

At a time when cost containment has become a business imperative, tenants are increasingly focused on managing occupancy costs. At the same time landlords are equally concerned about maximizing recoveries according to their contractual lease rights. FTI Consulting Real Estate and Infrastructure lease consulting professionals provide clients with guidance and protection as well as an effective alternative to in-house services.

A FULL RANGE OF SOLUTIONS

- *Tenant recovery structuring and strategies*
- *Lease recovery analysis for owners/developers*
- *CAM/Operating cost billings and reconciliation*
- *Due diligence and data validation services*
- *Real estate tax billings and reconciliation*
- *Benchmarking and analysis of operating expenses*
- *Expert testimony in landlord/tenant disputes*
- *CAM, OPEX, tenant recovery structuring and strategies*
- *Lease REIT compliance testing*
- *Lease abstracting*
- *Lease abstract format and design*

DEVELOP STRATEGIC AND ECONOMIC VALUE IN TENANT AND LANDLORD LEASES

Our Lease Consulting Services address the needs and concerns of both landlords and tenants that seek guidance and protection.

LEASE CONSULTING SERVICES

Our escalation analysis is a comprehensive review by highly-qualified professionals that examine expenses incurred by tenants as part of their lease agreement. The focus is to verify that tenants are not being overcharged for certain costs.

- The costs and calculations that are reviewed include.
- Rent and additional rent
- Proportionate share computations
- Common area maintenance charges
- Verification of CPI, porter wages formulas and other indices
- Management fees
- Real estate tax pass-throughs
- Marketing and promotional charges
- Subtenant bill back charges
- Construction costs
- Verification of GLA
- Insurance requirements
- Corporate and/or regional expense allocations

LEASE ABSTRACTING SERVICES

FTI Consulting employs a full team of highly talented and experienced lease abstractors that offer the following services:

- Abstraction of leases for key attributes of lease documents
- which may include both financial and non-financial information
- Abstracting directly into proprietary property database systems
- Verification of estoppels
- Analysis and summary of service contracts
- Summary schedules as part of due diligence identifying key lease terms such as:
 - Tenant's right to additional space,
 - ROFO or rights to purchase
 - Landlord cancellation clauses (i.e., sales performance, demolition of premises)
 - Relocation rights
 - Co-tenancy clauses
 - Landlord restrictions
 - Exclusives
- Verification audit of current database against lease documents

REVERSE LEASE CONSULTING SERVICES

FTI Consulting offers reverse lease consulting services to landlords to ensure that all operating expenses and additional rents are being properly charged to tenants. The review process compares tenant leases back to billings to make sure that all charges are properly captured. Samples of the items reviewed include:

- Rent and additional rent
- Operating expenses
- Gross up provisions
- Utilities
- Real estate taxes
- Expense allocation methods
- Management fees

ABOUT THE FTI CONSULTING REAL ESTATE AND INFRASTRUCTURE PRACTICE

The Real Estate and Infrastructure practice has a singular focus on the real estate and real estate finance industries and the capital markets that serve them.

Our services are designed to create integrated financial, operating and tax solutions for clients with interests in real estate. We provide an unsurpassed range of real estate advisory services including merger & acquisitions, due diligence, valuation, lease consulting, restructuring, litigation support, forensic accounting, financial outsourcing, IPO advisory, REIT tax structuring and compliance, executive compensation, development advisory, cost segregation and private client and family office services.

We represent leading public and private real estate entities including equity and mortgage REITs, financial institutions, investment banks, opportunity funds, insurance companies, hedge funds, pension advisors, family offices, owners/developers, tenants and government agencies.

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EXPERTS WITH IMPACT™

About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities..

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