



The Greenberg Group, Inc.
Real Estate Advisors to Leading Retailers

LEASE RISK CHECKLIST

This checklist highlights the most common risks CFOs and CEOs should evaluate before committing to a new lease. It is designed to identify red flags early, reduce surprises, and improve the long-term profitability of each location.



FINANCIAL RISKS

- Occupancy costs above benchmark ratio (typically 10–12% of sales).
- Unrealistic landlord sales projections or rent escalations.
- Hidden CAM (Common Area Maintenance) or pass-through charges.



MARKET & SALES RISKS

- Projected sales not validated by trade area demographics or comps.
- High cannibalization risk from nearby existing stores.
- Footfall quantity without quality (visitors $\neq$ buyers).



LEASE STRUCTURE RISKS

- Restrictive co-tenancy clauses not aligned with your key co-tenants.
- Unfavorable renewal options or early termination penalties.
- Lack of flexibility for pop-up, relocation, or downsizing.



OPERATIONAL RISKS

- Insufficient visibility, access, or parking for target customers.
- Seasonality or tourism dependency without diversified demand.
- Staffing challenges tied to labor pool availability or local costs.



STRATEGIC RISKS

- Misalignment with long-term brand strategy (street vs. mall vs. outlet).
- Overexposure in a single market or retail format.
- Lack of alignment with board- or investor-approved metrics.