



BRITISH
COLUMBIA

National Executive Forum on Public Property Members' Retreat 2008 Lease vs Own Considerations: In-House Lease Administration

Ministry of Labour and Citizens' Services

Accommodation and Real Estate Services

Shared Services BC

November 6 - 8, 2008



Lease vs Own Considerations: In-House Lease Administration

BEST PRACTICE

- Involve Lease Administration group early – have the Lease Administration group review the lease prior to being sent to the landlord

BENEFITS

- ✓ Lease Administration group can comment on any conflicting clauses or potential issues and make audit comments before any invoices received from landlords

Lease vs Own Considerations: In-House Lease Administration

BEST PRACTICE

- Perform Excellent Lease Extraction – Accommodation and Real Estate (ARES) Cost Sheet and analysis is an excellent lease extraction
- Gives a complete and thorough picture of the lease

BENEFITS

- ✓ Allows ARES to administer lease throughout the term
- ✓ Allows ARES to effectively audit landlord invoices

Lease vs Own Considerations: In-House Lease Administration

BEST PRACTICE

- Use of an Electronic Document Management System: Accommodation and Real Estate Services stores all leases and related documents in one electronic location

BENEFITS

- ✓ Easy access and reference for all staff

Lease vs Own Considerations: In-House Lease Administration

BEST PRACTICE

- Use standardized data storage – consistent information entered in database

BENEFITS

- ✓ Effective retrieval allows for a quicker response time

Lease vs Own Considerations: In-House Lease Administration

BEST PRACTICE

- Use Standard Estoppel Certificate – completed only by the Lease Administration group

BENEFITS

- ✓ Estoppels are thoroughly understood and the risks associated with inaccuracies or misunderstandings are minimized

Lease vs Own Considerations: In-House Lease Administration

BEST PRACTICE

- Audit every invoice – at a minimum 20% of the leased portfolio should have an annual audit; ARES audits every invoice received.

BENEFITS

- ✓ Cost savings – for ARES this is approximately \$1 million dollars per year



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- Thank you
- Summary comments
- Questions