

# W The Windsor Quarterly

To Listen  
To Understand  
To Fulfill the Needs of Another

Q4 2003

## Anyone for a Search?

To make sure real estate is a fun and positive experience, we decided to have a Windsor game. All good real estate deals are done when our clients are fully educated and informed on their real estate decisions and this word search will help you stay educated!

There are thirty-eight (38) real estate words hidden in this puzzle. The first and twentieth person who can find each word and fax, mail, or email the correct form to our office shall receive a \$25 gift card, compliments of Windsor. Good luck and happy word searching!

S U O U G I T N O C N T S H S  
N L E A S E A F O O P E C Y U  
O T N K E Y F T I R S O T M B  
I T E S O I E S O I N I U I O  
T N S R C R N R M T N T C D R  
A E H E M A A E R M N O E R D  
L R M I P T R A E W N A I I I  
A A N X A P C D V D E T N S N  
C U E O G T N N O E X O D E A  
S E C U R I T Y D E P O S I T  
E T S T O R O O L F E F O Y I  
R A R C S I T E O E N E N T O  
R X E L S E A L H T S R R L N  
D E F A U L T T E A E A O A Y  
G S F U R E T A I L S U T E R  
O R O S S E L B U S A Q T R U  
L A W E N E R A E Y E S A B P

## 15 Ways to Minimize Costs When Leasing

by Dan Wirtz

In today's leasing world, lease transactions are becoming more complex and costly. Landlords are constantly looking for new ways to make money leasing buildings and minimizing their costs. When reviewing leases, all sections ultimately have some part of monetary value or cost associated with it. So we put together 15 ways tenants can minimize these costs:

1. Minimize Rent per Square Foot (Obvious)
2. Reduce or Eliminate annual rent escalations
3. Incorporate free rent into the transaction (inside or outside of the lease term)
4. Move "Base Year" pass thru expenses forward to latest possible lease year
  - Example: September 2003 rent commencement. Use a 2004 Base Year for Taxes, Insurance, Operating Expenses, etc.
5. Maximize Tenant Improvement Dollars then utilize unused dollars for rent reduction
6. Minimize any Security Deposit and apply any security deposit to a specific lease month.
  - Example: Apply the one-month security deposit to the 37th month's rent.
7. Cap all operating expense increases by a set fixed percentage. (Example: 2% - 4%)
8. Fix set renewal terms in the initial lease at the lesser of 90% of the then market rate, or a fixed dollar amount.
9. Eliminate doing terms greater than 5 years. There are diminishing savings in Tenant Improvement Allowance and there are excessive annual increases in longer term deals. Real Estate is cyclical. Rents go up and rents go down, they do not continue to appreciate like the residential market.
10. Eliminate long-term personal guarantees. All guarantees should have a fixed dollar amount and specific term.



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# Windsor News & Notes

- Congratulations to **Thomas H. Lowe** and **First American Holding, LLC**, on an exciting 2003. Windsor was proud to assist First American in opening over 40 new locations this year including new stores in Oklahoma, Colorado, Alabama, and South Carolina. We're looking forward to another successful year with First American with both new location searches and aiding them in managing their real estate portfolio, which now includes over 350 locations nationwide.
- **American Speedy Printing** will extend their relationship with the Cosmopolitan Center for an additional five years. Windsor was proud to assist in the renewal negotiations. Congrats **Dina and Glenn Youngwirth!**
- A special Thank You goes to **Norm Stein, Engravers Unlimited**, for referring the Youngwirth's to us. In addition, Norm is finalizing his next real estate decision in Atlanta.
- Congratulations to the **Cold Stone Creamery Franchisee Family** on opening the following locations:
  - **Bob Johnson** and **Perfect Mix, LLC** on the opening of their 3rd Cold Stone Creamery store, located at Ansley Mall in Atlanta, GA.
  - **Minesh Daya** on the opening of his 2nd and 3rd Cold Stone Creamery stores located at Barrett Commons in Kennesaw, GA and at The Avenues at West Cobb in Marietta, GA.
  - **Tom Schilder** on the opening of the first Cold Stone Creamery in Savannah Georgia at Twelve Oaks Shopping Center.
- Congratulations to **Jamie Schachter** on the opening of his second **Hollywood Tans Salon** at Toco Hills Promenade in Atlanta Georgia.
- **Objectware, Inc.** is expanding. **Erez Katz**, President and CEO, is growing the business in Washington D.C. and expanding into new office in Bethesda, MD. Keep it growing!
- **ACT 1** is bursting at the seams with new business and added two new offices in Atlanta, GA. Thank you **Daryl Fox** and **Rose Rhone** for your business.
- **Anna Chadwick** is keeping busy with renewing offices in Charlotte, Birmingham, Tampa, Atlanta, and Clearwater. We are all excited about the expansion in 2004 may bring!
- **Tags By Design's Don Stoner** and **Robert Earley** are expanding their Lawrenceville operation two fold. We hope to continue to ride their coattails to success. Thanks!
- Thank you to **Glenn Brody** for referring us to **Innosource Business Solutions**. **Brad Jenkins**, President, is expanding into the fulfillment business and has leased new warehouse space in Northeast Atlanta. Good luck Brad and Glen on the new business line!
- There is a new marketing firm in town. **Brown Bag Marketing** recently located their corporate headquarters in The Lenox Towers in Buckhead. Thanks to **Doug Brown**, President, for letting us be a part of their growing business.
- **Sam Lloyd**, President of **AAA Mortgage**, recently expanded his business into Northwest Atlanta with new offices at 1300 Parkwood. Keep up the good work Sam!

## 15 Ways...

*continued from front*

11. Get warranties on all building systems and a dollar amount cap on repairs to be paid for and completed by Tenant.
12. Minimize all holdover costs at the expiration of the lease to 100% of the existing rate up to 150% maximum.
13. Understand the loss factor of your building when comparing different options. Useable square feet vs. rentable square feet.
14. If tenant improvements need to be completed in the Premises, have the work done during a free fixturation period prior to the rental commencement.
15. And the number one way to reduce your real estate cost is...

### Don't take more space than you need!

As in all negotiations, you aren't going to bat 100% on all of these issues, but if you get  $\frac{3}{4}$ ,  $\frac{1}{2}$ ,  $\frac{1}{4}$ , you will be minimizing your costs and be able to free up capital to continue to grow your business, and not continually grow the Landlord's business.

## Welcome & Congrats!

We are thrilled to announce the addition of our newest Associate Consultant, **Ritchie Mora**. Ritchie comes to us from Indiana, where he graduated in Management from Indiana University. Ritchie came on board in May 2003, and is already paying dividends assisting the Windsor Team.

The Windsor Realty Group would also like to congratulate our recently expired bachelor, **Will Euart**. Will recently signed a long term lease with his beautiful bride Shannon. There are no out clauses in this marriage, but there are rumors on potential expansions?!

## A closer look:

### Cold Stone Creamery



The Windsor Realty Group is proud to represent one of the fastest growing franchises in the country, and the best ice cream concept in the world. Donald and Susan Sutherland opened the first Cold Stone Creamery in Tempe, Arizona in 1988. Today in 2003, Cold Stone Creamery has more than 385 stores currently up and running. There are over 850 stores awarded in 44 states with dozens more in various stages of negotiation.

Cold Stone Creamery lets consumers enjoy super premium ice cream, yogurt and sorbet made fresh on site every day with their choice of countless mix-in combinations. Consumers simply choose their ice cream or yogurt and select their mix-ins. From there, the Cold Stone Creamery Crew Member fold the customer's mix-in selections into the ice cream or yogurt on a granite stone chilled to 16 degrees Fahrenheit. The resulting Creation is scooped into a homemade waffle cone or bowl - or formed into a personalized cake or pie - and presented to the consumer as the Ultimate Ice Cream Experience. ® Be sure to keep an eye out for a Cold Stone Creamery coming to a neighborhood near you and don't forget, "It's A Great Day For Ice Cream!" ®