



Andrew B. Zezas, SIOR
Relationship Manager,
Strategist, President & CEO
(908) 245-5999 x11
andrew.zezas@realstrat.com

The Bigger They Are...

A common misconception is that only large national and multi-national companies are capable of making great, below market real estate deals, and the rest of us get to pay retail. If your company's on the short end of this stick, it may be time to revamp your real estate approach. This scenario doesn't have to be.

It is true that economies of scale often play a major role in real estate acquisitions: the more space a company leases or the longer the lease term, typically the more price flexible a landlord tends to be. This is especially true in markets similar to that in which we currently find ourselves. While large leases often include longer terms, those longer terms usually mean that the tenant company plans to stay put longer. In such an event, as in the case of a facility that a company deems to be strategic in nature, additional infrastructure is required to accommodate long term occupancy, and the corresponding cost of improving the space can be greater. The additional cost requirement places greater financial burden on both the landlord and tenant, and could result in higher improvement allowances, higher rents, more frequent rent increases, less flexible business terms, or some combination.

Interestingly enough, a company mustn't be mammoth in size to achieve below market lease terms. While size matters in such instances, timing, position, and opportunity can prove rewarding for companies of medium and small size, as well. Take the case of a landlord who may be losing a major tenant (major, being defined as sizable or, simply important) or a landlord who wishes to fill her last block of space. Either of these situations could create beneficial opportunities for a tenant who does his homework, or one who has engaged an advisor who is versed in uncovering such timely and profitable data. If a landlord is a merchant owner who leases her buildings and sells them to investors, leasing that last block of space could be the profit-making linchpin in the landlord's master plan. On the other hand, if the landlord is a long term holder of real estate, your company's lease could stabilize her building and might even be the deciding factor in her ability to refinance its debt and lower her debt service costs, thereby creating greater profits from the building. In any of the above instances, opportunity knocks for the savvy tenant company.

Despite great opportunities such the aforementioned that may await your company, it is next to impossible to precisely time markets. Furthermore, such market-driven real estate tactics will only make good business sense if the building your company considers is first qualified to meet the operational, technological, cultural, and financial objectives that will

support your company's primary goals: to generate consistent and sustainable profits, to provide excellent service and/or products, to provide a high-quality environment for employees, and to be an upstanding corporate citizen.

First things, first! Make sure the building meets your company's needs then make sure that your well-timed real estate deal is a superb business deal.

Andrew B. Zezas is Relationship Manager, Strategist and President of Real Estate Strategies Corporation, and Publisher of ***Business, Profits and Strategy***. You may reach Andrew at 908 245 5999 x11, or via email at: andrew.zezas@realstrat.com.

Business, Profits, and Strategy is an online publication from Real Estate Strategies Corporation, and is read by thousands of successful people each month. BPS is available free to business executives and entrepreneurs, and contains writings from a variety of experts in various fields, providing insightful, innovative, and dynamic ideas on ROI, risk, critical thinking, and profitability.

Request your copy of ***Business, Profits, and Strategy*** by logging onto www.realstrat.com, and entering your subscription information on the Publication page.

Andrew B. Zezas, SIOR, is Relationship Manager, Strategist, and President & CEO of Real Estate Strategies Corporation, Publisher of "*Business, Profits and Strategy*", a monthly online publication read by thousands of business, financial, and real estate executives nationally, and, is the author of two new real estate books, *The CFO's Guide to Understanding Corporate Real Estate Transactions* and *The CFO's Guide to Hiring the "Right" Real Estate Service Provider*, both of which will be available shortly at www.thecfosguide.com.

Mr. Zezas is well-known for his ease and informative style of public speaking, and has given talks, presentations, and has lead educational programs for business, professional, government, and trade associations, including the Building Owners and Managers Association, American Management Association, the U.S. Postal Service, RealComm, Society of Industrial and Office Realtors (SIOR), and others. Andrew is National Chairman of the SIOR Tenant Representation Specialty Practice Board, and is a licensed real estate instructor in Texas and Indiana. He can be reached at 908 245 5999 or via [email](mailto:andrew.zezas@realstrat.com).

Real Estate Strategies Corporation, located in Kenilworth, New Jersey, and serving clients throughout the country, helps companies create and execute Business *DRIVEN* Real Estate Solutions...and Opportunities, faster and with less risk. Visit www.realstrat.com.

[Read other business, real estate, and finance articles written by RealStrat's experts.](#)

Licensor: Real Estate Strategies Corporation. Copyright © 2004-2007 by Andrew B. Zezas. All rights reserved.

THIS WORK IS DESIGNED TO PROVIDE PRACTICAL AND USEFUL INFORMATION ON THE SUBJECT MATTER COVERED. HOWEVER, IT IS SOLD AND/OR PROVIDED WITH THE UNDERSTANDING THAT THE AUTHOR AND THE PUBLISHER ARE NOT ENGAGED IN RENDERING LEGAL, FINANCIAL, ACCOUNTING OR OTHER PROFESSIONAL ADVICE TO THE READER. IF LEGAL, FINANCIAL, ACCOUNTING OR OTHER PROFESSIONAL ADVICE IS REQUIRED, THE SERVICES OF A COMPETENT PROFESSIONAL SHOULD BE SOUGHT. THE AUTHOR AND THE PUBLISHER SPECIFICALLY AND EXPRESSLY DISCLAIM ANY LIABILITY THAT MAY BE INCURRED AS A RESULT OF THE USE OR APPLICATION OF THE INFORMATION THAT IS CONTAINED IN THIS WORK.