SAVEONLEASE

CAM / NNN Lease Audit Summary

Estimated Avoidable Exposure (Next 12 Months)

$7,500 – $14,000

This estimate reflects CAM, NNN, escalation, and reconciliation language identified in your lease.

Executive Summary

Our review of your lease structure and cost pass-through provisions indicates an estimated $7,380 - $15,700 in avoidable operating expense exposure over the next 12 months alone.

The primary exposure drivers are structural — uncapped CAM escalation, landlord-controlled capital allocations, and management fees without defined limits.

Absent proactive review, these provisions typically compound year-over-year and materially weaken tenant leverage prior to reconciliation, audit, or renewal discussions.

Scope of Review

- Lease-defined CAM and NNN escalation mechanics
- Capital expenditure recoverability language
- Management and administrative fee limitations
- Pro-rata allocation methodology
- Audit window provisions and dispute deadlines

Estimated Avoidable Exposure - 12 Month Roll-Up

Risk Source	Conservative	Aggressive
CAM Escalation Exposure	$2,880	$7,200
Capital Expenditure Allocation	$3,000	$6,000
Management Fee Overages	$1,500	$2,500
Total Estimated Avoidable Exposure	**$7,380**	**$15,700**

Why This Matters

Operating expenses across retail and office properties are increasing due to insurance repricing, tax reassessments, and capital items being allocated through CAM.

Most commercial leases restrict audit rights to a 12-24 month window. Once closed, recovery of overcharges is typically unavailable.

Addressing structural exposure before reconciliation or renewal materially improves negotiating position and reduces long-term cost creep.

Multi-Year Exposure Illustration

Even modest annual exposure can compound significantly across a multi-year lease term. For example, $7,380 annually over a five-year term represents approximately $36,900 in cumulative exposure if structural provisions remain unchanged.

Bottom line

For this lease, a reasonable, defensible estimate of avoidable CAM / NNN exposure over the next 12 months is:

$7,380 - $15,700

What We Review in Your CAM / NNN Structure

We analyze your lease language and operating expense structure to identify structural provisions that commonly lead to overcharges or compounding cost exposure.

- Administrative & management fees above lease-defined limits
- Insurance and tax pass-throughs applied outside allowable categories
- Capital expenses shifted to tenants improperly
- Pro-rata share and square-footage allocation errors
- Charges billed outside defined audit periods

How Exposure Is Derived

Exposure modeling is based on specific lease provisions identified within your agreement.

Applied market-observed CAM inflation sensitivity ranges (10–25%) to uncapped categories.

Modeled capital expenditure allocation using standard amortization and recoverability benchmarks.

Benchmarked management fee structures against prevailing 3–5% industry norms for comparable asset classes.

Modeled exposure conservatively — not worst-case assumptions.

Audit Windows & Timing Risk

Most commercial leases provide tenants a limited window — often 30 to 120 days — to dispute CAM and NNN charges after reconciliation statements are delivered. Once that window closes, even incorrect charges may become difficult to recover.

Recommended Next Steps

- Confirm audit window deadlines and upcoming reconciliation timelines.
- Formally request detailed CAM backup, capital allocation schedules, and supporting invoices.
- Evaluate management fee structure against market benchmarks and lease-defined limits.
- Initiate structured tenant inquiry prior to reconciliation, renewal, or amendment negotiations.

Lease Health Score

Overall Structural Risk Index

95 / 100

This lease structure demonstrates comparatively strong cost controls. Continued monitoring is advisable to prevent erosion of protections.

Cap Protection: 93
Allocation Clarity: 94
Fee Discipline: 98
Cost Predictability: 95