

# Expanding Your Business?

## Here are some Helpful Tips on Leasing Commercial Space

**BUSINESS PLAN.** Whether you are a new or seasoned entrepreneur, make sure you develop a business plan before looking for additional space to lease. A business plan is estimated to increase the success rate for business owners. You can receive FREE assistance to develop or update your business plan at one of the several SCORE offices [www.atlanta.score.org](http://www.atlanta.score.org) and *Small Business Development Centers* [www.georgiasbdc.org](http://www.georgiasbdc.org), both administered by the **U.S. Small Business Administration**.

**RESOURCES.** Before signing a lease agreement, make sure you have secured the appropriate funding for the business, either through your own capital, a loan, investors, or another funding source.

**RESEARCH.** Do your homework before signing any lease agreement. Find a location that is accessible to your customers and suited to the needs of your business. Location is one of the most important aspects of real estate. Pay attention to its visibility, access to major roads or highways, and demographics.

**SPACE.** Make sure the space you are considering is big enough for both your current needs and your foreseeable growth. Be realistic and do not over commit. Evaluate if the physical location and space is a good fit for your business and products.

**ZONING.** Find out if there are any restrictions either from local zoning authorities or the landlord that would prohibit your type of business in the area or specific property.

**MARKET STUDY.** Do a market study to identify your closest competitors, and become familiar with their products and prices. Check out neighboring businesses offering services or products that would complement and bring additional customers to your business.

**SIGNAGE.** Signs are vital to retail businesses. Therefore, investigate if there are any restrictions on signage, either by the landlord or zoning. Quite often, local zoning authorities control and restrict signage in terms of number of signs allowed, size, and even color.

**PROPOSAL.** Always start with a Proposal, also known as a Letter of Intent (LOI), to set forth and negotiate the terms of your lease. Ask for clarification if the wording is confusing or leaves you wondering who is liable for what. When comparing 2 or more proposals, make sure you look at all components and do an 'apples to apples' analysis.

**LEASE LANGUAGE.** A lease negotiation usually covers terms and language that require additional explanation. Do not be afraid to ask questions about terms that you are not familiar with. Before signing a lease agreement, ask for a copy and a couple of days to carefully read and understand the lease. You may wish to consult with a real estate attorney.

**UTILITIES & MAINTENANCE.** Clarify in advance with the landlord who is responsible for paying the utilities. Also, understand who is responsible for maintaining the heating, air conditioning, electrical, plumbing and any other systems, as well as keeping up the parking lot and building exteriors.

**INSURANCE.** Investigate liability insurance carefully. Since the general public may be walking through your store or business, be sure that you have adequate coverage in case an accident happens in your business. Also, you will need to have your own insurance to protect your products and equipment.

**RATES.** There are several aspects that impact leasing rates such as length of lease, amount of landlord's improvements to the space, broker commissions, your credit score and financials. Shop-around and make sure the rates are competitive and according to the market area.

**YOUR CREDIT SCORE.** Take good care of your credit score. Most landlords will check your credit score and financial history. Individuals with bad credit scores may not be approved to lease spaces or may be required to pay higher security deposits.

If you are ready to start the Leasing process with us, please download our [Prospective Tenant Application](#), and either the [Individual Credit Application](#) or the [Corporate Credit Application](#), and give us a call.



### Complimentary Tips by Malon D. Mimms Company

The Malon D. Mimms Company is one of the largest privately held owners of commercial real estate companies in the Southeast. The above tips are for general information purposes only, and shall not be used in lieu of legal or professional advice.