

# LEASING VS. OWNING: WARNING SIGNS

Ok, so with the action steps identified, we know how to get to our positives. It's time to break it down on the other side.

Let's get specific and start breaking down some warning signs and potential red flags early on for these poles. Note: these should be things you can literally measure or count. Be specific.

Here is a visual example of the exercise I performed:

## Red flags: Left Pole (Renting)

- Your initial costs seem to be getting higher than expected.
- There are not options/available areas to expand or contract to suit your business over time.
- The lease term/commitment seems too long for comfort.
- You do not have an accurate idea of what the landlord/management is like. Concerns with quality of building/solving issues.

## Red flags: Right Pole (Owning)

1. The financial terms for the purchase are scary/too much to bear.
2. Lender requirements are onerous and seem too risky.
3. Your employees are concerned about the commute to the long-term location choice.
4. You do not feel comfortable renting to others or managing the asset.
5. You think you will outgrow this space in under 5-7 years.