

December 9, 2010

## Commercial Leasing Timelines – Retail, Restaurant, Entertainment

<b>Activity</b>	<b>Time</b>	<b>Notes</b>
Marketing	12-24 mo.	It can take over a year to find a tenant who wants to negotiate a lease on this specific location/premise. Size/location/condition are all considerations.
Tenant qualification	1-2 mo.	Landlord obtains information to qualify prospective tenant (financial information, business plan, etc.)
Letter of intent negotiations	1-2 mo.	
Draft lease, lease negotiations (financing, construction costs, licenses/permits).	Up to 6 months	Includes: Build-out estimates (tenant hires architect, draws up/prices out plans) Tenant/landlord obtains necessary license (i.e., liquor license), permits for build-out Tenant financing (application, approval, closing- can take up to 2 months for WBD/SBA loan)
Lease signed		
Build-out	1-4 months	Bids, construction
Preparation for opening	2 months	Store or restaurant fixturing, merchandise delivery, stocking, employee hiring/training
Business opens		
	<b>up to 3 + years</b>	

Timeline begins once property owner has control/possession of property (in case of tenant going out of business).

Each deal is different.

Example: For Francesca's restaurant on MLK (which went into a new space, so no need for former tenant to vacate), it was 3½ years between the time the property was first listed (Feb. 2007) and marketing started, and when the restaurant opened (July, 2010). It took over 20 months to find the right tenant, and 22 months from when the tenant first toured the property through lease negotiations and build out until the restaurant opened.