

Lease Market Survey Procedures

Updated October 6, 2011

On occasion, program officials are requested to either attend or perform a market survey. The purpose of the market survey is to identify potential locations capable of meeting the program's minimum requirements. A physical inspection of each building is conducted and documented to ensure equal consideration of properties, and to assist in the negotiation of the lease. The results of the market survey will determine which buildings will be solicited.

To start the process, the Realty Specialist (USDA or GSA) will place an ad on-line, in the local newspaper, and/or contact local realtors/brokers to identify available space within the delineated area provided by the program. The program may also provide sites of interest to include in the market survey.

PROPRIETARY INFORMATION

Please remember that all the market survey information is proprietary and cannot be shared with your current Lessor, other building owners/brokers/realtors, and your employees or people not involved in the project. This includes information such as the number of buildings visited, the name(s) of the broker(s)/realtor(s), building owners, building locations. You can tell them your current rental rate. If in doubt, please ask the Realty Specialist.

The Realty Specialist who is working on your project will either schedule the market survey appointments and conduct the market survey with a program representative(s), or guide you through the process so you can schedule and perform the market survey on your own. Each appointment will take 30 minutes to 1 ½ hours, depending on complexity and travel time.

Your Role is to survey each potential space, including the building, parking, and surrounding environment, to determine its suitability. **If you have any concerns about the space or its surroundings, it is important to make note of it and discuss it with the Realty Specialist as early as possible in this process.**

You will need to bring a camera; photos are required for each site visited. These photos are useful for remembering various locations as well as providing evidence of issues with a specific property. Take photographs of the building, space(s) being offered, and even the building's surroundings. It is also helpful to take photographs of anything that may need future attention, such as water leaks, handicapped accessibility issues, and building features/amenities that are desirable or undesirable.

The MRP Form 112 (Lease Market Survey) is available at <http://www.aphis.usda.gov/mrpbs/forms/realty.shtml>.

Providing as much detail as possible will reduce confusion later in the process. **Remember you are not negotiating, but simply gathering information.** It's fine to ask the price of the space and make a note of it for future references, but don't "dicker" or express an opinion of value one way or another.

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Be sure to keep the following in mind:

- Is the space within your delineated area?
- Is the general area desirable? Walk around the block and observe who is next door and across the street (you don't want to be next to bars, pawn shops, etc.)
- Is the exterior of the building modern and well kept?
- Has the landlord maintained the building or is the appearance that of only doing what is absolutely necessary?
- Is the building and space offered accessible to the handicapped?
- Will this space work for your program's minimum requirements?
- Is the proposed block of space vacant? If not, when will the space be available?
- While it is important to find space you like, avoid being overly enthused about a particular property. If there are several properties that can meet your needs, the lease proposal process will determine which one presents the best value to the Government. If a particular space will not meet your needs, and cannot be modified to meet your minimum needs, now is the time to make that determination, not after they submit their offer.

Be sure to sign the market survey form and state if the space will/will not be solicited. If a decision is made not to solicit a property, a detailed explanation/justification must be provided. **THIS STEP SHOULD NOT BE DONE IN THE PRESENCE OF THE OFFEROR OR BROKER.**

Once completed and signed, the form(s), along with any photo's or other documentation, should be sent to the Realty Specialist. Once they are received, the Realty Specialist will contact you to discuss.

The Realty Specialist then will issue a Request for Lease Proposals (RLP), and begin the lease negotiation process.