

Technology to track lease terms

Using a lease management program can save time and money. **By Jon Jessup**

For corporations that own or lease a portfolio of real estate properties, the responsibility of managing assets can be overwhelming, and often it is neglected.

Critical lease details, such as termination dates and rent bumps, easily fall through the cracks while a company carries on its daily business. In many cases, lease agreement information is haphazardly recorded and stored, as owners often forget to refer to these records to refresh their memories on notification dates or expansion options.

That's why proactive companies are trading up to Web-based software programs to help organize, track and manage lease and owned-property information.

These programs make lease information accessible and can help corporations reduce risk in current property investments and plan appropriately for future real estate transactions.

Link to lease terms

Companies with a network of properties — offices, storage facilities, manufacturing sites, etc. — easily can lose track of specific lease terms for each location. This is especially problematic when lease agreements are managed by the individual entities (properties) versus a more efficient, centralized approach. When one lease expires, another might require attention regarding expansion options.

Or, while one lease might automatically renew, another property's rent may be scheduled for an automatic rate bump. Organizing information in a software tool that is dedicated to real estate lease management ensures that companies don't get blindsided by lease terms.

Rather than leaving leases in file cabinets to collect dust, owners can scan actual lease documents and upload information to those systems. Then they can create links to specific sections in leases that they refer to often, such as rent escalation or expiration terms. By building a link to these items, owners avoid wasting time searching for critical



dates or terms.

Program reminders

Relying on memory alone to manage contract activity is risky, especially when more than one lease is concerned. Lease-management programs allow owners to program e-mail alerts to remind themselves of critical dates and to create helpful alert dates leading up to the more critical, hard dates.

For example, if a lease will expire in one year, a quick e-mail reminder notifies the owner that it's time to initiate due diligence on other location options and/or to begin renewal negotiations.

Remote access

One pitfall of most filing systems is that information is inaccessible if the owner is not in the office. Because many of the leading leasing software programs are Web-based, the information in the program can be accessed on the road, from a home office — just about anywhere.

Remote access to lease information not only enables owners to stay abreast of critical dates, but to also administer and conduct informed discussions while traveling.

Translating international leases

More sophisticated programs convert multiple currencies and measurement units. For instance, a software program

can convert the standard square foot measurement prevalent in North America to the European square meter or to the Pyung measurement in Korea.

One company tried using a spreadsheet program as a holding area for lease information. The leases were in various foreign languages that weren't properly input into an Excel spreadsheet. Eventually, the data system became such a burden that the company hired a consultant to translate and standardize the data before migrating to lease management software. The company could have saved a lot of money and anguish if they used a lease management program.

Managing property taxes

By organizing and tracking lease information through a software management program, business owners can also better manage property taxes, which certainly adds up for corporations that own multiple locations or a few large properties.

Managing expenses and risks and putting a system in place that creates accountability will ensure that property owners better understand and realize the full value of their real estate assets.



JON JESSUP, CCIM is a principal at Summit Realty Group, a member of the Cushman and Wakefield Alliance. He specializes in investment and global corporate services.
Direct: (317) 713-2120
jjessup@SummitRealtyGroup.com

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