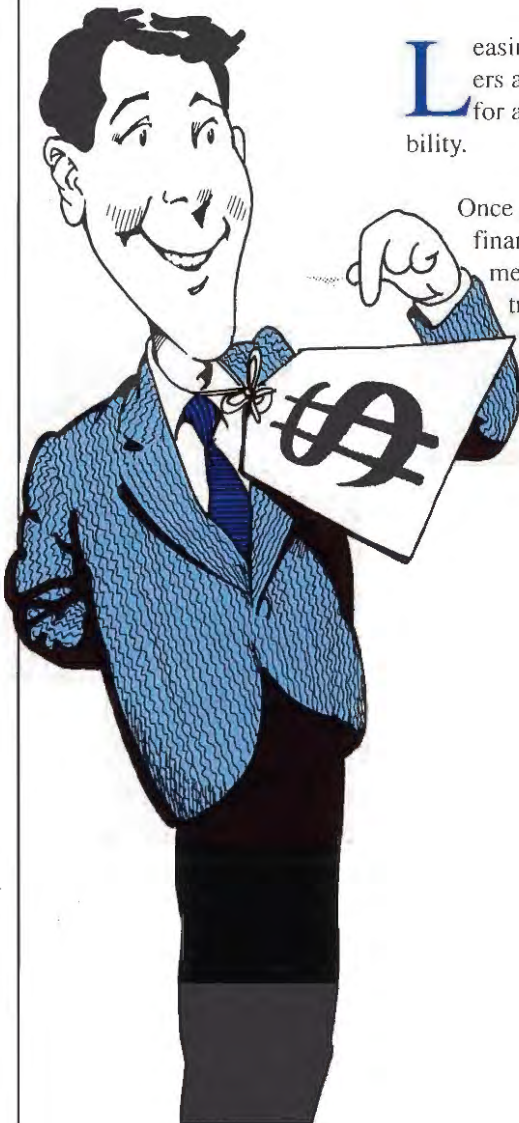
References: \_\_\_\_\_

**Notes:**

## Chapter 2:

### The business plan that works

*A good presentation increases your chances of negotiating a better deal!*



**L**easing space is a two-way process. You are shopping for a space and building owners are shopping for tenants. Put yourself in the best possible position to negotiate for a space by assuring the building owner of your professional and financial credibility.

Once you are seriously considering a few spaces, offer proof that you are a good financial risk by offering the following documents: business plan, financial statement, incorporation papers, partnership agreement, portfolio, client/customer contract lists. Provide as much information as you can. Ask the building owner or property manager to sign a letter of confidentiality if you are concerned about keeping this information private.

The following outline suggests a model from which to write a business plan. It is only a suggested model. Adapt it to fit your particular business and industry.

**T**his chapter also includes a financial statement. Again, it is to serve as a model for your information.

#### SELLING YOURSELF

##### Business Plan Outline

###### I. Company

- Description of business
- Description of product and/or service
- Historical development of business
  - formation
  - legal structure
  - significant changes
  - subsidiaries

###### II. Ownership

- Management stockholders
  - names and addresses
  - professional affiliations
- Board of directors
  - names and addresses
  - professional affiliations
  - areas of expertise
  - role of board of directors
- Amount of stock authorized and issued

###### III. Product or Service

- Description of product line or service line
  - sales volume
  - sales projections
- Product evaluation
  - quality and performance
  - comparison to competitors products
  - competitive advantage over competitors

###### IV. Management

- Organizational chart
- Key individuals
  - responsibilities
  - vacancies
  - salaries and other compensation
- Other employees
  - number of total employees
  - total payroll and compensation for last five years

###### V. Financial Information

- Auditor
  - name and address
- Legal counsel
  - name and address

###### C. Bank

- name and address

###### D. Controls

- cost system
- budget system

###### E. Financial statements and projections for next five years

- monthly profit and loss or income statements
- quarterly profit and loss or income statements
- end-of-year balance sheets
- cash budgets and cash-flow projections
- capital budgets for equipment and other capital acquisitions

###### VI. Marketing

- Description of industry
  - description of industry, industry outlook and trends
  - principal markets and projections for next 10 years
- Major customers
  - names
  - locations
  - contracts
- Prospective customers
- Major competitors
- Marketing activities

###### VII. Technology

- Research and development
  - new technologies being developed
  - products being developed
- Technical skills required to develop and manufacture products
- Patents or copyright

###### VIII. Production Operations

- Manufacturing process description
- Physical facilities
  - present
  - planned



## Business Plan Outline

### I. Company

- A. Description of business
- B. Description of product and/or service
- C. Historical development of business
  - 1. formation
  - 2. legal structure
  - 3. significant changes
  - 4. subsidiaries

### II. Ownership

- A. Management stockholders
  - 1. names and addresses
  - 2. professional affiliations
- B. Board of directors
  - 1. names and addresses
  - 2. professional affiliations
  - 3. areas of expertise
  - 4. role of board of directors
- C. Amount of stock authorized and issued

### III. Product or Service

- A. Description of product line or service line
  - 1. sales volume
  - 2. sales projections
- B. Product evaluation
  - 1. quality and performance
  - 2. comparison to competitors products
  - 3. competitive advantage over competitors

### IV. Management

- A. Organizational chart
- B. Key individuals
  - 1. responsibilities
  - 2. resumes
  - 3. salaries and other compensation
- C. Other employees
  - 1. number of total employees
  - 2. total payroll and compensation for last five years

### V. Financial Information

- A. Auditor
  - 1. name and address
- B. Legal counsel
  - 1. name and address

### C. Bank

- 1. name and address
- 2. contact officer

### D. Controls

- 1. cost system
- 2. budget system

### E. Financial statements and projections for next five years

- 1. monthly profit and loss or income statements
- 2. quarterly profit and loss or income statements
- 3. end-of-year balance sheets
- 4. cash budgets and cash-flow projections
- 5. capital budgets for equipment and other capital acquisitions

### VI. Marketing

#### A. Description of industry

- 1. description of industry, industry outlook and trends
- 2. principal markets and projections for next 10 years

#### B. Major customers

- 1. names
- 2. locations
- 3. contracts

#### C. Prospective customers

#### D. Major competitors

#### E. Marketing activities

### VII. Technology

#### A. Research and development

- 1. new technologies being developed
- 2. products being developed

#### B. Technical skills required to develop and manufacture products

#### C. Patents or copyright

### VIII. Production Operations

#### A. Manufacturing process description

#### B. Physical facilities

- a. present
- b. planned

# Financial Statement

## APPLICANT

Name \_\_\_\_\_

Street Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Date of Birth \_\_\_\_\_

Social Security Number \_\_\_\_\_

Telephone - Home \_\_\_\_\_

Telephone - Business \_\_\_\_\_

Business \_\_\_\_\_

Business Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Position/Title \_\_\_\_\_

Dependents/Include Self \_\_\_\_\_

Marital Status

☐ Single

☐ Married

**CONFIDENTIAL**

\_\_\_\_\_

Name of Bank or Financial Institution	Type of Account (Checking, Savings, etc.)	Account Balance
	Total \$	

<b>Par Value or Number of Shares</b>	<b>Description</b>	<b>Registered in Name(s) of</b>	<b>Listed or Unlisted</b>	<b>Current Market Value</b>
<b>Total \$</b>				
<b>Margin Debt \$</b>				
<b>Net \$</b>				

Insurance Company	Insured	Beneficiary	Face Value of Policy	Cash Value of Policy	Loans Outstanding
				Total \$	

Name of Debtor	Description of Property	First Lien or Second Lien	Date of Maturity	Repayment Term	Balance Owed
				\$ per	
				per	
				per	
				per	
				Total \$	

Description of Property (Address Location)	Insured Value	Mortgage Balance	To Whom Payable	Date of Maturity	Repayment Terms	Current Market Value
					\$ per	
					per	
					per	
	Total \$				Total \$	



## LIABILITIES

Amount

Cash (Schedule 1)	\$				Notes & Loans Payable Banks (Schedule 6)	\$			
Securities (Schedule 2)					Notes & Loans Payable Others (Schedule 6)				
Life Insurance Cash Value (Schedule 3)					Installment Loans and Contracts (Schedule 6)				
Mortgages and Contracts Held by You (Schedule 4)					Credit Accounts and Bills Due (Schedule 7)				
Homestead (Schedule 5)					Margin Account Debt (Schedule 2)				
Other Real Estate (Schedule 5)					Insurance Loans (Schedule 3)				
Pension and Profit Sharing					Pension and Profit Sharing Loans (Schedule 6)				
Retirement Accounts (IRA/Keogh)					Mortgages on Home (Schedule 5)				
Automobiles (Describe)					Mortgages on Other Real Estate (Schedule 5)				
					Income Tax Payable				
					Other Taxes Payable				
Own Companies					Owing to Own Companies				
- investment in and/or receivable from					Other Liabilities (Describe)				
Personal Property									
Other Assets (Describe)									
					Total Liabilities \$				
					**Net Worth \$				
Total Assets \$					Total Liabilities + Net Worth \$				

ANNUAL  
INCOME\*

## CONTINGENT LIABILITIES

Amount

Salary	\$			
Bonuses/Commissions				
Dividends/Interest				
Net Real Estate Rent				
Other (List) <sup>Ⓢ</sup>				
Total \$				

**\*Income from alimony, child support, or maintenance payments need not be entered unless you want it considered as a basis for repayment of your loan**

As Endorser	\$			
As Guarantor				
Lawsuits				
For Taxes				
Other (Detail)				
<input type="checkbox"/> Check Here if "None"				
Has full provision been made for income taxes to date of statement? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Total Contingent Liabilities \$				

PLEASE ANSWER EACH QUESTION (YES OR NO)	
Are you a defendant in any suit or legal action?	
Have you ever gone through bankruptcy or had a judgement against you?	
Have you made a will?	

# Financial Statement

## SCHEDULE 6/ NOTES, LOANS AND INSTALLMENT CONTRACTS PAYABLE

Name of Creditor	Secured with	Date of Maturity	Repayment Terms	Balance Owed
			\$ per	
			per	
			per	
			per	
			per	
			per	
Total \$				

## SCHEDULE 7/ CREDIT ACCOUNTS AND BILLS DUE

Name of Company	Repayment Terms	Balance Owed
	\$ per	
	per	
	per	
	per	
	per	
	per	
	per	
	per	
Total \$		

The undersigned certifies that the information provided by this statement is true and correct. So long as the undersigned owes any sums to the Bank, the undersigned agrees to give the Bank prompt written notice of any material change in the undersigned's financial condition. The Bank is authorized to retain this personal financial statement whether or not credit is approved and is further authorized to verify the undersigned's credit and employment history or any other information contained herein. It is understood that under federal law the undersigned may be subject to a fine of \$5,000 or imprisonment for two years, or both, if undersigned knowingly makes false statements as to financial condition or if assets described above are willfully overvalued.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Your signature



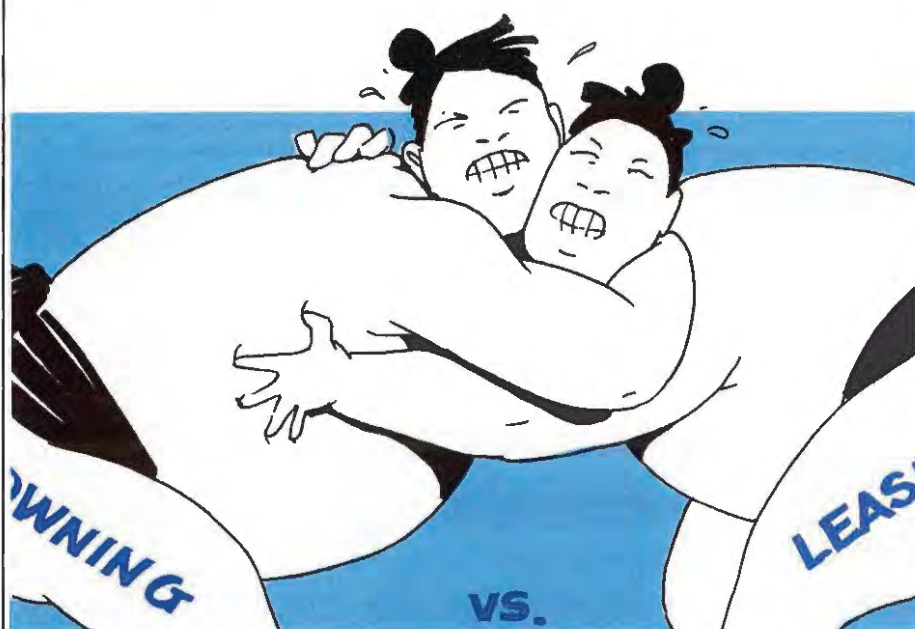
## Chapter 3: Owning vs. leasing

*Review your options. What's best for your neighbor, may not be best for you.*

**W**hile there's no magic formula for deciding whether to buy or lease a space, consider a number of factors to help you decide how to finance your new space. Too many factors vary to generalize about which is the better financial choice for any company.

Consider the following factors: your company's future plans, need for security, need for flexibility, cash flow, tax consequences and corporate image. An effective way to analyze the measurable factors is to draw up a 10-year plan for your company (or a five-year plan if a 10-year projection isn't realistic).

The following pages provide you with forms for comparing the costs of lease or purchase options.



### LEASE

- flexibility
- cash flow
- uncertain growth

### BUY

- security
- investment
- image

*Begin the process by applying the following questions to your company:*

1. Do we need control over our space for a long period of time?
2. Do we have excess capital or available borrowing power?
3. Does owning our own building enhance our corporate image?
4. Which will offer us the greatest security - buying or leasing?
5. Which will offer us the greatest flexibility - buying or leasing?
6. How does leasing impact our tax situation?
7. How does buying impact our tax situation?
8. How important or appropriate is it for our company to invest in real estate?



## Buy vs. Lease Worksheet Introduction

**U**se this worksheet to estimate the present value of cash flows in the lease versus buy decision making process. Begin by estimating the cash flows (positive and negative) associated with each alternative over a ten year period. Remember, the pattern of expenditures makes a difference; a dollar today is worth more than a dollar one year from now. Because cash flow patterns vary widely between leasing and owning, present value discounting is especially important for an accurate comparison. The discount rate you choose to equate future sums to their present value should reflect your opportunity cost for investment. Discount future cash flows at this rate using a financial calculator or an annuity table (if you are unfamiliar with present value formulas, consult a finance textbook or your accountant). Lastly, don't forget that a lease versus buy decision often involves strategic considerations that cannot be quantified.

### Buying:

#### Terms Defined:

- A. **BUILDING PRICE:** total cost of building.
- B. **DOWN PAYMENT:** the percentage of the purchase price paid at the time of closing, usually 5-20% of the total price.
- C. **DEBT SERVICE:** the total amount paid each year to pay off the loan (principle and interest).
- D. **PRINCIPLE:** the portion of debt service allocated to reducing the loan amount (not tax deductible).
- E. **INTEREST:** the charge on the loan assessed by the lender, usually a percentage of the total loan amount based on the prime lending rate plus a risk factor (tax deductible).
- F. **DEPRECIATION:** the loss in value of a building with time. Real estate depreciation is figured over a 31.5 year period (tax deductible). Land is not depreciated. (annual depreciation = total cost of the building/31.5 years)
- G. **INTEREST AND DEPRECIATION TAX BENEFIT:** the tax deduction attributed to the purchase or ownership of a building.
- H. **SALE VALUE:** the future market value of the property at the time of the sale. In this case, after 10 years.
- I. **OUTSTANDING DEBT AT SALE:** the amount of the loan remaining at the time of sale. In this case, after 10 years.
- J. **PLUS DEPRECIATION:** in this equation, depreciation is added back because it is a non-cash expenditure not affecting cash flows.
- K. **CASH FLOWS:** the annual total of cash flows (positive and negative) related to the acquisition and ownership of the building. This does not include non-cash items such as depreciation.
- L. **SUM OF CASH FLOWS:** total of annual cash flows over a 10 year period.
- M. **PRESENT VALUE OF CASH FLOWS:** annual cash flows discounted to their present value using the present value formula.

### Leasing:

#### Terms Defined:

- A. **SECURITY DEPOSIT:** the amount paid at the beginning of the lease in addition to the first month's rent. The amount returned at the end of the lease is variable, determined by the final condition of the leased space.
- B. **NET RENT:** annual total of each month's base rent (tax deductible).
- C. **OFFSETS AND INCENTIVES:** the value of free rent or other incentives offered by the building owner as incentive to lease the space.
- D. **DEBIT SERVICE FOR IMPROVEMENTS:** the annual payment (principle and interest) on the loan used for build outs or tenant improvements not covered by the lease.
- E. **PRINCIPLE:** same as above (not tax deductible).
- F. **INTEREST:** same as above (tax deductible).
- G. **DEPRECIATION ON IMPROVEMENTS:** the loss in value of the improvements over the length of the lease (total cost of improvements/length of the lease).
- H. **RENT EXPENSE, INTEREST EXPENSE AND DEPRECIATION TAX DEDUCTION:** the tax deduction associated with leasing property.
- I. **PLUS DEPRECIATION:** same as above.
- J. **CASH FLOWS:** same as above.
- K. **SUM OF CASH FLOWS:** same as above.
- L. **PRESENT VALUE OF CASH FLOWS:** same as above.

## Lease vs. Buy Worksheet Sample

## Buying

	1	2	3	4	5	6	7	8	9	10
A. Building price	(2,000,000)									
B. Downpayment	(300,000)									
C. Debt Service:										
D. Principal	(8,542)	(9,481)	(10,524)	(11,682)	(12,967)	(14,393)	(15,977)	(17,734)	(19,685)	(21,850)
E. Interest	(187,000)	(186,060)	(185,017)	(183,960)	(182,575)	(181,148)	(179,565)	(177,808)	(175,857)	(173,692)
F. Depreciation (for building only - not including land costs)	(66,667)	(66,667)	(66,667)	(66,667)	(66,667)	(66,667)	(66,667)	(66,667)	(66,667)	(66,667)
G. Interest and depreciation tax benefit ((E + F) x Tax Rate))	84,471	84,158	83,811	83,425	82,997	82,522	81,995	81,410	80,760	80,039
H. Sale value										3,102,656
I. Outstanding debt at sale										(1,557,144)
J. Plus depreciation	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667
K. Cash flows (sum of rows B thru J)	(411,071)	(111,384)	(111,731)	(112,117)	(112,544)	(113,019)	(113,547)	(114,132)	(114,781)	(115,499)
L. Sum of cash flows	115,664									
M. Present value of cash flows	(405,701)									

## BUYING ASSUMPTIONS:

Building cost = \$2,000,000.00

Present value discount rate = 10%

Mortgage term = 30 years

Square feet = 25,000

Interest rate = 11.00%

Down payment = 15%

Tax rate = 33%

Rate of appreciation = 5%



# Lease vs. Buy Worksheet Sample

## Leasing

	1	2	3	4	5	6	7	8	9	10
A. Security deposit	(29,833)									29,833
B. Net rent	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)
C. Offsets and incentives	259,000	0	0	0	0	0	0	0	0	0
D. Debt service for improvements										
E. Principal	(2,990)	(3,319)	(3,684)	(4,087)	(4,539)	(5,038)	(5,593)	(6,208)	(6,891)	(7,649)
F. Interest	(5,500)	(5,171)	(4,806)	(4,401)	(3,951)	(3,452)	(2,897)	(2,282)	(1,599)	(841)
G. Depreciation on improvements	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
H. Rent, interest expense and depreciation tax benefit ((B + F + G) x Tax Rate)	19,340	85,856	85,736	85,602	85,454	85,289	85,106	84,903	84,678	77,553
I. Plus depreciation	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
J. Cash flows (sum of rows A thru I)	(18,983)	(172,634)	(172,754)	(172,888)	(173,036)	(173,201)	(173,384)	(173,587)	(173,812)	(160,104)
K. Sum of cash flows	(1,564,383)									
L. Present value of cash flows	(1,010,251)									

### LEASING ASSUMPTIONS:

Net rent per square foot = \$10.00

Square feet = 25,000

Free rent = 12 months

Cost of improvements = \$50,000

(10 years, 11% interest, 100% financed)

Tax rate = 33%

Discount rate = 10%



# Lease vs. Buy Worksheet

## Buying

	1	2	3	4	5	6	7	8	9	10
A. Building price										
B. Downpayment										
C. Debt Service:										
D. Principal										
E. Interest										
F. Depreciation (for building only - not including land costs)										
G. Interest and depreciation tax benefit ((E + F) x Tax Rate))										
H. Sale value										
I. Outstanding debt at sale										
J. Plus depreciation										
K. Cash flows (sum of rows B thru J)										
L. Sum of cash flows										
M. Present value of cash flows										

# Lease vs. Buy Worksheet

## Leasing

	1	2	3	4	5	6	7	8	9	10
A. Security deposit										
B. Net rent										
C. Offsets and incentives										
D. Debt service for improvements										
E. Principal										
F. Interest										
G. Depreciation on improvements										
H. Rent, interest expense and depreciation tax benefit ((B + F + G) x Tax Rate)										
I. Plus depreciation										
J. Cash flows (sum of rows A thru I)										
K. Sum of cash flows										
L. Present value of cash flows										



## Chapter 4: The perfect space

*Your space is a reflection of you. Here's your chance to make it just right.*

**M**oving is an opportunity to create an entirely new space for yourself. This is really a two-part process: dreaming and analyzing. Work with your staff and space experts to determine how your business needs can best be met in a new space.

Visualize an ideal space, one which includes all the amenities and technologies that will help you grow. Then identify your actual needs (both present and anticipated) and those features you see as optional.

The following forms and worksheets will help you determine your space needs and plan your new space. Use these worksheets to plan a design that offers your employees a safe, aesthetically pleasing and productive new work space.

*The amount of space needed by different staff positions varies, as shown in the following suggestions. Use the following square foot suggestions to plan your space:*

chief executive officer:	375-600
vice president:	225-300
manager:	150-225
assistant manager:	100-150
analyst:	80-125
auditor:	80-125
computer programmer:	80-125
engineer:	80-125
executive secretary:	100
drafter:	85
secretary:	75
computer operator:	75
accountant:	75
bookkeeper:	75
clerk:	65
typist:	65

SPACE

Warehouse Facility Space Needs

Determine total space requirements for your manufacturing/warehouse

SPACE

Summary of Specialized Space Needs

SPACE

Office Plan Worksheet

SPACE

Amenities Checklist



# Amenities Checklist

Determine the importance of the following amenities and refer to the checklist as you negotiate for spaces.

Item	Very Important	Important	Not Important
Above-standard tenant improvements			
Automatic teller machines			
Banking service			
Building directory/signage			
Central bathrooms with high quality fixtures			
Concierge			
Data/voice communications systems			
Day care			
Dry cleaning			
Exercise room			
Federal Express drop box			
Gift stores			
Hairstylists			
Health facilities			
High-quality interiors			
High-speed electric elevators			
Individual space heating, air conditioning, ventilation flexibility			
Large windows			
Men's and women's lockers/showers			
Nature/scenic views/wetlands			
Office support/secretarial			
Parking-assigned			
Parking-free			
Parking-security, escort service			
Parking-underground/climate controlled			
Plants			
Printing services			
Restaurant			
Satellite communications			
Security			
Shared conference room			
Shoe shines			
Skyway/walkway access			
Smart energy management			
Smoking lounges			
Storage space			
Travel agency			
Voice mail system			

# Office Plan Worksheet

Check the features important to you to help you decide which basic office plan will best fit your needs. If you check several features as important in both plans, a combination plan will be your choice.

Open office features	Very Important	Important	Not Important
flexibility			
quick cost-effective renovations			
open communications			
open supervision			
easy access to equipment and files			
easy to light, heat, cool and ventilate			
easy to maintain			
<b>Closed office features</b>			
aural privacy			
visual privacy			
confidentiality			
undisturbed concentration			
status recognition			

**Notes:**

## Space Needs Analysis

Use this worksheet to determine your general office space requirements.

Private Offices					Number of Offices	Square Feet
Executive						
Small	12	x	14 (168 square feet)	( )	=	
Medium	12	x	16 (192 square feet)	( )	=	
Large	14	x	16 (224 square feet)	( )	=	
Custom	( )	x	( )	( )	=	
Total private offices, executive						

Middle management					Number of Offices	Square Feet
Small	10	x	12 (120 square feet)	( )	=	
Medium	12	x	12 (144 square feet)	( )	=	
Large	12	x	14 (168 square feet)	( )	=	
Custom	( )	x	( )	( )	=	
Total private offices, middle management						

Computer programmer/analyst/engineering/sales					Number of Offices	Square Feet
Small	8	x	10 (80 square feet)	( )	=	
Medium	10	x	10 (100 square feet)	( )	=	
Large	10	x	12 (120 square feet)	( )	=	
Custom	( )	x	( )	( )	=	
Total private offices, programmers/analysts						



General (Open) Office Areas			
	Estimated Requirement	Number Required	Square Feet
Executive secretary	100 sf		
Secretary to manager	75 sf		
Accountant/bookkeeper	75 sf		
Computer operator	75 sf		
Clerk/typist	75 sf		
Drafting	85 sf		
Total general office for personnel:			

Office Equipment			
		Number Required	Total Square Feet
Work table	50 sf		
Microform reader/printer	40 sf		
Computer terminal	40 sf		
Storage cabinet (3.0' x 1.5')	10 sf		
Standard filing cabinet	8 sf		
Lateral cabinet (36")	10 sf		
Fireproof cabinet	10 sf		
Open-shelf unit (4 linear ft)	10 sf		
Custom storage units	0 sf		
Total general office for equipment:			

Rest Rooms			
Rest room requirements vary from city to city. Check requirements in your area.			
Room Name	Square Feet (check local requirements)	# of Rooms	Total Square Feet
Mens			
Womens			
Total rest rooms square feet:			

Special Areas		
	Seating sf/Person	Avg. Number Seated
Central reception area	25 sf	
-plus- Reception desk w/computer terminal		

Conference room	Seating Capacity	Number of Rooms	Recommended sf/person	Total sf
	up to 8		25	
	8 - 20		20	
	20 - 40		18	
Classrooms	Seating Capacity	Number of Rooms	Recommended sf/person*	Total sf
* from 24-60 net sf/person				

Other Rooms			
Room name	Square Feet	Number of Rooms	Total sf
Total other rooms square feet:			
Warehouse/Production Area			
Area name	Square Feet	# of Areas	Total sf
Total warehouse/production square feet:			

Subtotal all areas	
x load factor for office flow ( i.e. hallways, lobby, etc.) (15% - 20%)	
Total office square footage	
Total warehouse/production square footage	
Total square footage requirement	

# Office Staff Space Needs Worksheet

Use this worksheet to further define your office staff space needs.

Number of employees: \_\_\_\_\_  
 Number of office support staff: \_\_\_\_\_

Number of departments/divisions: \_\_\_\_\_  
 Number of data processing personnel: \_\_\_\_\_

Check the types of services you will need in your new space:

**Communications:**

- ☐ Facsimile  
☐ Telecopying  
☐ Telex

**Office support:**

- ☐ Binding  
☐ Collating  
☐ Duplicating  
☐ Filing  
☐ Word processing
- ☐ Microprocessing  
☐ Photography  
☐ Transcribing  
☐ Typing

**Comments:**

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Indicate the amount of space needed for each of the following departments:

**Accounting:**

Accountants  
 Accounts payable  
 Accounts receivable  
 Payroll

**File clerk**

**Inventory control**

Purchasing agents

**Mailroom**

Messenger  
 Mail clerk

**Personnel**

**Printing**

Offset  
 Copying  
 Collating  
 Binding

**Receptionist**

**Secretarial**

Typing  
 Word processing  
 Microprocessing  
 Transcribing

**Storage**

Supplies

**Square feet required**

Accountants	
Accounts payable	
Accounts receivable	
Payroll	
File clerk	
Inventory control	
Purchasing agents	
Mailroom	
Messenger	
Mail clerk	
Personnel	
Printing	
Offset	
Copying	
Collating	
Binding	
Receptionist	
Secretarial	
Typing	
Word processing	
Microprocessing	
Transcribing	
Storage	
Supplies	
Total square feet required	



## SPACE

# Manufacturing/Warehouse Facility Space Needs

Use this worksheet to determine total space requirements for your manufacturing/warehouse facility space needs.

Number of employees:	
permanent:	
seasonal:	
Production volume:      Annually	
Quarterly	
<b>square foot requirements:</b>	
Square feet needed for shop managers office:	
Square feet needed for production:	
Square feet needed for laboratories/clean room environments:	
Square feet needed for raw materials storage:	
Square feet needed for finished product storage:	
Square feet needed for product testing:	
Square feet needed for flammable materials storage:	
Square feet needed for shipping and receiving:	
Square feet needed for maintenance area:	
Square feet needed for quality control area:	
Square feet needed for:	
Square feet needed for:	
<b>Total square feet:</b>	
Number of loading docks/drives:	
Ventilation needs:	
Washroom:	
lockers:	
toilets:	
Waste treatment:	
liquid waste disposal:	
solid waste disposal:	
solvent disposal:	
Water:	
Wiring/power:	
Fire requirements:	
sprinklers:	
fire alarms:	
Safety requirements:	

# Summary of Specialized Space Needs

Use this outline to organize and summarize your research into the following specialized food service, health service and library/resource center space needs. Attach this worksheet to the front of a file containing all of your information. When preparing your research, make sure the following factors are considered.

## I. Food Service

- A. Number of employees projected to use company food service.
- B. Do you plan to move to an area with nearby restaurants?
- C. Number of meals projected to be served:
  1. each day
  2. each week
- D. Number of seats needed in food service area.
- E. Hours of company operation.
- F. Hours of food service operation.
- G. Type of room:
  1. formal dining room
  2. cafeteria-style lunch room
  3. lunch room/lounge/conference room
- H. Types of service:
  1. full service (hot food)
  2. salads and sandwiches
  3. snacks
  4. self-service cafeteria
  5. completely automated service
- I. Will the service be company-run or franchised?
- J. Will the room be used for any other purposes?

## II. Health Service

- A. Extent of services you intend to provide:
  1. basic first aid
  2. medically-attended first aid
  3. pre-employment physical examinations
  4. physical examinations for employees
- B. Type of facility needed:
  1. examination room(s)
  2. first-aid supplies cabinet or dispenser
  3. infirmary cots
  4. office space for nursing staff

5. office space for clerical staff
6. physicians' offices
7. reception room
8. storage area
9. secured storage area for drugs
10. toilet
11. treatment room(s)
12. waiting room

C. Nearest hospital or trauma center.

- D. Emergency services:
1. transportation for emergency service
  2. entrance/exit for emergency service

## III. Library/Resource Center

- A. Types of materials:
  1. books
  2. conference reports
  3. films
  4. periodicals
  5. tapes
- B. Rate of acquisition.
- C. Staff:
  1. librarians
  2. assistants
  3. clerical
  4. technical
- D. Types of space:
  1. administrative
  2. clerical
  3. circulation
  4. material processing
  5. reading:
    - a. number of carrels
    - b. number of chairs
    - c. number of tables
  6. stacks
  7. storage

## Chapter 5:

### Location, location, location

*Just the right price, and the building is perfect, but it's on the wrong side of town...sound familiar?*



**C**ertainly one of the most important factors to consider when relocating is where your new corporate home will be. Finding a good location for your business involves two simultaneous processes: finding a good real estate consultant and defining your location needs. Find a professional real estate consultant who can help you define your needs.

Choose a consultant who is not limited to just one real estate developer or investor, who has access to a computer database, who can help you analyze architectural, electrical and mechanical designs; construction estimates; leases; and financial options.

***As you examine your location needs, start with basic questions. Ask yourself whether your business should be located in an urban or rural area, in the central business district or a city's outer rings, near an airport or a major freeway, in an industrial or a commercial area.***

***Choose an area and a neighborhood carefully. You will probably be there for a long time.***



## LOCATION

# Location Questionnaire

Clarify your location needs by deciding how close you want to be to the following:

	Very Close	Close	Not Important	Distance
Employees homes				
Clients/customers				
Associated businesses				
Commercial areas				
Hotels				
Restaurants				
Airlines				
Rail				
Waterways				
Major freeways				
Mass transit				
Day-care facilities				
Schools				
Health care facilities				
Recreational areas				
Waste facilities				
Post Office				
Package/delivery				

**Notes:**

## LOCATION

# Site Restrictions Questionnaire

Consider external and regulatory factors while choosing a location.

Property name:	
Property address:	
General zoning classification:	
Permitted uses:	
Prohibited uses:	
Construction limitations:	
Materials:	
Architectural style:	
Height restrictions:	
Size (building-to-land ratio):	
Set-back requirements:	
Front:	
Sides:	
Rear:	
Excavation restrictions:	
Environmental factors:	
Chemicals:	
Dirt:	
Dust:	
Noise:	
Odors:	
Toxics:	
Smoke:	
Landscaping:	
Parking:	
Loading:	
Easements:	
Rights-of-way:	
Sign control:	
Utilities restrictions:	
Maintenance requirements:	
Outdoor storage:	
Refuse collection:	

## Project Notes

Use this page to record comments on locations you've reviewed.

Comments:

Location #1 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Location #2 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Location #3 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Location #4 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notes:



## Chapter 6:

### Does this building qualify?

*The thorough inspection of space and location.*

Once you've identified your space and location needs, ask your real estate broker to find several possible spaces. From that list, decide on several spaces you want to inspect.

Check each space against the location and space needs you have identified as essential. Then, consider the space in terms of extra amenities. Look at a building from the point of view of employees, clients and customers.

Ask each building owner or property manager for a copy of the standard improvement specifications for a space. Also ask for blueprints and floorplans of the space. Show them to the experts you bring into the process and have them help you decide how appropriate the space is for your needs.

Use the following worksheets to record information each time you inspect a space. Record the advantages and disadvantages of each space, building and geographic area. The Lease Rate Worksheet is to be used to factor in the financial data on each space.

### INSPECTION

#### Lease Rate Worksheet

Ask the property manager, building owner or commercial real estate broker for the following information.

Net rate per year, office:	\$ 8.00
Net rate per year, warehouse:	\$ 4.00
Net rate per year, production:	\$ 6.00
Total square feet leased:	10,000
Common area percentage (for office only):	NA
Minimum lease term accepted:	5 YRS
Operating expenses:	1.65 - TOTAL
a. Janitor/laundry/maintenance:	.75
b. utilities:	1.00
c. insurance:	.40
d. other:	10
Real estate taxes:	30
Square feet of office space:	3,000
Square feet of warehouse space:	4,000
Square feet of production space:	2,000
Percentage rent (retail only):	NA

Notes:

TO BILL W.

This bldg seems to fit a  
plenty of parking, good in  
market rates I say  
into it further.

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CORPORATE REAL ESTATE PLANNER

### INSPECTION

#### Space Inspection Worksheet

Use this worksheet for every space you're considering.

Name of inspector: BILL W.  
Name of real estate broker: JOHN A.

Building owner: CHET MASSERANO  
Property manager/broker: BRUCE CO.  
Zoning: I-2 GENERAL  
Year building was built/renovated: 1975  
Condition of building: GOOD - Needs new interior finishes

Date space is available: MID - SUMMER  
Location comments: POOR ACCESS - ROAD TO BUILDING  
SCHEDULED TO BE IMPROVED  
Square feet in space: square feet in building: 5,400 - 21,000  
Square footage rate: 12.00  
Operating expenses: 5.75

Floor number/number of floors in building: 2  
Elevators (number): NONE  
passenger:  
freight elevator: N/A

Parking: 10 STALLS  
type: ON-GRADE - NO RAMP  
number of spaces reserved/total parking: NONE RESERVED

Special facilities/amenities:  
computer room: NEEDS TO BE UPGRADED  
conference room/center: NONE  
food services: NONE  
health/fitness facilities: TO BE SMALL - needs to be enlarged  
training room/center:  
reception area/courtyard: Needs new carpet

Expansion options: tenants on both sides, have  
short lease terms remaining.

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PLANNER

# Space Inspection Worksheet

Use this worksheet for every space you're considering.

Name of inspector:

Name of real estate broker:

Building owner:

Property manager/broker:

Zoning:

Year building was built/renovated:

Condition of building:

Date space is available:

Location comments:

Square feet in space/square feet in building:

Square footage rate:

Operating expenses:

Floor number/number of floors in building:

Elevators (number):

passenger:

freight elevator:

Parking:

type:

number of spaces reserved/total parking:

Special facilities/amenities:

computer room:

conference room/center:

food service:

health/fitness facilities:

training room/center:

reception area/concierge:

Expansion options:

# Lease Rate Worksheet

Ask the property manager, building owner or commercial real estate broker for the following information.

Net rate psf per year, office.....

Net rate psf per year, warehouse.....

Net rate psf per year, production.....

Total square feet leased.....

Common area percentage (for office only).....

Minimum lease term accepted.....

Operating expenses.....

a. janitorial/maintenance.....

b. utilities.....

c. insurance.....

d. other.....

Real estate taxes.....

Square feet of office space.....

Square feet of warehouse space.....

Square feet of production space.....

Percentage rent (retail only).....

Notes:



## Chapter 7:

### The building's mechanical system

*The building looks great, but is it?*



**A**s a tenant, you have some responsibility for whether or not the mechanics in a building work for you. Hiring experts to help you evaluate the electrical and mechanical systems in a building is the quickest and most thorough way of making sure you lease a space with the capabilities you need. At the very least, ask for the building's mechanical plans so you can have a qualified engineer study them. Also get the model and manufacturing information on the mechanical and electrical equipment in the building.

Paying attention to the mechanical, electrical and communications capabilities of a building serves you in two ways. You move into a space with the capabilities to run your business operations. You are also able to estimate your share of the operating costs of these systems.

MECHANICS

## Worksheet on Electrical and Mechanical Data

following information each time you inspect a space.

Use the following worksheet to help you analyze these systems in each space you consider.

# Worksheet on Electrical and Mechanical Data

Fill in the following information each time you inspect a space.

Property name:

Address:

Building owner:

Property manager:

Contact phone number:

Air conditioning system:

Heating system:

Solar:

Oil:

Propane:

Natural gas:

Alternate fuel:

Humidity control:

Building insulation:

Lighting:

Electrical power:

Water:

Safety equipment:

Fire detection system:

Extinguishers:

Sprinklers:

Communications:

Antennae:

Satellite reception:

Microwave:

Radio:

Services at site:

## Chapter 8:

### The art of the deal

*I promise not to say, "I told you so."*

If you heed no other piece of advice in this guide, heed this one: use professionals in the negotiating process. It can cost you a lot of money if you negotiate for a space by yourself. You need someone negotiating for you who is as versed in the business of negotiating for space as developers, building owners and property managers. Real estate brokers know what owners and managers are willing to give away in lease negotiations. Real estate attorneys should be skilled negotiators.

After looking at spaces, choose three spaces and start the negotiation process for these three. Before you begin the negotiating process, clarify your bottom line - what you need and what you are willing to live without.

Then, try to determine the building owner's bottom line. Put yourself in an owner's mind. In order to meet the financial commitments on their buildings, owners need tenants as much as tenants need space.

They need tenants who are good financial risks. Presenting yourself as a good financial risk establishes you as a serious negotiator.

Remember that negotiation requires compromise. Don't start negotiating at your bottom line. Ask for more than you need, so you have terms you can give up without cutting into your needs. Also remember that in a lease transaction almost everything is negotiable.

**NEGOTIATING**

### Negotiating Strength Analysis

Use this worksheet to analyze your negotiating position. Score each of the following areas. Then add up your total points. Scoring categories are listed in each of the following sections.

**Points Category**

**Company Size** [3]

- 5 Fortune 500 or similar
- 4 Sales in excess of \$10 million
- 3 Sales between \$1 and \$10 million
- 2 Sales between \$500,000 and \$1 million
- 1 Sales less than \$500,000
- 0 Start-up company

**Company Image** [2]

- 5 Highly desirable ("household name")
- 4 Locally known and respected
- 3 Established and stable
- 2 Stronger image than competitors
- 1 Unknown
- 0 Negative

**Years in Business**

- 5 10 years or more
- 4 5 - 10 years
- 3 More than 5 years
- 2 Start-up company
- 1
- 0

**Competitor**

- 5
- 4
- 3
- 2
- 1
- 0

**Points Category**

**Market Conditions** [3]

- 5 High vacancy rate in area desired, with additional space under construction
- 4 High, stable, vacancy rates
- 3 Average but rising vacancy rates
- 2 Average but falling vacancy rates
- 1 Minimal space availability in area
- 0

**Specific Property Characteristics** [4]

- 5 New construction, pre-sold with leasing contingencies
- 4 Older property being prepared for sale
- 3 New construction held for long-term investment
- 2 Older property held for long-term investment
- 1
- 0

**Space needed** [3]

- 5 100% of building
- 4 More than 80% of building
- 3 25 - 80% of the building
- 2 A smaller amount of space than is typical for the property type
- 1
- 0

**Lease Term** [3]

- 5 15 years or more
- 4 10 - 14 years
- 3 5 - 9 years
- 2 3 - 4 years
- 1 Month to month
- 0

**Scoring**

- 45 - 50
- 35 - 44
- 25 - 34
- 15 - 24
- 7 - 14

**Notes:**

BOB,

IT SEEMS LIKE WE HAVE A STRONG NEGOTIATING POSITION FOR OUR NEW SPACE!

DICK W.

CORPORATE REAL ESTATE PLANNING

Use the worksheets in this chapter to help you negotiate for spaces.



## Negotiable Items Checklist

Remember, almost everything is negotiable. Some of the items to review as you negotiate are:

### Financial

- free rent ☐
- reduced rent ☐
- stepped up rent ☐
- security deposit waiver ☐
- capped operating expense ☐
- equity participation ☐
- lease assumption ☐
- tenant improvements allowance ☐
- cash allowance ☐

### Legal

- term of lease ☐
- sublease rights ☐
- options
  - to renew ☐
  - to expand ☐
  - to cancel ☐
- personal guarantee ☐
- default remedies ☐
- termination clauses ☐
- damage and destruction ☐
- insurance ☐

### Physical

- parking ☐
- tenant improvements ☐
- advertising ☐
- signs ☐

### Notes:

#### Item

- #1 \_\_\_\_\_
- \_\_\_\_\_
- #2 \_\_\_\_\_
- \_\_\_\_\_
- #3 \_\_\_\_\_
- \_\_\_\_\_
- #4 \_\_\_\_\_
- \_\_\_\_\_
- #5 \_\_\_\_\_
- \_\_\_\_\_
- #6 \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## Negotiating Strength Analysis

Use this worksheet to analyze your negotiating position. Assess your strengths in each of the following areas. Then add up your total points. Scoring categories are on the back of this sheet.

### Points Category

#### Company Size

- |   |   |                      |
|---|---|----------------------|
| 5 | Fortune 500 or similar                  | <input type="text"/> |
| 4 | Sales in excess of \$10 million         |                      |
| 3 | Sales between \$1 and \$10 million      |                      |
| 2 | Sales between \$500,000 and \$1 million |                      |
| 1 | Sales less than \$500,000               |                      |
| 0 | Start-up company                        |                      |

#### Company Image

- |   |   |                      |
|---|---|----------------------|
| 5 | Highly desirable ("household name")       | <input type="text"/> |
| 4 | Locally known and respected               |                      |
| 3 | Established and stable but not well known |                      |
| 2 | Stronger image than actual product        |                      |
| 1 | Unknown                                   |                      |
| 0 | Negative                                  |                      |

#### Years in Business

- |   |                  |                      |
|---|------------------|----------------------|
| 3 | 10 years or more | <input type="text"/> |
| 2 | 5 - 10 years     |                      |
| 1 | More than 1 year |                      |
| 0 | Start-up company |                      |

#### Competitiveness of Industry

- |   |   |                      |
|---|---|----------------------|
| 5 | Government agency or utility                            | <input type="text"/> |
| 4 | Unique technological or service niche                   |                      |
| 3 | Small number of large firms<br>(high barriers to entry) |                      |
| 2 | Strong, healthy competition                             |                      |
| 1 | Highly competitive<br>(low barriers to entry)           |                      |

#### Financial Condition

- |   |  |                      |
|---|--|----------------------|
| 5 | Highly profitable, stable              | <input type="text"/> |
| 4 | Highly profitable, unstable            |                      |
| 3 | Profitable                             |                      |
| 2 | Breaking even, good prospects          |                      |
| 1 | Temporary losses (extraordinary)       |                      |
| 0 | Startup or sustaining continued losses |                      |

### Points Category

#### Credit History

- |   |   |                      |
|---|---|----------------------|
| 5 | Great                                   | <input type="text"/> |
| 4 | Good                                    |                      |
| 3 | Mixed                                   |                      |
| 2 | Problems several years back - okay, now |                      |
| 1 | Questionable                            |                      |
| 0 | Poor                                    |                      |

#### Use of Property

- |   |   |                      |
|---|---|----------------------|
| 5 | Complimentary (adds to building amenities)          | <input type="text"/> |
| 4 | Consistent with other uses                          |                      |
| 3 | Inconsistent but not detrimental                    |                      |
| 2 | Potential nuisance (e.g., inordinate parking needs) |                      |
| 1 | Likely nuisance (odor, noise, vibrations, etc.)     |                      |

#### Negotiators

- |   |  |                      |
|---|--|----------------------|
| 5 | Combination of principal(s), real estate broker, attorney, architect and engineer involved in negotiation process. Final approval of contested points detached from negotiations (i.e., board of directors).                 | <input type="text"/> |
| 4 | Third party with non-binding authority negotiates for the principle with support from the above professionals. Principle does not participate directly in the negotiations though he/she maintains final approval authority. |                      |
| 3 | Principal, real estate attorney and broker participate in negotiations. Final approval power available at negotiating table.   |                      |
| 2 | Principal negotiates alone, relying on either extensive real estate experience or previous expert advice.  |                      |

## Points Category

### Market Conditions

- 5 High vacancy rates in area desired, with additional space under construction
- 4 High, stabilized, vacancy rates
- 3 Average but rising vacancy rates
- 2 Average but falling vacancy rates
- 1 Minimal space availability in area

### Specific Property Considerations

- 5 New construction, pre-sold with leasing contingencies
- 4 New construction with plans for sale within 3 to 5 years
- 3 Older property being prepared for sale
- 2 New construction held for long-term investment
- 1 Older property held for long-term investment

### Space needed

- 5 100 % of building
- 4 More than 50 % of building
- 3 25 - 50 % of the building
- 2 A smaller amount of space than is typical for the property type

### Lease Term

- 5 15 years or more
- 4 10 - 14 years
- 3 5 - 9 years
- 2 3 - 4 years
- 1 Month to month

### Scoring

- 45 - 58 You are in a strong position to negotiate because of a number of factors. Take advantage of this by asking for favorable lease terms and added incentives.
- 35 - 44 You are in a fairly strong position to negotiate. Choose possible spaces carefully before you begin negotiations. Have a clear picture of your bottom line.
- 25 - 34 You are in neither a strong nor a weak bargaining position. Increase your negotiating strength by studying the market thoroughly and determining as accurately as possible the building owner's bottom line.
- 7 - 24 You are in a weak position to negotiate. Hire expert negotiators. You will probably have to offer a personal guarantee or other financial security for your lease.

### Notes:



# NEGOTIATING

## Office Lease Review Sample

Use this worksheet to compare properties by determining the effective net rent per square foot of usable space for each office space you are considering. Use the information you collected during your space inspection. Remember, commercial real estate rates are usually quoted on a per square foot per year basis. Lease rates are also quoted on a net rather than a gross basis (i.e., "\$10.00 net" means that the base rent is \$10.00 per square foot per year and that your pro rata share of taxes, insurance and operating expenses will be in addition to this amount).

+ A	Total rentable square feet leased	10,000	V	Total net rent (H)	750,000
+ B	Common area factor (I + %)	1.15	W	Total amortization cost (N x M/12)	34,250
C	Usable square feet (A / B)	8,696	X	Total operating expenses (sum of row J.f.) x A	379,700
+ D	"Rentable" net rent psf (quoted rent)	15.00	Y	Total rent payable (V+W+X)	1,163,950
E	"Useable" net rent psf D x B	17.25	Z	Effective rent (Y - U)	750,950
F	Net rent per month ( (A x D) / 12)	12500	AA	Effective gross rent per square foot usable (Z/C/(G/12))	17.30
+ G	Total number of lease months	60			
H	Total net rent payable (F x G)	750,000			
I	Expected inflation	4%			

+ J Operating expenses (with inflation):  
Note: All amounts psf per year

a. Year	1	2	3	4	5
b. Real Estate Taxes (new building)**	0.50	2.50	4.00	4.16	4.33
c. Maintenance/Janitorial	1.75	1.82	1.89	1.97	2.05
d. Insurance	.40	.42	0.43	.45	.47
e. Utilities	2.00	2.08	2.16	2.25	2.34
f. Total (J.b. thru J.e.)	4.65	6.82	8.49	8.83	9.18

K	Tenant's cost for improvements*	25,000
L	Interest rate	11.50%
M	Term of amortization (months)	60
N	Yearly amortization (use amortization table)	6850
O	Useable psf cost per year (N/C)	0.79
+ P	Net free rent (in months)	12
Q	Value of incentive (P x F)	150,000
+ R	Free operating expense (months)	12
S	Value of incentive (R x J.I.f. x (A/12))	46,500
+ T	Value of cash incentives	10,000
U	Total incentives (Q+S+T)	206,500

\* Negotiating tip: in office buildings, it is not uncommon for landlords to pay for all or most of the tenant improvements required. Approach negotiations with this assumption. Do not ask building owner or property manager for cost estimates in this category.

\*\* If the building is new, real estate taxes are not usually fully assessed until the third year.

+ To complete this worksheet get this information from the land lord.



# NEGOTIATING

## Office Lease Review Worksheet

Use this worksheet to compare properties by determining the effective net rent per square foot of usable space for each office space you are considering. Use the information you collected during your space inspection. Remember, commercial real estate rates are usually quoted on a per square foot per year basis. Lease rates are also quoted on a net rather than a gross basis (i.e., "\$10.00 net" means that the base rent is \$10.00 per square foot per year and that your pro rata share of taxes, insurance and operating expenses will be in addition to this amount).

+	A	Total rentable square feet leased	
+	B	Common area factor (1 + %)	
	C	Usable square feet (A / B)	
+	D	"Rentable" net rent psf (quoted rent)	
	E	"Useable" net rent psf D x B	
	F	Net rent per month ( (A x D) /12)	
+	G	Total number of lease months	
	H	Total net rent payable (F x G)	
	I	Expected inflation	
+	J	Operating expenses (with inflation): Note: All amounts psf per year	

a. Year	1	2	3	4	5
b. Real Estate Taxes (new building)**					
c. Maintenance/Janitorial					
d. Insurance					
e. Utilities					
f. Total (J.b. thru J.e.)					

V	Total net rent (H)	
W	Total amortization cost (N x M/12)	
X	Total operating expenses (sum of row J.f.) x A	
Y	Total rent payable (V+W+X)	
Z	Effective rent (Y - U)	
AA	Effective gross rent per square foot usable (Z/C/(G/12))	

	K	Tenant's cost for improvements*	
	L	Interest rate	
	M	Term of amortization (months)	
	N	Yearly amortization (use amortization table)	
	O	Useable psf cost per year (N/C)	
+	P	Net free rent (in months)	
	Q	Value of incentive (P x F)	
+	R	Free operating expense (months)	
	S	Value of incentive (R x J.I.f. x (A/12))	
+	T	Value of cash incentives	
	U	Total incentives (Q+S+T)	

\* Negotiating tip: in office buildings, it is not uncommon for landlords to pay for all or most of the tenant improvements required. Approach negotiations with this assumption. Do not ask building owner or property manager for cost estimates in this category.

\*\* If the building is new, real estate taxes are not usually fully assessed until the third year.

+ To complete this worksheet get this information from the land lord.



## Office/Warehouse Lease Review Sample

Use this worksheet to compare properties by determining the effective net rent per square foot per year of usable office/warehouse/production space you are considering. Use the information you collected during your space inspection. Remember, commercial real estate rates are usually quoted on a per square foot per year basis. Lease rates are also quoted on a net rather than a gross basis (i.e., "\$10.00 net" means that the base rent is \$10.00 per square foot per year and that your pro rata share of taxes, insurance and operating expenses will be in addition to this amount).

+	A	Total square feet leased	10,000
+	B	Square feet of office space	2,000
+	C	Square feet of warehouse space	6,000
+	D	Square feet of production space	2,000
+	E	Price psf per year, office	8.00
+	F	Price psf per year, warehouse	4.00
+	G	Price psf per year, production/lab/other	6.00
+	H	Blended net rent payable $((B \times E) + (C \times F) + (D \times G)) / A$	5.20
+	I	Monthly net rent $(H \times A) / 12$	4,333.33
+	J	Total number of lease months	60
+	K	Expected inflation	4%
+	L	Operating expenses (with inflation): Note: All amounts psf per year	

a. Year	1	2	3	4	5
** b. Real Estate Taxes	.50	1.00	1.25	1.30	1.35
c. Maintenance/Janitorial	.75	.78	.81	.84	.88
d. Insurance	.40	.42	.43	.45	.47
e. Total (L.b. thru L.d.)	1.65	2.20	2.49	2.59	2.70

M	Tenant's cost for improvements**	10,000
N	Interest rate	11.5%
O	Term of amortization (months)	60
P	Yearly amortization (use amortization table)	2,740
Q	Psf cost per year (P/A)	.27%
+ R	Net free rent (months)	12
S	Value of incentive ( $R \times I$ )	52,000
+ T	Free operating expense (months)	12
U	Value of incentives ( $T \times (L.I.e \times A) / 12$ )	16,500
+ V	Value of other incentives	10,000
W	Total incentives ( $S + U + V$ )	78,500

X	Total net rent $(J \times I)$	260,000
Y	Total amortization cost $(O \times P / 12)$	13,700
Z	Total operating expenses (sum of row L.e. x A)	116,300
AA	Total rent payable $(X + Y + Z)$	376,300
AB	Effective rent $(AA - W)$	297,800
AC	Effective gross rent psf per year $(AB/J) \times 12 / A$	5.96

\* Negotiating tip: in office buildings, it is not uncommon for landlords to pay for all or most of the tenant improvements required. Approach negotiations with this assumption. Do not ask building owner or property manager for cost estimates in this category.

\*\* If the building is new, real estate taxes are not usually fully assessed until the third year.

+ To complete this worksheet get this information from the land lord.



## Office/Warehouse Lease Review

Use this worksheet to compare properties by determining the effective net rent per square foot per year of usable office/warehouse/production space you are considering. Use the information you collected during your space inspection. Remember, commercial real estate rates are usually quoted on a per square foot per year basis. Lease rates are also quoted on a net rather than a gross basis (i.e., "\$10.00 net" means that the base rent is \$10.00 per square foot per year and that your pro rata share of taxes, insurance and operating expenses will be in addition to this amount).

+	A	Total square feet leased	
+	B	Square feet of office space	
+	C	Square feet of warehouse space	
+	D	Square feet of production space	
+	E	Price psf per year, office	
+	F	Price psf per year, warehouse	
+	G	Price psf per year, production/lab/other	
	H	Blended net rent payable $((B \times E) + (C \times F) + (D \times G)) / A$	
+	I	Monthly net rent $(H \times A) / 12$	
+	J	Total number of lease months	
	K	Expected inflation	
+	L	Operating expenses (with inflation): Note: All amounts psf per year	

a. Year	1	2	3	4	5
** b. Real Estate Taxes					
c. Maintenance/Janitorial					
d. Insurance					
e. Total (L.b. thru L.d.)					

M	Tenant's cost for improvements*	
N	Interest rate	
O	Term of amortization (months)	
P	Yearly amortization (use amortization table)	
Q	Psf cost per year $(P/A)$	
+	R	Net free rent (months)
+	S	Value of incentive $(R \times I)$
+	T	Free operating expense (months)
U	Value of incentives $(T \times (L.I.e \times A)) / 12$	
V	Value of other incentives	
W	Total incentives $(S + U + V)$	

X	Total net rent $(J \times I)$	
Y	Total amortization cost $(O \times P / 12)$	
Z	Total operating expenses (sum of row L.e. x A)	
AA	Total rent payable $(X + Y + Z)$	
AB	Effective rent $(AA - W)$	
AC	Effective gross rent psf per year $(AB/J) \times 12 / A$	

\* Negotiating tip: in office buildings, it is not uncommon for landlords to pay for all or most of the tenant improvements required. Approach negotiations with this assumption. Do not ask building owner or property manager for cost estimates in this category.

\*\* If the building is new, real estate taxes are not usually fully assessed until the third year.

+ To complete this worksheet get this information from the land lord.

## Building Comparison Worksheet

Use this worksheet to compare the buildings you are considering. Bring this completed sheet along with you to negotiations to maintain a clear idea of the other options available to you. Use your Office Lease Review or Office/Warehouse Lease Review for guidance when completing this form.

Net Rent	Building 1	Building 2	Building 3
Average annual net rent*			
Average monthly net rent			
Average net rent psf per year**			
<b>Operating Expenses</b>			
Average annual operating expenses			
Average monthly operating expenses			
Average operating expenses psf per year			
<b>Additional Improvements</b>			
Tenant's cost for improvements (if any)			
Interest rate			
Term of amortization			
Total yearly amortization			
Average amortization cost psf per year			
<b>Incentives</b>			
Months of free rent			
Value of net free rent			
Months of free operating expense			
Value of free operating expense			
Value of other incentives			
Total value of incentives			
Average value of incentives psf per year (over term)			
<b>Summary</b>			
Average net rent psf per year			
Average operating expense psf per year			
Average amortization cost psf per year			
Average incentives psf per year			
Average total rent payable psf per year			
Average total monthly rent			
Average total annual rent			

\* Technically, present value analysis should be used rather than averages. However, since cash flow patterns of most leases are similar, the advantages of a present value approach are not as compelling.

\*\* If office space, use "usable" square feet in per square foot cost determinations.



*The salesperson said, "It's all boiler plate language, don't worry, just sign it!"*

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## Leasing Data Worksheet

Property name:

Address:

Building owner:

Property manager:

Contact phone number:

Fill in the following information when negotiating:

Type of lease:

Lease term:

Lease commencement date:

Occupancy date:

Square footage of space/total square footage in building:

Floor/total floors in building:

Permissible uses:

Number of parking spaces:

Base annual cost:

When due:

Grace period:

Operating expenses:

Taxes:

Insurance:

Common area maintenance costs:

Escalations:

Real estate taxes:

Building operating expenses:

Basis for escalation (CPI, etc.):

Caps on escalations:

Insurance coverage:

Owner:

Tenant:

Owner liability:

**Tenant liability:**

**Leasehold improvements on leased space:**

**Party responsible for construction:**

**Date of construction:**

**Date of construction completion:**

**Construction description:**

**Leasehold improvements allowance:**

**Alteration and improvement rights:**

**Responsibility for repairs:**

**Responsibility for conformity with building codes, laws:**

**Title, zoning and other restrictions on use of land:**

**Building services furnished by building owner:**

**Janitorial:**

**Window cleaning:**

**Building maintenance:**

**Security:**

**Parking:**

**Exterminating:**

**Exterior grounds maintenance:**

**Utilities furnished by building owner and hours supplied:**

**Water:**

**Heat:**

**Air conditioning:**

**Expansion options:**

**Purchase options:**

**Renewal options:**

**Availability of month-to-month tenancy after lease term:**

**Subletting options:**

**Right to erect signs/other advertising:**

**Default by owner:**

**Default by tenant:**

**Termination rights of owner:**

**Termination rights of tenant:**

**Penalty for early termination:**

**Destruction/condemnation terms:**

## Lease Checklist

Attach this checklist to the front page of your executed lease, attach any additional information.

	Comments/ location in lease		Comments/ location in lease
<input type="checkbox"/> Commencement date _____		<input type="checkbox"/> Quiet possession _____	
<input type="checkbox"/> Expiration date _____		<input type="checkbox"/> Rules and regulations _____	
<input type="checkbox"/> Term _____		<input type="checkbox"/> Renewal _____	
<input type="checkbox"/> Rent _____		<input type="checkbox"/> Holdover _____	
<input type="checkbox"/> Additional rent _____		<input type="checkbox"/> Options _____	
<input type="checkbox"/> Security deposit _____		<input type="checkbox"/> Tenant improvements _____	
<input type="checkbox"/> Uses _____		<input type="checkbox"/> Attorney's fees _____	
<input type="checkbox"/> Services _____		<input type="checkbox"/> Force majeure _____	
<input type="checkbox"/> Utilities _____		<input type="checkbox"/> Mechanic's liens _____	
<input type="checkbox"/> Repairs _____		<input type="checkbox"/> Right to enter _____	
<input type="checkbox"/> Maintenance _____		<input type="checkbox"/> Right to cancel _____	
<input type="checkbox"/> Laws _____		<input type="checkbox"/> Right to first refusal _____	
<input type="checkbox"/> Alterations _____		<input type="checkbox"/> Tenant's personal guarantee _____ (lien or security interest)	
<input type="checkbox"/> Insurance _____			
<input type="checkbox"/> Waiver of subrogation _____			
<input type="checkbox"/> Indemnity provisions _____			
<input type="checkbox"/> Hold harmless provisions _____			
<input type="checkbox"/> Building owner's liability _____			
<input type="checkbox"/> Casualty _____			
<input type="checkbox"/> Condemnation _____			
<input type="checkbox"/> Assignment and sublease _____			
<input type="checkbox"/> Default _____			
<input type="checkbox"/> Remedies _____			
<input type="checkbox"/> Broker's fees _____			
<input type="checkbox"/> Estoppel certificate _____			
<input type="checkbox"/> Subordination _____			



## Chapter 10: So many options!

*Fitting communication technologies with your business needs.*

### GUIDELINES FOR CHOOSING COMMUNICATIONS SYSTEMS

#### Central office system candidates

1. Your company needs to avoid or postpone capital investment, lease commitments, equipment maintenance and housing responsibilities, as well as related tax and insurance costs.
2. Your business relies heavily on telephone contact, like sales and customer service, and requires both multiple features and flexibility because of business fluctuations.
3. Your business is young or in a state of flux and you can't accurately project your future needs, so you have to be able to expand and change your service with a minimum of trouble.
4. Your company needs to project the image of a unified organization but has several different locations.
5. Your company's departments have varied communications needs.

#### PBX candidates

1. Your business has at least 100 people who frequently use their telephones.
2. Your company's software or other technological needs can best be met with a PBX.
3. Your business or industry relies heavily on telephone contact for sales and customer service.
4. Your company has several departments that need a dedicated communications system.

#### Remember to:

1. Bring professionals into the process early.
2. Choose a company with a proven record of equipment and service.
3. Increase your efficiency with state-of-the-art features.
4. Save ongoing charges by having cost-saving features.
5. Contract for service as well as a system and equipment.
6. Check on expansion options before making a final choice.

**T**he number of options available in communications systems today is almost limitless. This enables you to find a system and equipment that fits your particular business needs.

The most efficient way to make sure you get what you need is to educate yourself on the basics and work with a professional communications expert. Start exploring your options as soon as you've decided to move.

First of all, communications companies help you identify your communications needs. They custom design a system, install the equipment and service it after installation. They also identify construction requirements, state and local code conformance, cable sizing, conduit requirements, and communications closet location and size.



## Communications Provider Interview

Fill in this form to decide which communications provider you will use in your new space.

Company: \_\_\_\_\_

Contact name: \_\_\_\_\_

Phone number: \_\_\_\_\_

Address: \_\_\_\_\_

How many years has the company been in business? \_\_\_\_\_

Does the firm provide a warranty? \_\_\_\_\_

What is the cost of the warranty? \_\_\_\_\_

What does the warranty cover? \_\_\_\_\_

Does the firm provide a long-term service contract? \_\_\_\_\_

How quickly will the service be provided under the contract? \_\_\_\_\_

Does the service include labor, materials and parts? \_\_\_\_\_

What is the cost of the service under the contract terms? \_\_\_\_\_

Does the firm provide a service guarantee if it stops manufacturing or representing the equipment you buy or lease? \_\_\_\_\_

Are the provider's service technicians trained by the manufacturer of the equipment? \_\_\_\_\_

What emergency service does the provider offer? \_\_\_\_\_

What is the average wait to obtain new parts? \_\_\_\_\_

Will the provider give you a personal demonstration of the system? \_\_\_\_\_

Names of companies similar in size and communications patterns which have contracted with this provider:

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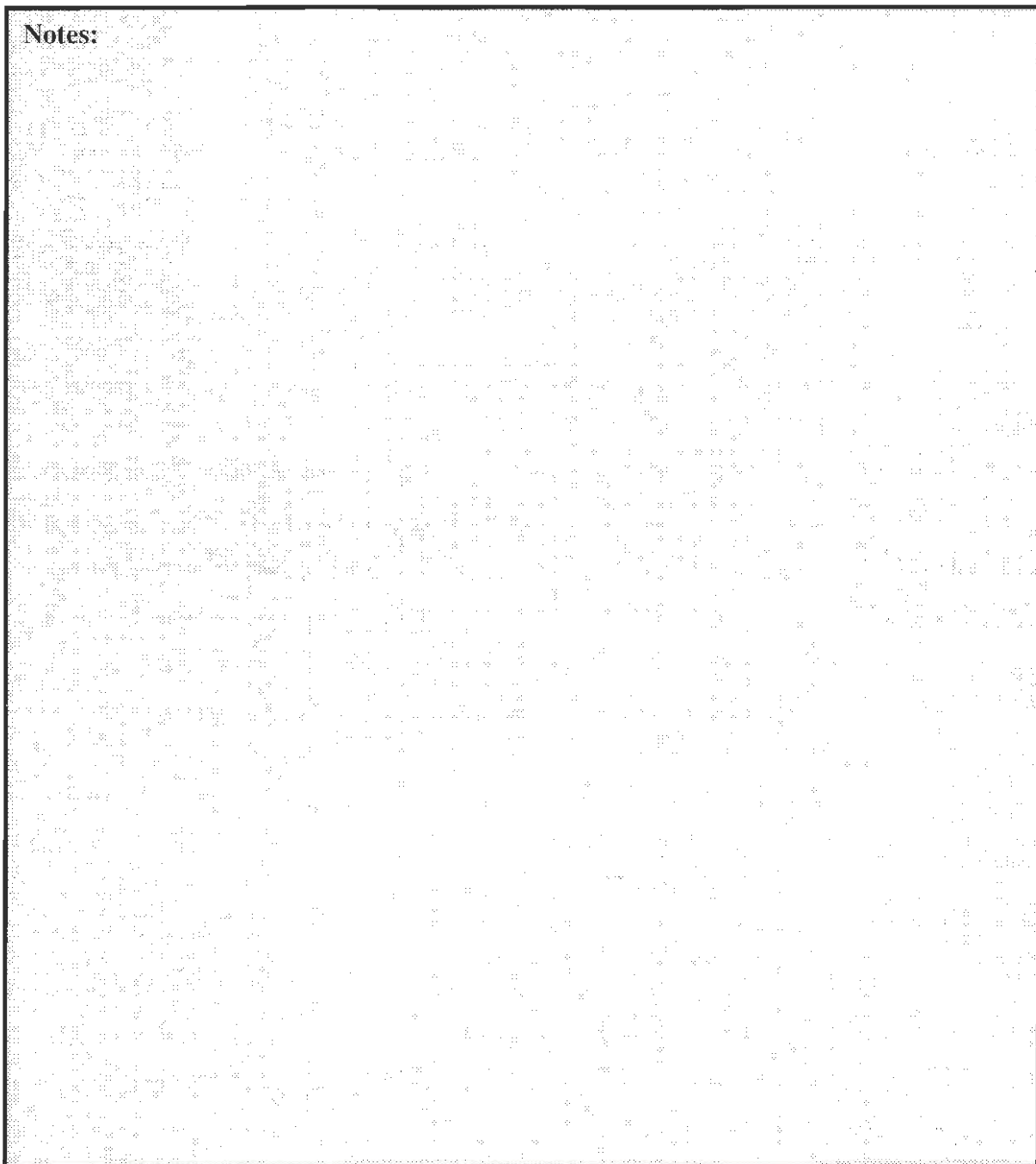
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**Favorable impressions:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Reservations:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Notes:**





## System Evaluation

Use this worksheet to determine which communications system will be best for your business needs.

What type of system do you currently have?

Age of system

Centron

Key system

PBX

What do you like about your current system?

---

---

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---

---

What do you dislike about your current system?

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---

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---

What would you like your current system to do that it does not?

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---

Where are incoming calls answered?

How many lines do you have now?

How many lines will you need at your new location?

How many private lines will you need?

Does your business have more than one location?

Evaluate your use of the following functions giving the frequency of their current and anticipated use.

	Current use	Anticipated use
Outgoing local calls		
Outgoing long-distance calls		
Incoming local calls		
Incoming long-distance calls		
Interoffice calls at one location		
Interoffice calls between satellite locations		
Data transmissions		

What are the installation restrictions at your new space? \_\_\_\_\_

\_\_\_\_\_

What kind of wiring is at your new space? \_\_\_\_\_

What are the access restrictions at your new space? \_\_\_\_\_

\_\_\_\_\_

Questions for providers:

\_\_\_\_\_

\_\_\_\_\_

**Notes:**

## Options Checklist

	Current System	Proposed System		Current System	Proposed System
Alarm monitoring	<input type="checkbox"/>	<input type="checkbox"/>	Display	<input type="checkbox"/>	<input type="checkbox"/>
All-call paging	<input type="checkbox"/>	<input type="checkbox"/>	Do not disturb	<input type="checkbox"/>	<input type="checkbox"/>
Attendant station	<input type="checkbox"/>	<input type="checkbox"/>	Exchange network access	<input type="checkbox"/>	<input type="checkbox"/>
Automatic callback	<input type="checkbox"/>	<input type="checkbox"/>	Exclusive hold	<input type="checkbox"/>	<input type="checkbox"/>
Automatic identified outward dialing	<input type="checkbox"/>	<input type="checkbox"/>	Fast select	<input type="checkbox"/>	<input type="checkbox"/>
Busy override	<input type="checkbox"/>	<input type="checkbox"/>	Hands-free intercom	<input type="checkbox"/>	<input type="checkbox"/>
Call forwarding			Intercommunication (unlimited)	<input type="checkbox"/>	<input type="checkbox"/>
call forwarding (busy line)	<input type="checkbox"/>	<input type="checkbox"/>	Internal/external page	<input type="checkbox"/>	<input type="checkbox"/>
call forwarding (don't answer)	<input type="checkbox"/>	<input type="checkbox"/>	Last number redial	<input type="checkbox"/>	<input type="checkbox"/>
call forwarding (outside)	<input type="checkbox"/>	<input type="checkbox"/>	Least-cost routing	<input type="checkbox"/>	<input type="checkbox"/>
call forwarding (variable)	<input type="checkbox"/>	<input type="checkbox"/>	Line queuing	<input type="checkbox"/>	<input type="checkbox"/>
Call hold	<input type="checkbox"/>	<input type="checkbox"/>	Meet-me answer	<input type="checkbox"/>	<input type="checkbox"/>
Call initiation	<input type="checkbox"/>	<input type="checkbox"/>	Message waiting	<input type="checkbox"/>	<input type="checkbox"/>
Call pick up	<input type="checkbox"/>	<input type="checkbox"/>	Night transfer	<input type="checkbox"/>	<input type="checkbox"/>
Call request packet	<input type="checkbox"/>	<input type="checkbox"/>	On-hook dialing	<input type="checkbox"/>	<input type="checkbox"/>
Call termination	<input type="checkbox"/>	<input type="checkbox"/>	On-hook monitor	<input type="checkbox"/>	<input type="checkbox"/>
Call transfer (all calls)	<input type="checkbox"/>	<input type="checkbox"/>	Off-premises extensions	<input type="checkbox"/>	<input type="checkbox"/>
Call waiting			Off-premises station	<input type="checkbox"/>	<input type="checkbox"/>
call waiting (standard)	<input type="checkbox"/>	<input type="checkbox"/>	Paging access	<input type="checkbox"/>	<input type="checkbox"/>
call waiting (intergroup)	<input type="checkbox"/>	<input type="checkbox"/>	Pick up	<input type="checkbox"/>	<input type="checkbox"/>
call waiting (originating)	<input type="checkbox"/>	<input type="checkbox"/>	Privacy button	<input type="checkbox"/>	<input type="checkbox"/>
Conference calling	<input type="checkbox"/>	<input type="checkbox"/>	Private line	<input type="checkbox"/>	<input type="checkbox"/>
Consultation hold	<input type="checkbox"/>	<input type="checkbox"/>	Remote diagnostics	<input type="checkbox"/>	<input type="checkbox"/>
Customer changeable speed call	<input type="checkbox"/>	<input type="checkbox"/>	Speaker phone	<input type="checkbox"/>	<input type="checkbox"/>
Data link	<input type="checkbox"/>	<input type="checkbox"/>	Speed dialing	<input type="checkbox"/>	<input type="checkbox"/>
Data network address	<input type="checkbox"/>	<input type="checkbox"/>	Station hunting	<input type="checkbox"/>	<input type="checkbox"/>
Dedicated line	<input type="checkbox"/>	<input type="checkbox"/>	Station message detail recording	<input type="checkbox"/>	<input type="checkbox"/>
Dial-up access	<input type="checkbox"/>	<input type="checkbox"/>	Three-way calling	<input type="checkbox"/>	<input type="checkbox"/>
Direct access	<input type="checkbox"/>	<input type="checkbox"/>	Toll restriction	<input type="checkbox"/>	<input type="checkbox"/>
Direct inward dialing	<input type="checkbox"/>	<input type="checkbox"/>	Touch-tone	<input type="checkbox"/>	<input type="checkbox"/>
Direct outward dialing	<input type="checkbox"/>	<input type="checkbox"/>	Zone paging	<input type="checkbox"/>	<input type="checkbox"/>
Direct station selection	<input type="checkbox"/>	<input type="checkbox"/>			



## Options Glossary

### All-call paging

Paging that reaches all stations at the same time.

### Attendant station

Incoming calls can be temporarily directed to another station.

### Automatic call back

Places a call in queuing order and automatically connects two lines when they are free.

### Automatic identified outward dialing (AIOD)

An accounting device attached to phone system that details each long-distance call made from each individual station.

### Busy-lamp field

Tells at a glance which stations are in use.

### Busy override

Allows access to a busy station.

### Call forwarding

Allows you to forward calls to another number outside of your system.

### Call waiting

A tone lets you know when another call is incoming.

### Callback

Automatically rings your phone when a previously busy number becomes free.

### Central office system

Known as Centron or Centrex, the switching hardware and software at the telephone company's central office which routes calls and adds unique calling features for telephones located at your business. These systems are owned and maintained by the telephone company.

### Conference calling

Ability to add on internal/external calls or a combination of both to an existing call.

### Consultation hold

A popular convenience feature enabling your personnel to place a current call on hold, reach a third party for private consultation, then return to the original call.

### Customer premise equipment (CPE)

Any hardware, including phones, key systems and/or a PBX, located on your premises that you own or lease.

### Direct inward dialing

A communications option that provides a separate line (and number) for each station in the office.

### Direct-station selection

A feature that allows the main console operator or station user to reach any station by pushing one button corresponding to that station.

### Display

Allows visual readout of such information as time, date, number called, duration of call, alarm time and extension.

### Do not disturb

A feature that allows only one designated person to interrupt your call.

### Exclusive hold

Prevents other stations from accidentally picking up held calls.

### External page

Allows all stations access to paging capability.

### Hands-free intercom

Allows answering of intercom without picking up the handset.

### Key system

An on-site programmable control unit, with a number of extension telephones, which gives shared access to a number of lines and calling features.

### Last number redial

Stores a number that is busy, unanswered or which you plan to call back for automatic redialing.

### Least-cost routing

A system which is equipped to select the most economical route available for each outgoing call, based on calling station, class of service, available facilities, times of day and other conditions.

### Line queuing

Automatically puts a station in line for the next available outgoing line.

### Meet-me answer

Allows a paged party to respond to the page from any station.

## Options Glossary

### Message waiting

A flashing signal alerts you when you return to pick up waiting messages.

### Night transfer

Allows calls coming in after the main console is closed to route to departments which are open after hours.

### Off-premises extensions

Interconnects main system to departments at different physical locations, such as warehouses or local branch offices.

### On-hook dialing

The ability to dial the number without lifting the handset.

### On-hook monitor

Allows station users to work hands-free while parties have them on hold.

### Park

Any station can pick up a call on hold.

### Private branch exchange (PBX)

A customer-owned or leased system with on-site hardware that channels calls and coordinates calling features.

### Pickup

Users can pick up unanswered extensions without leaving their stations.

### Privacy button

Conversations are totally private unless you invite others to join the call.

### Private line

Allows for the connection of separate incoming numbers set up in designated offices.

### Remote diagnostic

Allows for off-premises instant reprogramming of features for each station. Particularly useful when changing toll-usage authorization.

### Speaker phone

The ability to conduct a call without lifting the handset.

### Speed dialing

Allows you to program a few keys to automatically dial your most frequently called numbers.

### Station hunting

Incoming calls find an idle line automatically when the direct-dial line called is busy.

### Station message detail recording (SMDR)

Sophisticated automatic tracking of phone charges by extension. Can include number dialed, date, time, duration of call, destination, accounting code and cost of call.

### Station trunk answer

A valuable "after hours" communication feature that allows any line to be answered from any phone.

### Teleconferencing

Allows more than two parties access to the same line.

### Toll restriction

Each station can be programmed to restrict long-distance access.

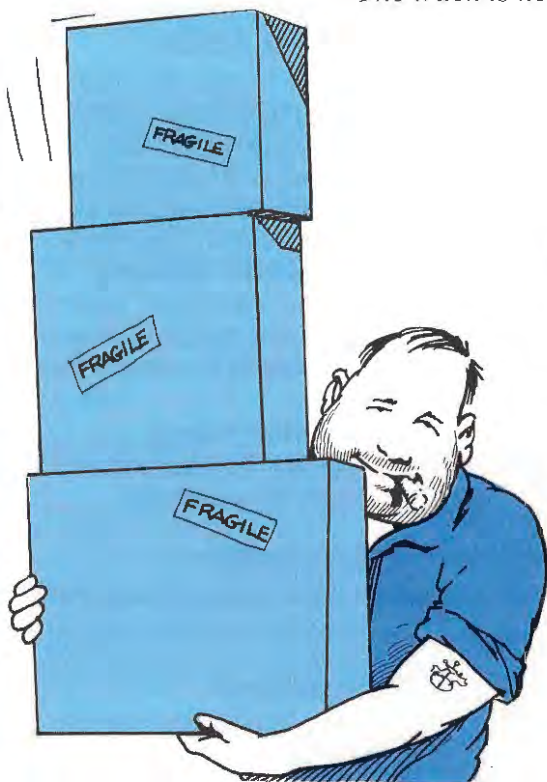
### Zone paging

Allows you to restrict pages to specific stations, designations or designated areas.



## Chapter 11: Moving day

*The truck is here, so you say you forgot to pack...*



**S**tart planning your move the day you decide to relocate. The safest, most efficient way to move is to hire a professional moving company. Arrange for the move as soon as possible - months in advance if possible.

Even when you contract with a moving company, moving is still ultimately your responsibility. Appoint someone in your company to be the move coordinator. If you have a large company, you will need more than one staff member to coordinate the move.

Having a system for inventorying items and for coding cartons, furniture and equipment to a predesigned floor plan is one of the most effective ways you can insure an organized move.

### **General packing tips**

**...following these simple guidelines can help make all the difference in your moving experience!**

- ☐ Pack least-often used items first.
- ☐ Pack most-frequently used items last.
- ☐ Pack like items together.
- ☐ Keep parts and pairs of items together (e.g., in plastic bags).
- ☐ Use sturdy cartons that close tightly.
- ☐ Pack cartons with plenty of paper for cushion.
- ☐ Pack each carton with items from only one office or room.
- ☐ Pack heaviest items on the bottom, lightest on top.
- ☐ List company name, office location and code word/number on labels.
- ☐ Special handling tips.
- ☐ Pack computers and equipment in original cartons.
- ☐ Cushion items with plenty of paper.
- ☐ Pack cartons firmly and securely.
- ☐ Handle disk drives with extra care.
- ☐ Have art and antiques appraised.
- ☐ Take photographs of art and antiques before moving.
- ☐ Pack paintings and pictures in cartons on end.



# Moving Company Interview

Fill in this form each time you interview a moving company representative. Use it to decide which professionals you will hire.

Name:

Company:

Phone number:

Address:

Fee structure:

Specialty:

Experience:

Licensing:

Equipment (check which of the following equipment the company has):

☐ air-ride suspension

☐ cargo control tracks

☐ heavy-duty dollies

☐ book/machine carts

☐ high-load capacity ramps

☐ hydraulic lift gates

☐ large pads

☐ nylon web straps

☐ specialized handling equipment

☐ wide side and rear doors

References:

Favorable impressions:

Reservations:

Request:

☐ tariff rate schedule (a price list)

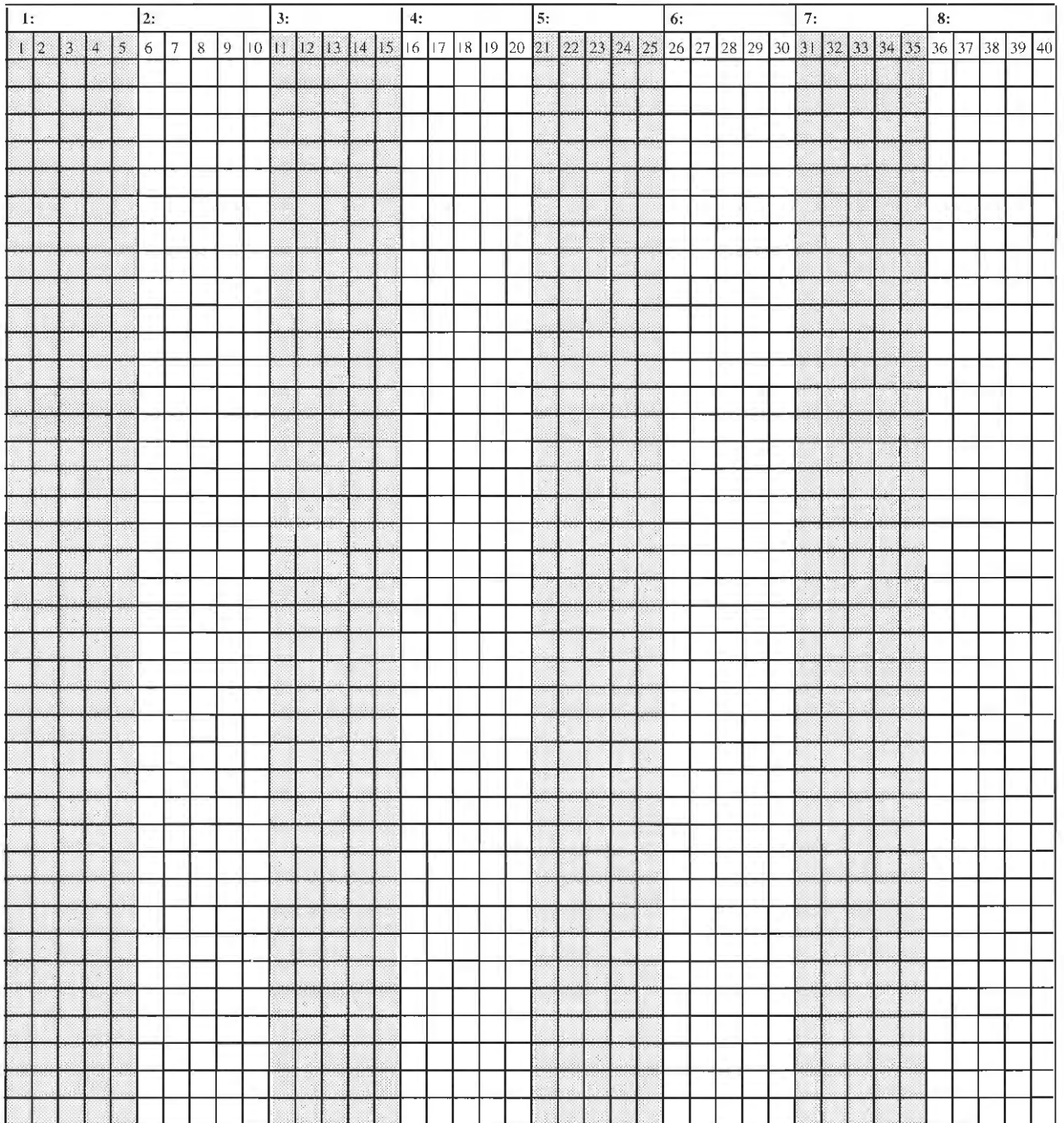
☐ estimated cost of services

# Moving calendar

**Make a calendar for all of the final steps in the moving process. Include the following items:**

	Week Day
As soon as you decide to move	
Notify employees	
Interview moving companies	
Choose a moving company	
4-6 weeks before move	
Notify company of moving date	
Arrange date for moving company to survey your possessions and set estimate of value	
Clean out space so you won't move unnecessary items, files and equipment	
Show movers everything that will be moved	
Decide what to pack yourself	
Buy packing materials	
Begin packing	
Get estimate	
Sign "Order for Service"	
Inform post office of forwarding address	
File "Change of Address" cards	
Notify federal and state tax authorities	
Arrange for new utilities and schedule date of service	
Check insurance to see if move is covered	
Transfer fire, theft and property insurance to new space	
Notify lenders of move	
2-3 weeks before move	
Make inventory of items to be carried	
Pack all items except those essential to continue business	
Day before move	
Point out fragile items to packers	
Mark "load last" items	
Mark "do not load" items	
Turn off office equipment 24 hours before move	
Moving day	
Have persons ready to direct movers	
Check rooms after vans are loaded (but before they drive away)	
Take telephone and essential items as you walk out the door	
Sign inventory	
Approve and sign "Bill of Lading/Freight Bill"	
Complete declared valuation statement	
Complete destination address with van driver	
Notify former building owner and neighbors of new address	
Leave keys to former space	
Leave old space in proper order (lights off, doors locked, etc.)	







## Notification Checklist

Notify your valued clients, customers, associates and partners of your plans. Use the following checklist as a guideline for developing your list.

Date notified	Person Responsible/Comments
	Accountant
	Attorney
	Banks
	Business associates
	Clients
	Credit card companies
	Customers
	Electric company
	Finance companies
	Federal tax bureau
	Friends
	Fuel company
	Gas company
	Insurance agents
	Local telephone network
	Magazines
	Newspapers
	Professional organizations
	Professional publications
	State tax bureau
	Supplies
	Trade publications
	Waste company

Notes:

## Chapter 12: The big day is over

*We've finally moved, now we can relax. Sorry, not yet!*

**S**tarting up business in a new space - and having your employees, equipment and systems operating efficiently - takes a long time. Think of the relocation process as a necessary part of your normal long-term business operations and plan accordingly. Arrange for enough relocation time so that you don't find yourself behind schedule delivering your products and services. Develop a system and a clear channel of responsibility for employees to verify that systems and operations are running as planned.

Now is the time to open a post-move file for all materials related to your relocation. Use the following checklist as a guideline file contents. Include any recommendations from your staff on how you might do it differently the next time!

### POST MOVE Employee Relocation Suggestions

Have employees fill out this worksheet and return it within a month after the move is completed.

1. Were you adequately informed of relocation details? ☐ yes ☒ no
2. Were you asked for your suggestions throughout the relocation process? ☒ yes ☐ no
3. If you worked with the following professionals, how helpful were they to the process?

Very helpful      Helpful      Not Helpful

Accountant ☐ ☒ ☐  
Explain: Difficult to follow, seemed to hesitate about his recommendations.

Architect ☒ ☐ ☐  
Explain: GREAT IDEAS - especially natural light concept he suggested using open floor plan.

Attorney ☒ ☐ ☐  
Explain: Saved me a bundle, glad he did negotiations - not me.

Building owner ☐ ☒ ☐  
Explain: Always seemed to want to "cover up" not interested in telling the whole story.

Communications expert ☐ ☒ ☐  
Explain: Wow! - what a change from our old system, I can't wait to start using the new Bell's + Whistle's on this new system.

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PLANNER

Helpful      Helpful      Not Helpful

☐ ☐ ☒  
Could not understand their

☐ ☒ ☐  
Style than we can afford.

☐ ☐ ☐  
getting them involved early on next time I'll do it even

☐ ☐ ☒  
our relationship will improve in, but he was a tough sell during construction. His stuff - I'd definitely hire him again, his boss helped

☐ ☐ ☐  
IDEAS TO MAXIMIZE SPACE Laid out our

are the most well organized and executed? Plan

cutted. be better organized and executed. CONSTRUCT

process, amazing it got done. HIRE a pro

illiate the next relocation. earlier on!

er the next relocation. Start up to tier - seems like a rough time.

This chapter also includes a suggestion sheet for your employees to record their comments and recommendations. Use the summary sheet that follows to record these suggestions.

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## POST MOVE

# Tenant Improvement Punchlist

ROOM NAME: ITEM	COMPLETED		COMMENTS
	YES	NO	
Built-in countertops			
Correct laminate			
Type and color			
Installed properly			
Cabling			
Carpet			
Vinyl/carpet baseboard			
Ceiling grid			
Ceiling tile			
Cleaning			
Bathrooms			
Carpet vacuumed			
Windows			
Blinds			
Mirrors			
Countertops			
Tile			
Warehouse			
Doors			
Hardware/locks			
Electrical outlets			
Exhaust fans			
Glass installed			
Lights			
Other built-ins			
Paint/vinyl wallcovering			
Wallpaper			
Phone jacks			
Plumbing working			
Drains			
Hot water			
Cold water			
Toilets			
Security system			
Signage			
Thermostat/H.V.A.C.			
Tile			
Utility Hookups			
Window blinds			
Wood stained			
Wood trim			

**Note:** Use relevant items for a room by room checklist.



## Employee Relocation Suggestions

Have employees fill out this worksheet and return it within a month after the move is completed.

1. Were you adequately informed of relocation details? ☐ yes ☐ no
2. Were you asked for your suggestions throughout the relocation process? ☐ yes ☐ no
3. If you worked with the following professionals, how helpful were they to the process?

**Very helpful                      Helpful                      Not Helpful**

**Accountant**

☐
☐
☐

Explain: \_\_\_\_\_

**Architect**

☐
☐
☐

Explain: \_\_\_\_\_

**Attorney**

☐
☐
☐

Explain: \_\_\_\_\_

**Building owner**

☐
☐
☐

Explain: \_\_\_\_\_

**Communications expert**

☐
☐
☐

Explain: \_\_\_\_\_

	Very Helpful	Helpful	Not Helpful
<b>Engineers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explain: _____			
_____			
<b>Interior designer</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explain: _____			
_____			
<b>Movers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explain: _____			
_____			
<b>Property manager</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explain: _____			
_____			
<b>Real estate broker</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explain: _____			
_____			
<b>Space planner</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explain: _____			
_____			
What parts of the relocation process were the most well organized and executed? _____			
_____			
What parts of the relocation needed to be better organized and executed? _____			
_____			
What suggestions would you make to facilitate the next relocation? _____			
_____			
What changes would you recommend for the next relocation? _____			
_____			

## Post-move File Checklist

Attach this sheet to the front of your post-move file and use it as a checklist for the file's contents.

- |   |   |
|---|---|
| <input type="checkbox"/> Building rules and regulations               | <input type="checkbox"/> Building hours of operations                   |
| <input type="checkbox"/> Certificate of occupancy                     | <input type="checkbox"/> Insurance binders                              |
| <input type="checkbox"/> Changes and suggestions for next relocation  | <input type="checkbox"/> Personal property list and waivers             |
| <input type="checkbox"/> Checklists and worksheets used in relocation | <input type="checkbox"/> Lease (copies or originals)                    |
| <input type="checkbox"/> Correspondence with accountant               | <input type="checkbox"/> Map of building's fire exits                   |
| <input type="checkbox"/> Correspondence with architect                | <input type="checkbox"/> Mechanical equipment/maintenance instructions  |
| <input type="checkbox"/> Correspondence with attorney                 | <input type="checkbox"/> Interior room finishes and manufacturers' list |
| <input type="checkbox"/> Correspondence with building owner           | <input type="checkbox"/> Carpet color/type/manufacture                  |
| <input type="checkbox"/> Correspondence with communications expert    | <input type="checkbox"/> Ceiling fixtures                               |
| <input type="checkbox"/> Correspondence with engineers                | <input type="checkbox"/> Door stains/type/manufacture                   |
| <input type="checkbox"/> Correspondence with interior designers       | <input type="checkbox"/> Hardware                                       |
| <input type="checkbox"/> Correspondence with movers                   | <input type="checkbox"/> Paint color/type/manufacture                   |
| <input type="checkbox"/> Correspondence with property manager         | <input type="checkbox"/> Trim stains/type/manufacture                   |
| <input type="checkbox"/> Correspondence with real estate broker       | <input type="checkbox"/> Wallpaper designs                              |
| <input type="checkbox"/> Correspondence with space planner            |   |

Notes:



## Chapter 13: Business as usual?

*Before you lose time and money when the unexpected happens...read this.*

**N**ow that you're settled in your new space, take time to protect your growing business interests. When you start a business, you prepare for possible changes in your market, management and ownership. This planning should include developing a business continuation plan. This plan provides for unforeseen crises such as natural disasters, equipment malfunctions, loss of power and loss of communications links.



Developing a business continuation plan includes: assessing your risks (legal, operational, financial), developing and writing a plan to reduce those risks, developing and writing procedures to implement the plan, testing the plan and updating the plan.

### BUSINESS CONTINUATION Business Continuation Plan Worksheet

Begin developing a business continuation plan by discussing the following questions:

Who are the key people in the company? BILL W. - C.E.O.  
JOHN A. - C.F.O. MARK J. - C.OO.  
 What are the critical functions of the company? DATA-LINES NEED TO  
ACTIVE FOR NATIONAL SALES REP ORDERS  
 What are the basic services of the company? SALES AND SERVICE  
OF MECHANICAL ROBOTICS SYSTEMS.  
 How can we keep business interruption to a minimum? PHONE + DATA LINES  
TRANSFER ABILITY  
 Who is responsible for assessing damage? MARK J. - C.O.O. +  
his staff  
 Who is responsible for declaring emergencies? MARK J.  
 Who will be the spokespersons in the event of a crisis? BILL W. - C.E.O.  
 What key customers, clients and associates should be notified personally? ALL ACTIVE  
SERVICE CONTRACT ACCOUNTS + ALL VENDOR/SUPPLIERS  
 How will we work with the media to inform our employees and our customers about the disaster?  
WRITTEN PRESS RELEASE ONLY  
 Who will brief receptionists in the event of a crisis? MARK J'S STAFF  
 What fax, telex and computer equipment at off-site locations will help keep our operations going?  
 What are our options for getting replacement equipment?

**Having a constantly updated business continuation plan and prepared staff can mean the difference between having your business interrupted for moments or forever.**

# Business Continuation Plan Worksheet

Begin developing a business continuation plan by discussing the following questions:

Who are the key people in the company? \_\_\_\_\_

What are the critical functions of the company? \_\_\_\_\_

What are the basic services of the company? \_\_\_\_\_

How can we keep business interruption to a minimum? \_\_\_\_\_

Who is responsible for assessing damage? \_\_\_\_\_

Who is responsible for declaring emergencies? \_\_\_\_\_

Who will be the spokesperson(s) in the event of a crisis? \_\_\_\_\_

What key customers, clients and associates should be notified personally? \_\_\_\_\_

How will we work with the media to inform our employees and our customers about the disaster? \_\_\_\_\_

Who will brief receptionists in the event of a crisis? \_\_\_\_\_

What fax, telex and computer equipment at off-site locations will help keep our operations going? \_\_\_\_\_

What are our options for getting replacement equipment? \_\_\_\_\_

Do we need a generator to insure an uninterruptible power supply? \_\_\_\_\_

Notes:

# General Impact Worksheet

**When a disaster occurs, you are left trying to recover the pieces. The probability of such a disaster occurring is suddenly meaningless. Use this worksheet to begin assessing the damaging effects a disaster may have on your business.**

List all of the disasters that could occur in your region and industry. Assess the areas of your business that are at risk by defining the types of risks that are involved (legal, financial or operational). Since the definition of legal, financial and operational risks vary from state to state

and industry to industry, define them to fit your company and business situation. Each area listed below may be at more than one type of risk. Put the appropriate letter(s) in each column that define the type of risk involved (L = legal, O = operational, F = financial).

**When thinking of possible disasters, consider everything from nature-related disasters (floods, hurricanes, earthquakes, blizzards) to human-created disasters (fires, sabotage, burst pipes, power failures, strikes, terrorism).**

[illegible]



# Disaster Impact Rating

**Study the previous worksheet and list the disasters in order of perceived probability. List the disasters you see as most likely at the top of your list. Also note each disaster according to the type of risk (legal, financial, operational) involved and the total impact (high, moderate, low) of the risk on your business.**

[illegible]

