

## Leasing Commercial Space? 10 Questions for Massage Therapists to Ask

by Dale Willerton

Massage therapy tenants have plenty of homework to complete prior to opening up or expanding a clinic location. An often-overlooked element in the entire process for massage therapy tenants is to prepare themselves for lease negotiations with their landlord. By asking plenty of educated questions prior to signing a formal lease, you can better ensure a more equitable lease deal, which can help you to gain maximum dividends.

These 10 questions are only the beginning of what you need to know from your landlord. By asking these questions, you will better protect yourself, your interests and your investment.

- 1. Who is the landlord?** Will you be dealing with a large institution, a bank or a small, independent, "mom and pop" landlord? Different negotiating strategies work better on certain landlord types.
- 2. Where is the landlord physically located?** A local landlord is often more accessible, thus making any dealings prior to and following signing the formal lease easier. When a landlord is not around, personal meetings become more difficult to schedule.
- 3. Is the person in charge of property management on-site?** Similar to the preceding point regarding absentee landlords, ensure that your property manager is readily available to deal with any concerns you may have. Property managers may well look after multiple sites (not always in the same city or town) and cannot remain at one location on a full-time basis.
- 4. Who were the two most recent tenants to move in and when?** Approach these tenants, identify yourself as a potential new neighbor and ask them how their lease negotiations went. If the leasing agent claims he/she has only recently acquired the listing and does not know, push for the details.
- 5. Who were the last two tenants to move out?** When and why did they move out? Did they move across the street or did they close? As before, you will want to speak to these former tenants and ask for more details about their reasons for leaving as well as their opinions of the landlord, property manager and the property itself.
- 6. How long has the landlord owned the property?** Long-time landlords are knowledgeable about the property, will retain interest in continued ownership and have more realistic rent expectations. A new landlord may have a high mortgage and charge tenants higher rents to cover the cost.
- 7. What is the building's history?** An older building may require further upkeep and maintenance, which tenants pay for in Common Area Maintenance (CAM) charges. If there has been a high turnover of tenants in the past, for any reason, this should raise a red flag for you. Also, has a similar-use tenant previously leased space within the property and either closed the business or moved elsewhere within the past 10 to 20 years?
- 8. Who is doing the property leasing?** Knowing who you are dealing with will help you better prepare for negotiations. Is this a big leasing brokerage, a property manager or the landlord's son? Real estate agents must follow a code of conduct; however, they often can only share what the landlord has told them. A less-than-reputable landlord doing his own leasing may tell you anything to get you to sign.
- 9. Who is the property's biggest tenant (the anchor tenant)?** How secure is this anchor's tenancy? The anchor tenant(s) typically attract the most traffic to a property, so you will want to confirm they will be staying. Tenants in a strip mall located near my home were caught unaware when Safeway, the anchor tenant, moved out. Despite having a long-term lease, a grocery anchor can often move their store but continue to pay the rent, thus disallowing any competitor to move in.
- 10. Is the building for sale?** Building owners looking to sell their building will have different motivations with prospective tenants. Also, consider that you may like the current landlord but dislike the new landlord.

Posing questions, especially to a more experienced landlord or property manager, may be uncomfortable and perhaps even a little intimidating. Be confident with asking questions; these individuals are typically open to providing answers. And before you hang your proverbial shingle, it is always best to be informed as much as possible.

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