

REAL ESTATE MANAGEMENT SERVICES

AUDIT

Major lease audit of a premier downtown location

Product Line: Real Estate Management Services

Product: Lease Audit

Measures/Technology: Full Forensic Audit using proprietary software

Industry Sector: Financial Institution

When a major financial institution required a lease audit spanning several years, BGIS rose to the challenge, fulfilling a complex audit that resulted in over \$2M in savings for the client.

Background

A recent Lease Audit was conducted by BGIS on a financial institution's main offices, a large mixed-use property in downtown Toronto with Office/Retail and Parking components. Encompassing a period of many years, the audit looked at Capital Costs, Interest, Management Fee, Cost Allocations, Parking and Utilities charges among other areas.

Our Solution

The complex audit encompassed a period of many years, throughout which the BGIS Lease Audit team worked closely with the landlord, and with the client. The Lease Audit team worked with the landlord to ensure all was in accordance with the client's lease terms. It required numerous on-site visits, meetings, contract reviews, and detailed calculations, as well as a very complex review of Realty Taxes and Realty Tax Refunds from 2002 to 2013.

Key Benefits

One of the key benefits BGIS Lease Audit services generate is future savings. This benefit is cost-free to clients and carries on until the end of a lease term. Another benefit is an analysis of costs per square foot – lease benchmarking – which allows clients to compare the costs of all locations by type, size and geographic area so they can make informed decisions.

“ The BGIS Lease Audit team rose to the challenge and proved that strong teamwork and collaboration are the steps that resulted in over \$2M in savings for our valued client.

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- National Managing Broker,
Real Estate Services

Through its efforts, Lease Audit was able to discover a number of areas in the year-end reconciliations that required adjustment by the landlord, specifically in all the categories. In addition, a new innovative approach by the Lease Audit team discovered a new savings of Management Fee on the successful Realty Tax Appeal refund. In the end, the Lease Audit Savings for the client's occupancy at their location over the past four years was \$2,096,785.

A Senior Manager at this financial institution was more than satisfied with the results. "Your persistence paid off. Congratulations. Now, we can use this success to set a precedence."

Key Players

The Lease Audit team worked in a collaborative manner to reach this achievement with the client's real estate team, the landlord and Lease Administration.



Opportunities

BGIS Lease Audit services provides clients with a cost-free contingency opportunity to ensure lease compliance and improve their bottom lines. These services can benefit any businesses with leased locations, and may result in successful tax appeal refunds, as well as contract extensions and recommendations.



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