

# Today's Campus

Formerly *The Greentree Gazette*,  
Today's Campus is published by  
**THE GREENTREE GAZETTE**  
CORPORATION

## Q&A

WITH JEFF WENDT



## ***Bob Mohr***

***Chairman and CEO***

***Mohr Partners, Inc.***

*Mohr Partners represented corporate tenants in 2,300 lease transactions in 2008. A growing number of them were career colleges expanding their operations.*

### **Why is the University of Phoenix ubiquitous on the 405 Freeway in Los Angeles?**

They are building and maintaining brand. They describe themselves as the largest university in the U.S., if not the world. That stretch of highway handles a microcosm of the entire U.S. economy every day. Perhaps, because they're so successful, there may be some ego involved as well.

### **Was theirs a real estate decision?**

It's all about getting to their potential customers. Where the real estate is located is part of it. The price paid per square foot is also part of it. The school's overall objectives in a particular market area should drive the real estate decisions.

### **Can you cite another example in Dallas?**

Alta College located their Westwood facility at the corner of the LBJ and Central Expressways. Their relatively inexpensive space has high visibility and also provides convenient access in a city where people travel by car.

### **What are some common concerns when schools expand?**

Visibility. Access. Demographics. Parking. Price. Suitability for academic purposes.

### **What demographic research might be involved in selecting a location?**

We have an entire division of 12 people who do demographic research, complete with G.I.S. mapping systems and analytical tools. Before any tenant inspects a single property we have a list formulated based on consultations with them. Again, the right real estate advances the school's mission.

### **What's involved in deciding whether to lease or purchase?**

Very few career colleges own their premises. The exceptions tend to be smaller schools and schools with family ownership. Most schools want to put their money into core mission, rather than real estate. Companies like ours help them do that successfully.

### **Cite some common leasing pitfalls.**

Failing to obtain exclusive rights within the building to operate a school. Negotiating less than optimal landlord-furnished improvements. Negotiating less than favorable common area factors. Inadequate parking. Failure to flush out zoning problems before signing. Failure to negotiate a proper termination option. Failure to secure optimal landlord-paid signage. Failure to negotiate free rent and other available considerations at the time.

### **The top five U.S. markets for career colleges in 2009-10.**

*Courtesy Mohr Partners, Inc.*

**New York, NY** – A large population hospitable to for-profit education evidenced by growth during the past 5 years.

**San Antonio, TX** – Large Hispanic population with a lack of traditional education opportunities.

**Pensacola, FL** – Retrain people leaving the military for re-entry into the workforce.

**Detroit, MI** – Auto industry has crashed; workforce needs retraining.

**Charleston, SC** – Furniture and textile industry have crashed. Workforce needs retraining.