



STRATEGIC NEWS

Your Monthly "Dirt" on Real Estate Investments

QUALITY INTEGRITY
creativity

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Let There Be Lease! The Lease Creation Process



Land O Lakes Landings

The leasing process is one of the more commonly misunderstood aspects of a development project. Often, an investor or an objective observer will say "That's a great location—you should put a Starbucks there." Substitute for Starbucks suggestions of an Outback, a Bank of America, a copy center, or a furniture store, or myriad other name-brand retailers and it could be assumed that filling a retail center is as easy as making a few phone calls. Few people know the reality of the leasing challenge. SPG has developed a step-by-step process for attracting and signing high quality tenants for our projects to help create balanced, high quality retail centers.

IN THE BEGINNING

A new retail project is filled with excitement, possibility, and challenge. The challenge for SPG is addressed largely through a well-developed network of commercial brokers. Brokers representing a shopping center and developer/owner work to bring tenants willing to pay the right price to fill the space available, and brokers representing tenants work to find space at the right price for their clients to lease. The result is an orchestra usually conducted by one of the

developer/partners. In the case of SPG, Jon Wittner manages the broker network and potential tenant relationships on the way to leasing the projects. Steve Riley oversees the legal work, and Barry Jackson handles all construction issues.

LEASE CREATION PROCESS

Leases are created and retail centers filled by following a series of routine steps.

▲ The first step in the leasing process is finding the right tenants. SPG secures tenants by managing the broker network, managing project sales and marketing and building relationships with potential tenants. In this phase, prospective tenant business profiles and "concepts" are explored

▲ SPG seeks and receives personal financial statement from tenant and runs credit check for tenant

▲ A "Quickstart Deal Sheet" (QDS) is filled out with rates, CAM figures, etc., as they apply to the current project, and a "Master Lease" is crafted for the project. The Master Lease takes into account commercial development design (CDD) guidelines, deed restrictions, signage allowances and restrictions, key deliverables like the degree of finish work provided by the developer ("warm vanilla shell" vs. "cold dark shell"), etc.

▲ SPG partners review deal points including landlord scope of work, lease price, etc. and consensus is achieved by taking into account the desired tenant mix for the center, financials and negotiated lease points

▲ A lease draft is created from the master project lease and matched to the Quickstart Deal Sheet

▲ A legal review is managed by Steve Riley and deal points are matched against a master checklist

▲ Barry Jackson approves the landlord scope of work, accounting for the Company's ability to deliver and the profitability for the company and the investor(s)

▲ A lease is signed by the new tenant in a lease ceremony in the SPG office

Did You Know? Tampa Bay Market Facts:

- Population: 3.8 million
 - Labor Force: 1.9 million
 - Job Growth Rate: 4.8% (vs. 2.2 nationally)
 - Median Age: 41.6
 - Total Retail Sales: 2000 – \$60.7 B
- Source: Tampa Bay Partnership

Your Real Estate Investment Family



John Erik Savitsky VP Business Development

- Married to Denise for 9 years
- 3 children: Zack (7), Emma (5 1/2), Cole (5 1/2)
- M.A., B.A. University of Florida
- Responsible for business development, investor relations, marketing
- Words to Live By: Listen four times as much as you speak.
—Rick Pitino

SPG's Featured
Business of the Month



www.Quiznos.com
New at
Shoppes of Sheldon
8315 Sheldon Road