Leasing - Frequently Asked Questions

**Why do I need to fill out a form, and why do I need all of the required signatures?**

The form is a template that will assist in determining your specific requirements. Specifically, it will help determine how much space is required, the type of space, and budget figures that will help with determining the overall cost of the lease. It will also identify the source of funds which will be used to pay for the rent and related expenses.

The signatures acknowledge that the department, school, provost and others endorse the request and monies are available to cover the cost of the leased space.

**When the form is filled out and approved, what is the next step?**

Real Estate and Leasing Services (REALS) will contact your representative to review the request and further discuss any specific requirements that you may have. Once the real estate need is understood, REALS will conduct market research and provide you with a range of properties that may be appropriate. Working closely with your office representative, the list of properties will need to be reduced to a working number (three to five properties) that will be suitable. REALS will then issue a Request for Proposals to the properties that are best able to fulfill the requirement. REALS and your department will evaluate the proposals submitted, and REALS will negotiate to procure the space.

**How long will the process take? I need space next week.**

Once the signed space request is in place, it will take a month working with your representative to identify suitable locations. It will then take an additional six to eight weeks to issue the Request For Proposals (RFP) and provide time for the landlords to appropriately respond. Once we have identified best offer, it will take another month or two to finalize the lease terms, and obtain internal approvals from Risk Management, General Counsel, and the Comptroller’s office. Generally, you should allow for a minimum of four months if there are no out of the ordinary space needs, a requirement for fiber optic cable, or specific renovations / alterations that need to be constructed. If any of these items need to be addressed, the time prior to occupancy may be much longer.

**I have identified the space I want and have spoken with the owner. This is a done deal, please process the paperwork.**

The University is required to use a competitive lease process and to that end we need to identify a minimum of two to three acceptable locations and essentially have the landlords compete for our business. This process helps to ensure competitive pricing and provides the market place an opportunity to earn business from the University. REALS is the authorized point of contact for owners and agents, and we will represent you whenever you are interested in acquiring leased space. For further clarification regarding leasing activities for the University please see University of Virginia Policy ID PRM-012.

**This process is too complicated, may I please talk with someone?**

Yes, do not suffer in silence. Call Louise Gilliam, 982-5844 or Charlie Hurt, 982-5914.
I know it does not take private enterprise this long, why is it so complicated here at the University?

The University is an educational institution of the Commonwealth of Virginia and is subject to the Code of Virginia and other policies and procedures enacted by state government. With that being said, responsibility for leasing rests with the University and we are able to conduct our leasing program. This authority is taken very seriously by the University, and it is incumbent upon the institution to ensure that our business practices are thorough, competitive and in full compliance with applicable regulations and laws.

Besides the time requirement, what are the other challenges with the process?

Certain aspects of leasing office space are not as intuitive as they might be, such as:

- The availability of fiber optic connectivity to the building
  A dedicated fiber optic line can be very expensive (tens of thousands of dollars) and that is why REALS often strongly suggests locating in a building that already has fiber connectivity. A fiber optic connection provides seamless connectivity to the university phone and data system, to include UVa phone numbers. Determining the availability and cost of fiber optic connectivity to any particular building can take a month or more.

- Cost of internal space build-out
  If internal build-out or construction is required, we will need to generate a plan detailed enough for the landlord to price and construct same. Often times, the landlord will bear the cost of the plans, but sometimes they are unwilling to do so and that makes it difficult to price out different buildings and determine which layout provides the best value. Construction costs may be included in the rent or they may be paid up front by your department.

How do we renew or extend the term of our occupancy / lease?

Most leases have a “notification” period that requires the tenant to notify the landlord of their intention to 1) extend or renew the lease or 2) to terminate the lease and move out. The lease document should have a section that addresses renewal terms and options as well as specifying the notification period. If your lease is scheduled to terminate, or the renewal periods have been exhausted, REALS should be able to work with the landlord and negotiate a lease extension or new lease. Please call REALS to confirm your lease terms and tell us about your requirements to extend the lease.

We would like to lease additional space, how do we do that?

Leasing additional space is not difficult. You will need to provide evidence that you can pay for the space and that your department supports you in that effort. The best way to accomplish this is to submit a space request documenting the space you need and the appropriate permissions. Once the completed space request is received, we will contact you to review, and then work with you and the property owner to meet your needs.

How do we terminate a lease early or exit before it expires?

Terminating a lease early is very difficult to do. The lease document is a binding contract between the University and the property owner. Unless the owner is willing to allow you to terminate early, there is really no way to break the contract, and your department will remain responsible for the rent until the end of the contract. Generally, the owner does not have any motivation or reason to release the University from its lease and forgo future rent.
Our department leases space in a number of different locations and would like to collocate / consolidate our space in one location. What is the best way to do that?

Consolidating leases or collocating is a good idea. The challenge is to get the new space ready for occupancy at the same time the other leases are terminating. We may need to amend the leases so the timing of moving from one space to another matches up with the occupancy dates of the “main” space.