

Should you share a building with another company?

Your business home is no longer meeting your space needs or you've decided to evacuate your garage and home study for the freedom of your own business location.

A quick online search reveals the challenge of finding that ideal spot. Commercial availabilities aren't as easily Googled as the house you bought last year. You may have happened upon a solution to your space quandary, however. A guy at your church is strapped for growth as well and has offered to share a building with you. Or, your buddy from the gym owns a building, has excess capacity and will allow you to move in.

Great, in theory. But, in practicality, is this a good idea? Indulge me as we examine the question.

Cultures. Companies that merge business operations frequently deal with differing cultures, similar to cohabiting. As

an example, will your employees be allowed to eat at their desks, bring pets to work, or use the internet personally? What about child care? Are there facilities on



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site? Is business dependent upon destination visitors who require meeting space? Are the employees housed in cubicles or private offices. If your business cultures are disparate, conflicts will quickly arise.

Hours of operation. If the majority of your customers are on the East Coast, you'll need access to the building early in the morning. Conversely, West Coast customers can be managed on Pacific time. Are you a weekend operation and your host a Monday through Friday, 9-to-5er? Is the location surrounded by houses, which would cause after-hours truck delivery issues? You'll need to have a candid conversation if your hours differ.

Security. Your host warehouses corru-

gated boxes. You, on the other hand, sell electronic components. Can the storage space be cordoned off so that sticky fingers are discouraged? Will all of the employees of both companies be given keys? How will folks arriving and leaving at different times be handled?

Physical space. Your operation is largely conducted in the offices. Your host or partnering company needs production or warehouse space. Is the building suited for such sharing? What if you and your building partner are sharing the offices. Is space sufficient, private, and properly wired for internet and phones?

Business agreement. Please, if you do nothing else, get your agreement in writing. The agreement should include the rent, term, and utilities, among other things. In the example of leasing a new space for shared occupancy, you should discuss which company will sign the lease and take responsibility for the owner obli-

gation. Clearly, rent and other expenses will be shared, but this can be outlined in a sub-agreement to the owner lease. Ideally, the owner will lease to both companies. However, if one company defaults, the other is on the hook.

Conflicts. Plan on these. While you and your partner are pleased with each other, carefully forge an understanding to work out any disagreement that will occur.

Identity. Will each business have a separate entrance and signs? How will arriving customers for one company find it? Will the operations have a common lobby, receptionist, and conference room?

Details, details. Maybe you should scour the market again for your own place.

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