

LEASE AUDIT A CASE STUDY

Contracts are the backbone of any business transaction in real estate. They contain all the information relevant to the terms and conditions, detailing obligations, compensations, shares, and more.

They're vital for solving disputes and ensuring a good relationship between all parties involved in the contract. That's why it's important to ensure all the information in these documents is in proper order, and lease audits enable clients to verify that data in their systems is in line with the lease agreements and avoid worrying about violating clauses and similar risks.

However, lease audits are time-consuming, and not everyone has the knowledge and experience needed to audit their documents properly. An example from one of our clients can shed light on why audit services are required.

ABOUT THE CLIENT

The client is a property management company operating in Canada and focused on the Canadian market. Given their size and scope, they regularly on-board new properties into their system.

While definitely useful, the process requires extensive care to ensure the information entered is accurate. Said care translates into time and resources allocated solely for this purpose.

CURRENT BUSINESS SCENARIO AND ISSUES

The client took over management responsibilities for more than 25 properties, previously under a different firm's administration. This process is usually straightforward, and it involves moving data from the previous company's system into the new one via a migration project.

The client wanted to make sure there were no discrepancies between the data being brought into their system and the actual leases

The problem appears when considering the existence of hundreds of contracts. All of these had to be reviewed carefully to extract the necessary information. Then, this information needs to be compared to the data entered in the client's management system, which takes a lot of time

At the same time, they needed to consider the different formats of the leases, their language and terminology. It was an extremely complex task that would strain their management time and resources significantly.

OUR SOLUTION

Identifying that there is an issue, the client contacted Assetsoft for their auditing services. The request was to run the audit for the lease documents against the data entered into their system.

Assetsoft offers specialized resources with the necessary experience and skills to understand the language and formatting used in all the lease documents. Team reviewed hundreds of documents and extracted the necessary information: both monetary and non-monetary

Once extracted, the information was compared to the data that had already been entered into the client's system and discrepancies reported, including charges, deposits, areas, contacts, and dates.

Then, discrepancies between the documents and data were compiled into an easy-to-understand report, by highlighting the differences. This way, the client was able to seamlessly spot the necessary revisions with minimal efforts.

CONCLUSION

Assetsoft's team of consultants had rich experience in commercial real estate documenting; they could easily understand the received information, and the system's accuracy as well as the time it took to get there.

Lease audits can be tedious, but they're vital if any company wants to ensure optimal operations, save money and discover any missing revenue

If you want to benefit from lease audits without spending your own time and resources, [click here to find out more](#).