



Product Line:
Real Estate
Management
Services

Product:
Lease
Administration

**Measures/
Technology:**
Oracle-based Lease
Management System

Industry Sector:
Media

A major media client approached our Lease Administration team to help them amalgamate their national and international rent budgets under the control of its Corporate Real Estate Office. Rents for international leases were previously paid by the local media bureaus in each particular country and they did not find this manageable long-term.

Background

The major media client's objective was to have more control of their international leases, including the centralized payment of rent and a focused approach to dealing with landlords on operational issues. Up until this point, all of the lease payments and interactions with landlords were being carried out by the local bureaus. These bureaus did not have the real estate expertise to properly manage the landlords and ensure landlord compliance with the lease documents. After

successful negotiations with the client, the BGIS Lease Administration team was given the mandate to manage the international leases for locations such as Washington, New York, Paris, London, Moscow and Beijing.

Our Solution

Our solution began with introductions between the client and key team members in IT and Finance in order to develop a strategy to achieve an International Rent Roll. A plan was developed to ensure that rents would be paid by the "go live" date of November 1.

Key Benefits

This project allowed all of the client's international leases to be managed in one centralized location from Canada. It provided:

- One centralized location
- More control on rent payments
- Real estate expertise on managing leases

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We have the expertise to manage a client’s leases no matter where they are located and no matter what currency is required. It allows us to provide more comprehensive lease administration services beyond our North American borders.

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- Director, Lease Management Services

This solution involved the following steps:

- creating new Bill Codes, Billing Groups in the system to run a separate rent roll for International Leases
- Setting up the leases in Oracle
- Issuing Lease Management Notices to the various landlords
- Obtaining the necessary banking information from each landlord
- Validating information entered by Corporate Finance
- Performing testing functions in a test environment
- Running a Rent Roll in foreign currencies
- Preparing a funding request report in CAD funds for funding purposes
- Lease Management of International Leases includes:
 - rent payments;
 - preparing an annual 5 year budget in two different currencies (Foreign and Canadian);
 - assistance with operational matters that arise, including lease interpretation and correspondence with landlords to address operational issues by enforcing lease clauses etc.

Key Players

The Senior Director Realty Management and the Director of Lease Management, as well as the Senior Lease Administrator all managed the solution to this client’s requirements in a variety of ways



- Overall accountability for project,
- Tactical delivery of overall solution, and
- gathering lease information, inputting and testing

This solution required close interaction with Corporate Finance on determining various foreign currency exchange rates in order to pay the appropriate rent each month.

Opportunities

Multinational corporations such as this media client manage their leases and rents using a variety of strategies and processes. Unifying their processes and their management group can minimize their payment processes, overpayment, and confusing around international currencies, as well as taking the hassle out of international transactions.

