



**Vertical**Consultants  
Your Cell Tower Lease Experts

**PROPERTY OWNER'S  
GUIDEBOOK:**

**HOW TO GET A CELL TOWER  
ON YOUR PROPERTY**

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## **HOW TO REGISTER LAND FOR CELL TOWER LEASE:**

While we do not provide leasing services, we would welcome the opportunity to consult, advocate and negotiate an optimal cell tower lease agreement on your behalf for any new agreement you may receive. Our primary objective is to ensure that property owners have the best lease agreements and collect the maximum amount of rent for the life of the lease. Please note that we do not have any affiliations with the companies listed below and the following information is only shared as a resource in hopes that you will be able to secure a lease offer quickly.

Please use the provided email address listed to register your property with the applicable company, or the applicable website link to fill out an online form that will direct your property information to an appropriate contact within that company.

In addition, we have provided some general information, resources and tips about the cell tower industry, rent rates and the pro and cons of leasing your land for the occupancy and use of a cell tower company.

**CONTACT/PROPERTY REGISTRATION INFORMATION**  
**FOR OVER 60 CELL TOWER COMPANIES**

**SBA**

<https://www.sbsite.com/English/working-together/property-owners/default.aspx#>

8051 Congress Avenue  
Boca Raton, Florida 33487  
Phone: 800-799-4722, Ext. 9522  
information@sbsite.com

**Crown Castle**

<https://www.crowncastle.com/tower-leases/land-registration-form>  
2000 Corporate Dr.  
Canonsburg, PA 15317  
Phone: 877-486-9377  
[lohd@crowncastle.com](mailto:lohd@crowncastle.com)

**American Tower**

<https://www.americantower.com/us/property-owners/>  
Phone: 866-586-9377  
landlord.relations@americantower.com

**Vertical Bridge**

<http://www.verticalbridge.com>  
Vertical Bridge REIT, LLC  
750 Park of Commerce Drive  
Boca Raton, Florida 33487  
Phone: 561-948-6367  
[jcrawford@verticalbridge.com](mailto:jcrawford@verticalbridge.com)

**Insite Wireless Group**

<http://www.insitewireless.com/contact/>  
1199 North Fairfax St., Suite 700  
Alexandria, VA 22314  
Phone : 703-535-3009  
Toll-Free: 866-886-8807  
info@insitewireless.com

**Diamond Communications**

<http://www.diamondcomm.com/contact-us/>  
820 Morris Turnpike, Suite 104  
Short Hills, NJ 07078

Phone: 973-544-6828  
info@diamondcomm.com

**Phoenix Tower International**

<http://phoenixintl.com/general-questions/>  
999 Yamato Road, Suite 100  
Boca Raton, FL 33431  
Office: 561-257-0557  
Fax: 561-257-0558  
USAM@phoenixintl.com

**Tower Ventures**

<http://www.towerventures.com/contact/>  
495 Tennessee St., Suite 152  
Memphis, TN 38103  
Phone: 1-800-875-5109  
Fax: 901-366-5736  
info@towerventures.com

**C Spire**

<https://www.cspire.com/wireless/>  
1 (855) 277-4735  
Submit Your Site:  
[https://www.cspire.com/company\\_info/about/network/property.jsp](https://www.cspire.com/company_info/about/network/property.jsp)

**Grain Management**

<http://graingp.com>  
100 N. Washington Blvd.  
Sarasota, FL 34236  
Phone: 941-373-0033  
info@graingp.com

**Subcarrier Communications**

Submit Your Site:  
<http://www.subcarrier.com/submit.php>  
Phone: 732-607-2828  
subcom1@subcarrier.com

**Central States Tower**

<http://www.centralstatetower.com/contact/>  
323 S. Hale Street, Suite 100  
Wheaton, IL 60187  
Phone: 630-221-8500  
info@centralstatetower.com

**SkyWay Towers**

[http://www.skywaytowers.com/contact\\_us.aspx](http://www.skywaytowers.com/contact_us.aspx)  
3637 Madaca Lane  
Tampa, FL 33618  
Phone: 813-960-6200  
[questions@skywaytowers.com](mailto:questions@skywaytowers.com)

**Horvath Communications**

<http://horvathcommunications.com/contact/>  
312 W. Colfax Ave.  
South Bend, IN 46601  
Phone: 574-237-0464  
[jdelauder@horvathcommunications.com](mailto:jdelauder@horvathcommunications.com)

**K2 Towers**

<http://www.k2towers.com/ContactUs.html>  
86 West Street  
Chagrin Falls, Ohio 44022  
Phone: 866-962-0904  
Fax: 440-528-0334  
[info@k2towers.com](mailto:info@k2towers.com)

**TowerCo**

<http://www.towerco.com/simplicityfound/contact/index.aspx>  
5000 Valleystone Drive  
Cary, NC 27519  
Phone: 855-653-5700 or 919-653-5700  
Fax: 919-469-5530  
[jwoodward@towerco.com](mailto:jwoodward@towerco.com)

**CTI Towers, Inc.**

<http://www.ctitowers.com/contact-us>  
<https://ctitowers.com/application/>  
5000 CentreGreen Way, Suite 325  
Cary, NC 27513  
Phone: 919-893-2841  
[info@ctitowers.com](mailto:info@ctitowers.com)

**ForeSite LLC**

<http://www.foresitetowers.com>  
3975 Asbury Road  
Birmingham, AL 35243  
Phone: 205-437-3200  
Fax: 205-437-3222  
[pbeasley@foresitetowers.com](mailto:pbeasley@foresitetowers.com)

**Mobilitie**

<http://www.mobilitie.com>  
660 Newport Center Drive, Suite 200  
Newport Beach, CA 92660  
Phone: 877-999-7070  
[solutions@mobilitie.com](mailto:solutions@mobilitie.com)

**Nova Towers**

<http://novatowers.com/contact-us/>  
1720 Peachtree Street, Suite 629  
Atlanta, GA 30309  
Phone: 678-261-8738  
[TB@Novatowers.com](mailto:TB@Novatowers.com)

**Branch Communications**

<http://www.branchcomm.net/contact/>  
7335 South Lewis, Suite 300  
Tulsa, OK 74136  
Phone: 918-949-4551  
[jared.ledet@branchcomm.net](mailto:jared.ledet@branchcomm.net)

**Milestone Communications**

<http://milestonecommunications.com/contact/>  
12110 Sunset Hills Rd. #100  
Reston, VA 20190  
Phone: 703-620-2555  
[info@milestonecorp.com](mailto:info@milestonecorp.com)

**Clearview Tower Company**

<http://www.clearviewtower.net/about-us/>  
26 Yolanda Drive  
Edison, NJ 08817  
732-744-0652  
[smejia@clearviewtower.net](mailto:smejia@clearviewtower.net)

**Badger Towers**

<http://www.badgertowers.com>  
P.O. Box 118  
Sheboygan Falls, WI 53085  
Phone: 800-876-1987  
Fax: 920-467-8686  
[info@jasmcom.com](mailto:info@jasmcom.com)

**Performance Development Group**

<http://www.performancedevgroup.com>

17226 447th Avenue

Watertown, SD 57201

Phone: 605-886-2605

Fax: 605-882-4367

[pdg@performancedevgroup.com](mailto:pdg@performancedevgroup.com)

**Heartland Tower**

<http://www.heartlandtower.com>

P.O. Box 130

Auburn, KS 66402

Phone: 785-266-3999 or 800-698-1911

[web@heartlandtower.com](mailto:web@heartlandtower.com)

**Capital Telecom**

<http://www.capitaltelecom.com/contact-us/>

1500 Mt. Kemble Ave., Suite 203

Morristown, NJ 07960

Phone: 973-425-0606

[dbouloy@capitaltelecom.com](mailto:dbouloy@capitaltelecom.com)

**APC Towers**

<http://apctowers.com/contact-us/>

8601 Six Forks Rd., Suite 250

Raleigh, NC 27615

Phone: 919-346-8799

[rhedstrom@apctowers.com](mailto:rhedstrom@apctowers.com)

**Tower Com**

<http://towercomenterprises.com/contact.html>

241 Atlantic Blvd. Suite 201,

Neptune Beach, FL 32266

Phone: 904-880-8887

[cbulloch@towercomenterprises.com](mailto:cbulloch@towercomenterprises.com)

**Tower King**

<http://towerking.com/contact/>

23434 Elliott Road

Defiance, Ohio 43512

Phone: 419-782-8591

Fax: 419-782-3299

[contact@towerking.com](mailto:contact@towerking.com)

**Wireless Asset Group, LLC**

<http://www.wirelessassetgroup.com/towers.html>

5055 Hwy "N" Suite 200

Saint Charles, MO 63304

Phone: 636-922-3400

[contact@networkre.net](mailto:contact@networkre.net)

**Lendlease**

<https://www.lendlease.com/us/contact-us/>

200 Park Avenue, 9th Floor

New York, NY 10166

Phone: 212-592-6700

**Atlas Tower Group**

<http://atlastowers.com>

3002 Bluff Street, Suite 300

Boulder, CO 80301

Phone: 303-448-8896

[info.USA@atlastowers.com](mailto:info.USA@atlastowers.com)

**Hayes Tower**

<http://www.telecompark.com/#contact>

814 Marietta St.

South Bend, IN 46601

574-233-1296 ph

574-232-4609 fax

[info@telecompark.com](mailto:info@telecompark.com)

**Mauna Towers**

<https://maunatowers.com>

Phone: 970-669-9200

[info@maunatowers.com](mailto:info@maunatowers.com)

**Telecom Tower Group**

<http://telecomtowergroup.com/ttg/portal>

2424 Corby Drive

Plano, TX 75025

Phone: 214-440-1668

Fax: 972-618-2941

[rfrench@telecomtowergroup.com](mailto:rfrench@telecomtowergroup.com)

**XIT Communications**

[http://www.xit.net/contact\\_us.asp](http://www.xit.net/contact_us.asp)

12324 US Hwy 87

Dalhart, TX 79022

Phone: 806-384-3311

[customerservice@xitcomm.net](mailto:customerservice@xitcomm.net)

**RG Towers**

<http://www.rgtowers.com>

2141 Alternate A1A South, Suite 440

Jupiter, Florida 33477

Phone: 561-748-0302

[info@rgtowers.com](mailto:info@rgtowers.com)

**MidAtlantic Tower**

<http://www.midatlantictower.com>

636 South Main Street

Emporia, Virginia 23847

Phone: 434-634-6100

Fax: 434-634-4308

[cgrigg@midatlantictower.com](mailto:cgrigg@midatlantictower.com)

**Tarpon Towers**

<http://www.tarpontowers.com/contact>

1001 3rd Ave West, Suite 420

Bradenton, Florida 34205

Phone: 941-757-5010

Fax: 941-757-5009

[jarmour@tarpontowers.com](mailto:jarmour@tarpontowers.com)

**Melody Wireless Infrastructure**

<http://www.melodywireless.com/contact>

4 Greenwich Office Park, 1<sup>st</sup> Floor

Greenwich CT 06830

Phone: 844-MELODY-W

[leaseadmin@melodywireless.com](mailto:leaseadmin@melodywireless.com)

**MidAmerica Towers**

<https://www.midamericatowers.com>

Cummings, GA

815-693-1565

[jay@midamericatowers.com](mailto:jay@midamericatowers.com)

**Tower Sites**

<http://tower-sites.com/contact.html>

17640 W. National Avenue  
New Berlin, WI. 53146-3727

Phone: 262-786-8330

[tmichaels@tower-sites.com](mailto:tmichaels@tower-sites.com)

**STC Towers, LLC**

<https://stc-towers.com>

3311 N 100 E.

Warsaw, IN 46582

Phone: 574-269-4444

[sboylan@stc-towers.com](mailto:sboylan@stc-towers.com)

**Allcomm Wireless**

<http://www.allcomm.com/tower-request.htm>

1508 Noble Street

Anniston, AL 36201

Phone: 800-239-5332

**Community Wireless Structures**

<http://sharedsites.com>

2800 Shirlington Road, Suite 716

Arlington, Virginia 22206

Phone: 703-845-1971

Fax: 703-845-1953

[info@sharedsites.com](mailto:info@sharedsites.com)

**ERS Tower Services**

<https://www.ers-towers.com>

9144 N 900 W

Ligonier, IN 46767

Phone: 800-377-2929

[info@erstower.com](mailto:info@erstower.com)

**Centre Communications**

<http://www.centre-com.com>

150 Radio Drive

Bellefonte, PA 16823

Phone: 814-355-4818

Fax: 814-355-3799

**KGI Wireless**

<http://kgiwireless.com/contact-us/>

805 Las Cimas Parkway

Austin, Texas 78746  
Phone: 512-345-9595  
Bill@KGIWireless.com

**Blue Ridge Telecom**  
<http://www.blueridgetelecom.com>  
469-366-4043

**Morris Communications**  
<https://www.morris.com>  
725 Broad Street  
Augusta, GA 30901  
Phone: 800-622-6358

**Peppertree Capital Management**  
<https://www.peppertreecapital.com>  
57 E. Washington St.  
Chagrin Falls, OH 44022  
Phone: 440-528-0333  
info@peppertreecapital.com

**Clear Signal Towers**  
<https://clearsignal towers.wordpress.com>  
1801 Libbie Avenue, Suite 201  
Richmond, VA 23226  
Phone: 804-915-9694  
Fax: 804-648-4809  
Dorothy@clearsignal towers.com

**Communication and Control, Inc.**  
<http://www.com-ctl.com/contact.html>  
2633 South Bascom Avenue  
Campbell, CA 95008  
Phone: 408-377-2900  
scott@com-ctl.com

**Hemphill**  
<http://www.hemphill.com/hemphillnew/contact/>  
mprewit@hemphill.com  
Phone: 918-834-2200  
Fax: 918-836-6918

**Uniti**

10802 Executive Center Dr.  
Benton Bldg., Ste. 300  
Little Rock, AR 72211  
Phone: 501-850-0820  
[towers@uniti.com](mailto:towers@uniti.com)

**Eco-Site**

<https://eco-site.com>  
<https://staging.eco-site.com/property-registration-form/>  
1010 Sync St., Suite 575  
Morrisville, NC 27560  
Phone: 919-636-6810  
[contactus@eco-site.com](mailto:contactus@eco-site.com)

**Industrial Communications**

<https://construction.induscom.com/contact/>  
40 Lone St.  
Marshfield, MA 02050  
Phone: 800-822-9999  
[wireless@induscom.com](mailto:wireless@induscom.com)

**Communication Enhancement**

<http://www.ce-llc.com/index.htm>  
479 Centennial Blvd.  
Voorhees, NJ 08403  
Phone: 856-782-3700  
[pm@ce-llc.com](mailto:pm@ce-llc.com)

**Municipal Communications**

<http://www.municipalcom.com>  
3495 Piedmont Rd. NE  
Atlanta, GA 30305  
Phone: 404-995-1890  
[pcorry@municipalcom.com](mailto:pcorry@municipalcom.com)

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**Verizon**

<https://www.verizonwireless.com/biz/real-estate-inquiries/>

**T-Mobile**

<https://howmobileworks.com/submit-a-site/>

**AT&T**

<https://www.atttowers.com>

**US Cellular**

Address a letter to:

Real Estate Manager for (Your State)

U.S. Cellular

8410 W. Bryn Mawr Avenue

Chicago, IL 60631

## INFORMATION ABOUT HOW CELL SITES ARE SELECTED

If you are contacted by a cell tower company looking to lease your property, it is always important to understand the factors on how cell towers are selected.

The following factors are items that are taken into consideration by a site acquisition agent/cell tower company when choosing a cell tower site:

**Construction Limitations** – A cell tower company will determine if a property has suitable access and space necessary for construction of a tower. An optimal site will have level terrain, with minimal or no ground or airwave obstructions (i.e. tree cover); as the more obstacles, the more expensive it is for a tower company to construct on a site. A tower company/carrier will sometimes be willing to pay higher rent for a more suitable site in order to avoid more expensive construction costs on a similar site.

**Zoning/Permitting Restrictions** – Prior to a wireless carrier/tower company getting approval to build on a site, they must first get a conditional use permit or special use permit to construct their facility. Most local governments have permitting requirements that will establish parameters on where a tower may be constructed; therefore, one property may be able to skate through the approval process, while other very similar properties in the same immediate area may not. What does this mean for a property owner? If its property is one that works, that property owner may be able to ask for a premium when it comes to a cell tower lease rate.

**Access to Power and Telephone Service** – All tower locations need utility and telephone service. As a result, the farther the distance to telephone service and power, the higher the price tag to the cell tower developer. So, a cell tower company/wireless carrier will always factor this in what they can pay for rent.

**Ground Elevation** – Elevation is important, but not the most important factor by far, as cost will always outweigh elevation. If you have the highest point in the city or county, that is not a guarantee you will be chosen. The cell phone carrier/tower company always has the option to build a taller cell tower at a lower evaluation, as it may be extremely expensive at the end of the day.

**Cell Tower Site Alternatives** – All wireless carriers build tower sites to fit inside their network. Cell towers are very similar to pieces of a puzzle that, at the end of the day, have to fit together. The cell towers are set up to “transfer traffic” from one cell tower to the other. The cell phone carriers have an exact “search ring” that they use when constructing a cell tower so that it will be able to easily transfer phone traffic.

Cell tower companies/wireless carriers have search areas that can be as small as 0.25 mile to as large as 5 miles in radius, so it is always important to determine what alternatives a wireless carrier/tower company may really have, as this will give you the information you need to optimize the value of your property when negotiating the terms of any cell tower lease offered to you.

## HOW CELL TOWERS WORK

The answer to how cell towers really work is sometimes right under your nose if you own a cordless phone that you use within your home. A cordless home phone connects wirelessly to a base station allowing you to talk on the phone without wires.

A cell phone tower that provides wireless services to your cell phone is much different than explained above. The major difference is that the tower is built to provide services for a large geographical area and provide services simultaneously supporting thousands of phones, operate in different radio frequencies, and allow cell phone owners to maintain their connections while traveling from one cell tower to another.

Cell tower locations are selected after much due diligence to make sure that the individual cell sites form a tightly knit mesh network without dead spots or unnecessary overlap. Cell tower companies and wireless carriers use hex schemes to design wireless networks and design wireless networks to meet their wireless needs.

The primary job of a cell tower is to elevate antennas that transmit and receive radio-frequency signals from cell phones and other wireless devices. Cell towers typically range from 50 to 200 feet in height. Towers can be standalone structures, such as steel poles or lattice frame, or affixed to other structures.

Cell towers are attached to commercial buildings, water towers, bridges, street lights, traffic lights, stadium/arenas, and billboards, and other similar structures. Local governments are increasingly requiring that cell towers be camouflaged to resemble trees, flagpoles, church steeples, clocks, silos or concealed in other like purpose-built structures.

There are variables that determine the location of a cell tower. At a basic level, the cell site is usually adjacent to a road for physical access, availability of electrical power and telecom fiber infrastructure. A cell site local municipality often dictates a cell tower's height requirements and can impact signal coverage of the cell site.

Wireless carriers spent a great deal of time reviewing the voice and data traffic in a particular area. Presently, the biggest issue facing wireless carriers is that their networks have reached capacity due to ever growing data usage by wireless customers. In addition, as certain geographical areas grow in population, wireless carriers also must handle this growth with increased cell site construction.

Cell towers come in a diverse number of sizes. The most common cell tower is referred to as a macrocell tower and, on average, is 120-150 feet in height. A macrocell offers a range from 1-2 miles in urban areas and 4-6 miles in less populated areas. Microcells are also an option and are frequently employed in urban and suburban areas. The microcells coverage provides wireless networks that are usually less than a mile in diameter.

Understanding how a cell tower works and the different types of cell tower and services provided from a cell tower site location is another way to level the playing field when you are asked to lease your land for a cell tower.

## MOST COMMON TYPES OF CELL SITE LEASES

Individuals, corporations, churches, cities, schools, and other types of property owners throughout North America are approached every day to discuss the possibility of placing some sort of telecom equipment on their property.

The following is a summary of each type of cell site lease and the pros and cons of each, which can factor into the amount of cell tower rent one should receive under such agreements:

### **1. Cell Tower/Ground Leases:**

Cell tower leases are basically leases for ground space, and, due to the potential for multiple subtenants using such space, can have greater revenue potential than other types of agreements. Ground leases have a higher profit potential than rooftop leases.

The areas occupied under these ground leases can range from a few hundred square feet to over fifteen thousand square feet of space occupied. The structures installed in these areas can range from 50-60 feet in height to several hundred feet. They also can be simple monopole structures to lattice towers or stealth towers that are disguised as trees, flagpoles, clocks or other masking structures.

### **2. Rooftop Antenna Leases:**

Rooftop antenna leases are presented to property owners for various reasons and take many forms. The following are the most common types of rooftop leases:

**Antenna Arrays** - Antenna array installations are the most popular rooftop leases and are usually found in urban areas with above-average population. These leases usually allow for the installation of one or more antenna arrays to be installed on the rooftop, with total antennas installed ranging from 3 to 12 total antennas being installed.

**Small Cells** - Small cell equipment are becoming more and more prevalent due to wireless carriers like AT&T, Verizon, Sprint and T-Mobile's need to meet ever-growing wireless data capacity needs. Small cells are usually a fraction of the size of the afore-mentioned antenna arrays and only take up a fraction of the space that other installations need. The rooftop space required ranges from 30 to 50 square feet. While the amount of space used by a wireless carrier is nominal, it does not mean the value they derive is, and, as a result, a property owner should not be lured into the sales pitch that they should only accept a small rental amount for the use of their property.

**Satellite Dishes** - In certain highly populated areas, rooftop owners are asked to install satellite dishes on their building for the purposes of internet, television, radio or other types of media services. A satellite dish is a different animal than a telecom lease and does not carry the same

types of revenues that you would receive from a wireless carrier; however, they do have a lot of the same hazards that a cell site lease does, so a property owner should be careful.

### **3. Structure Leases:**

Structure leases mostly include the use of water towers, smokestacks, utility poles, billboards or other similar types of structures. Ultimately, a wireless carrier's ability to lease space on an existing structure can be the most economical avenue to fill their wireless needs in certain areas.

These structures also usually provide a faster track to get governmental approval due to the nature of the existing structure and limited impact on the surrounding community.

Property owners should, again, be careful to not fall for the lure of "Easy Money" that will be promoted by a wireless carrier. This often leads not only to a property owner getting paid less cell site rent than they should be getting, but also agreeing to terms that lead to significant expenses and liability exposure due to not being familiar with the wireless industry and the long-term nature of cell site leases.

## INSIDER TIPS ABOUT CELL TOWER RENT RATES

Cell Tower Revenues: In 2019, the three largest cell tower companies (Crown Castle, American Tower and SBA Communications) combined to make over 15.4 billion dollars in revenues from the operations of their cell towers, with American Tower leading the way with over 7.58 billion dollars in revenue. The majority of all of the above revenue was made from the cell towers on properties just like yours.

Cell Tower Market Rents: Don't settle for cell tower market rents. "Market Rent" is a concept that is popular in the real estate industry, but this is a telecom deal. Cell tower companies strive to get you to rely on market rents for the simple reason that property owners have been underpaid for decades. Cell tower rent should be based on the individual value of your cell tower site. Vertical Consultants averaged an immediate 306% increase in cell tower rents for our clients in 2019, and it wasn't because we got our clients' market rents.

Profit Margins: Wireless carriers pay rents in the range of \$1,800 to \$2,700 a month to cell tower companies to mount their equipment on a cell tower and lease surrounding ground space, but this can vary mostly to the upside and can sometimes surpass \$5,000 to \$8,000 a month based upon the value of the cell site to the wireless carrier. With these rental amounts (and they are increasing on average each year), cell tower companies run around an 80% gross profit margin. The simple reason these margins are so high is because property owners are being underpaid for the use of their property.

Remember, every cell tower has to be at the right location/property. American Tower, Crown Castle and SBA Communications could build 1000 cell towers and each of them would be worthless if it was not in a location that is optimal for a wireless carrier. The location/property is what makes a cell site valuable to the wireless carrier, not the cell tower located on it.

## HOW 5G INCREASES THE VALUE OF YOUR CELL TOWER LEASE

Cell tower companies work on a pretty simple business model:

- Obtain the interest/commitment from a “Tier One Carrier” such as AT&T, Verizon, T-Mobile or Sprint before investing in a new cell tower site; then
- Acquire long-term land rights through either a lease agreement or an easement with payments to the property owner being scheduled or locked in over time via a lease agreement or being a one-time payment via an easement agreement; then
- Invest capital via the buildout of a traditional cell tower or other wireless infrastructure on the acquired property; then
- Install the initial wireless carrier in return for rent that, on average, garners the cell tower company around a 50% margin on their costs (rent, taxes, amortized construction costs, etc.); thereafter
- As the cell tower company adds additional wireless carriers, their margins/profits grow as their costs have been basically fixed due to the long-term lease or easement and the low cost to maintain the actual tower.

The continuing expansive rollout of 5G technology in the wireless industry has been a catalyst for cell tower companies to increase in value and has, in turn, made cell tower real estate more valuable.

The 5G buildout requires an enormous amount of investment for the wireless carriers and makes existing and new cell sites more valuable based upon that investment and the utility gained by the carrier from the upgraded technology located thereon.

AT&T, Verizon, Sprint and T-Mobile have made 5G a nationwide priority, with the need for more and more cell site locations to build out the 5G network being at the forefront of that movement.

### American Tower

American Tower has approximately 41,000 properties in the United States, and 130,000 globally, making it the largest independent owner of wireless real estate.

The development and deployment of 5G only benefits cell tower companies like American Tower, as wireless carriers will continue to invest in and deploy additional infrastructure and equipment which increases the demand for American Tower's communication towers and increases what these wireless tenants are willing to pay for space on these towers.

## Crown Castle

As mentioned, wireless companies like AT&T, Verizon, and T-Mobile and Sprint are set to spend tens of billions of dollars on the installation of 5G equipment on cell sites throughout the United States.

When it comes to the 5G cell sites in the United States, Crown Castle seems to be a step ahead of its two major competitors - the aforementioned American Tower and SBA Communications.

As wireless carriers are increasingly opting out of owning wireless infrastructure, like cell towers, they now need to rent space on towers built and owned by companies like Crown Castle.

Crown Castle owns approximately the same amount of traditional cell towers as American Tower in the United States, and more than double what SBA Communications holds nationwide, but it operates over 65,000 cell sites that were built out with a focus on 5G installation far more than any other company in America.

## SBA Communications

The smallest of the big three players in the cell tower industry is SBA Communications, which operates about half as many cell towers compared to American Tower and Crown Castle respectively.

SBA Communications, like American Tower and Crown Castle, is betting on rapid development of technologies like 5G and beyond to lead to a higher demand for its communications real estate now and going forward well into the future.

Approximately 70% of SBA Communications towers, and about 75% of its revenue, are generated from its real estate assets, mostly traditional cell tower infrastructure located in the United States. This is in conjunction with the fact that wireless data use has been growing 30%-40% per year in the United States and is expected to continue at a similar rate for the foreseeable future. Taking the above into consideration, SBA Communications is set up for continued growth through the 5G evolution and beyond.

Whether you are a property owner asked to enter in to a new cell site lease or have an existing cell tower on your property, it is important to understand what you may have been offered by that cell tower company looking to start using your land or continue its use. However, it is more important to understand what you are offering them before you agree to any terms under any new or revised agreement you may have been asked to sign.

Remember, the cell tower companies have experts on their side, shouldn't you?

## 10 CELL TOWER FACTS YOU NEED TO KNOW

Property owners are usually at a great disadvantage when it comes to knowing what the real value their property is to both cell tower companies and wireless carriers.

The following is a list of recent statistics, valuations and projections that will give you a small glimpse into what a property owner truly provides when they allow their land, building or structure to be used by a wireless provider.

When a cell tower company is discussing cell site rents with you, remember that the backbone of the trillion-dollar wireless industry is your property...without the use of it nothing else works.

1. In 2018, 25,896 cell sites in the United States were added to reach 349,334 cell sites.
2. In the United States, wireless subscriber connections have grown to 421.79 million, up more than 40 percent from 2010.
3. Globally, mobility revenues are on track to hit more than \$1.7 trillion in 2020, representing a roughly \$40 billion in annual revenue gains.
4. Annual wireless traffic in the United States grew to 28.58 trillion MB in 2018, which is *seven times* the traffic in 2014.
5. In 2019, 1.37 billion smartphones were sold around the world and will grow to 2.2 billion in 2020.
6. The mobile industry revenue is projected to amount to 1.07 trillion U.S. dollars in 2020.
7. As of 2019, 81 percent of American adults have smartphones, with 96 percent of adults between the ages of 18 and 29 and 79 percent of those over 50 owning a smartphone.
8. Worldwide, the installed base of wireless connected devices will grow to 47 billion in 2021, more than twice the level in 2017.
9. In 2018, there were more than 205 billion app downloads. That's a 15% increase from 2017.
10. The average American checks their phone every 12 minutes. 10% of people check their phones once every four minutes.

## WHAT ARE CELL TOWER LEASES REALLY WORTH?

One of the most frequent questions we hear from property owners is: “How much is the cell tower company making from the cell tower on my property?”

While there is no exact way to know how much a cell tower company is getting in rent from AT&T, Verizon, T-Mobile or Sprint without having access to the sublease agreements the cell tower companies have with those companies, there are certain ways to estimate those revenues.

Here are a few factors that help us determine how much a cell tower company is getting paid:

**Market:** While most of the larger cell tower companies (Crown Castle, American Tower, SBA Communications) have master agreements which set pricing for the wireless carriers’ use of the tower, some markets or situations are exempt from those price-setting models.

These exemptions include large urban markets, areas where zoning prohibits/limits cell towers being constructed in the area or only allows certain types of towers which increase construction and operational costs, or areas where the tower is being built exclusively for one wireless carrier.

**Tower:** Rents paid to a cell tower company can vary based upon the cost to build or maintain the tower. A cell tower company usually has the sole responsibility of constructing, operating and managing the cell tower facility and the ground space area. Construction costs for the cell tower, for the most part, are generally standardized and are based upon a dollar per vertical foot with the average cost being about \$100 per vertical foot.

Other than the costs to construct the tower, the only other substantive costs are the lease payments to the property owner and very nominal operational costs to maintain the facility. The beauty of the cell tower business model is as wireless carriers are added to the tower, the cost basically remains the same, so, effectively, the subtenant rent is almost pure profit.

**Space:** The space taken by a wireless carrier on the tower and on the ground can also affect the rent paid to the cell tower company. Space is, for the most part, calculated by the vertical/mounting space on the tower, weight/structural load on the tower from equipment and coax lines, and square footage leased on the ground.

Simply stated, the more space taken or overall impact to the tower, the more rent may be due as a result of that wireless carrier limiting the cell tower company’s ability to lease space to other wireless carriers. Overall rents collected by cell tower companies are highly guarded, but can be estimated quite accurately by a review of the cell tower sites and some clever reverse engineering.

On average, a wireless carrier pays between \$1,800 to \$2,700 a month in rent to place equipment at a site, but this can vary mostly to the upside and can sometimes surpass \$7,000 to \$8,000 a month.

Presently, the cell tower companies run on about a 70% to 80% gross profit margin. The reason that these large margins are so high is because property owners are being underpaid.

Remember, without access to the right location/property, a cell tower company could build 1000 cell towers and each of them would be worthless. The location/property is what makes a cell site valuable to the wireless carrier, not the cell tower located on it.

## 5 INSIDER TIPS ON SELLING LEASE

### **1. The Offer**

Tower companies are rushing to get property owners to sell their cell tower lease. Why? Their goal is to close the deal before you can understand the true value of your cell tower lease. Simply stated, tower companies offer terms within a lease that are undervalued, and include language that could negatively impact you and your property in the future. A bad deal today will be a worse deal going forward.

### **2. The Commitment**

Tower companies looking to purchase your lease are always happy to tell you what they can offer you. However, they are not interested in talking about the significance of this agreement and its impact on your future. You are making a commitment to agree to these terms not only today, but also for the months and years ahead. It is critical that you fully understand these terms because the wrong deal will devalue your entire property. It wouldn't make sense to receive money in one hand, and then give it away with the other hand!

### **3. The Real Value**

Tower companies train their representatives to implement sales strategies enticing property owners with a purchase price that sounds too good to be true. They do not engage in conversation, however, about all of the benefits they will be receiving as a result of acquiring your cell tower lease. These companies are not forthcoming about the true value of your cell tower. Don't sign anything before you know the real value of your cell tower lease—the value to YOU and the value to the tower company who wants to purchase your lease.

### **4. The Pressure**

Tower companies often use fear tactics to manipulate property owners, directly or indirectly, into making quick decisions. This offer may have a short deadline or state that you are in jeopardy of losing your rents. Remember, you are in the driver's seat, not the company asking to buy your lease. They are knocking on your door because they need you. The tower companies must either secure their cell tower located on your property or make a profit re-selling your lease in the future.

### **5. The Result**

Our firm works with individuals, businesses, non-profits/churches, municipalities, and many other property owners. We encourage all of our clients to be certain that they are not just agreeing to a deal, but the RIGHT Deal. What is the "Right Deal?" It is a lease agreement that ensures fair value for the utilization of your land today, and protects you and your property throughout the entire term of the lease. Contact us today and take the first step in getting the Right Deal.

## TAX ISSUES SURROUNDING CELL TOWER LEASES

One of the most commonly overlooked aspects of a cell site lease agreement is the negotiation of reimbursement from real estate taxes that are the result of a cell tower being located on a property.

Cell towers are worth an amount in excess of several hundreds of thousands of dollars. When the towers are installed on your property, some county tax assessors consider the tower to be an improvement, and, as such, will increase the assessed value of your property. This increased assessment results in a higher tax bill for you, the landowner.

Most cell site lease agreements state that the tenant is liable for any increase in real estate taxes; however, increasingly cell tower companies and telecommunications companies insert tax provisions that require the landowner to cover these increased costs.

If you are presented with an agreement that requires you to pay all real estate taxes, do not sign it! Tenants will, in most cases, agree to pay these increased costs if you ask.

Even when a cell tower company agrees to reimburse a property owner for real estate taxes, these provisions are written in such a way that require the landowner to provide proof of the documented increase to the cell tower tenant. This is an opportunity for additional reimbursements that many landowners pass up every year.

Every city and/or county assess cell towers differently. In addition, every cell site agreement is different when it comes to how a property owner will be able to re-coup property taxes assessed due to a cell site being on their land.

As a result, it is extremely important that you have terms that are clear as to who is responsible for any and all taxes associated with the cell tower and associated equipment installed on your property. If not, you may end up paying the tax bill of the tower company.

## THE FUTURE OF THE CELL TOWER INDUSTRY

*The Fear Factor:* Tower companies continue to profit, often times at the expense of property owners, by utilizing fear tactics. The tower companies lead property owners down the wrong path by telling them that they may be in jeopardy of losing their cell site. As a result, property owners impulsively sign undervalued lease agreements, without truly understanding what they may be forgoing as a result. If something within an agreement doesn't seem "quite right," trust your gut instinct.

*Follow The Money:* Crown Castle recently acquired the rights to 9,700 cellular towers for \$4.85 billion, averaging \$500,000+ for each tower. American Tower outperformed Crown Castle, purchasing 11,000 towers for over \$5.06 billion, with an average cost of \$444,000 for each tower. Consequently, the acquisition of tens of thousands of cell towers is indicative of the short and long-term reliance on the existing cell tower infrastructure.

*The Big Picture:* The tower industry is strong with each individual cell site having its own individual significant value to the tower companies. Take a step back to look at the forest for the trees and ask yourself, "If the largest tower companies are spending billions of dollars for cell tower assets, why aren't you collecting more rent each month?" Your property is extremely valuable now and into the future. The rent you collect should reflect the value to the tower companies get from their utilization of YOUR land and not just the amount of square footage they occupy.