

# The Optimum Deal **A good relationship with your landlord**

When we represent and negotiate for tenants, we keep in mind that we are arranging a “marriage” between our client and the landlord.

Our duty is to facilitate an arrangement that works well for both parties over the long haul. The optimal deal for a tenant is not always a lease with the lowest base rent.

If we become responsible for “leaving the landlord’s blood on the table,” “how will the tenant’s requests be handled during the subsequent course of the lease? As markets tighten further, and as the negotiating position of building owners and developers toughens, we are reminded that “what goes around comes around” Landlords will remember if they were treated fairly in the last negotiations.



## **So, here are 7 basic rules for Negotiating with Landlords:**

**Qualify the tenant.** Whatever the market conditions, landlords will give preference to companies that are financially strong and to respect tenant representatives who can demonstrate the merits of their clients.

**Create an atmosphere of mutual trust.** In creating a tenant-landlord relationship, our primary fiduciary responsibility is naturally to our client. It is incumbent upon us, however, to encourage both parties to approach issues in an atmosphere of enlightened, mutual self-interest. A well cared for tenant is likely to pay some premium to stay with an attentive landlord in a soft market, and a satisfied, trusting landlord is likely to provide lease concessions, even in a market that does not require them.

**Don’t be afraid to ask for concessions** even in today’s tightening market. Items such as rent abatement, tenant improvements, expansion options and cancellation options should be carefully considered, quantified and presented as part of an overall business plan> if you don’t ask for concessions, you will not get them.

**Be specific about tenant improvements,** which will benefit both parties. We find this issue, if not carefully detailed, can be the source of considerable contention in negotiations.

**Don’t bluff** or profess to have viable alternatives or fall-backs if you don’t have any. Do however, be prepared to negotiate from a position of strength, and be willing to walk away from the negotiating table to pursue alternative opportunities

**Prioritize legal points** in the lease documents. When negotiating these points, keep in mind that leases are used as a last resort in reconciling differences between a tenant and landlord. The preferred course of action is always to discuss any discrepancy with a landlord in a business environment rather than a legal arena.

**Monitor the construction.** This process is vital for the success of any project. It is in all parties’ best interests to complete the construction of a tenant space in a timely, first-class manner. Weekly meetings to review the work completed and the status of the remaining schedule will prove to be an efficient way to “red flag” any problems and avoid further negotiations.

The rise of a tenant representative is to be a trusted adviser who will identify alternative locations, negotiate favorable transactions, promote your business to prospective landlords and manage the overall success of the project.

