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# Real Estate Expense Reduction

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As a company, it is imperative to be consistently looking at ways to reduce overall operating expenses. As the second highest operating expense for most corporations, real estate must be monitored closely. There are several techniques to evaluate and address the wide range of potential real estate costs. DAUM Corporate Services has the experience and expertise to assist you through this process and reduce overall real estate expenses.

## **Real Estate Evaluation:**

Our first step would be to evaluate all real estate expenses. This would include all direct and indirect costs, such as management costs, capital costs and utilization efficiency. Not only will we assess your current real estate portfolio and any existing opportunities to reduce real estate expenses, but we will examine the process and current policies in place that may need to be restructured or outsourced for future cost reduction.

## **Disposition of Excess Space:**

Identifying and disposing of excess space in a strategic and timely manner is a key component to corporate cost reduction. Our team analyses the market, determine how the property competes with similar properties, and determine who would be the target tenant/buyer and at what price. With this information we then put together an efficient and effective marketing plan that targets the most probable prospects. Along with pursuing these prospects we reach out to the broker community through databases, mailers, and e-mail blasts to ensure every group and demographic is covered and aware of the availability of this property.

## **Lease Audits:**

Through the lease agreement, landlord's can charge the tenant for expenses such as CAM charges, insurance, property taxes, utilities, management fees, etc. Often, some of these landlords charge tenants incorrectly or for costs not allowed under the lease agreement. Excess and incorrect charges can be substantial. Our team will come in and audit these expenses, including pro-rate share and square foot measurement calculations to ensure these expenses are accurate and in accordance with the original lease document. When monitored closely the savings on these expenses can be significant.

## **Space Utilization:**

Determining the correct amount of space needed for a property could greatly impact the overall real estate cost for that site. Not only is determining the correct square footage critical, but creating a layout for a work environment that is both efficient with space yet improves the overall work place is just as imperative. Designing a space plan that utilizes the space efficiently can be a vast cost saving approach. Our team will assist you in determining the appropriate square footage needed. We will also work with the architect to confirm all of your requirements and requests of the space are communicated properly and implemented into the space to ensure an effective space plan.