

## Who Really Represents Tenants in an Office Lease? (We will tell you who doesn't!)

In a legal proceeding, you would never hire the same attorney or law firm your opponent had retained. And if you were being audited by the IRS, more than likely you would have your accountant represent you. In both cases, you would hire experts to ensure your interests are well protected.

Yet in commercial real estate, many business owners looking for office space enter one-sided relationships with building owners as common practice. They do not realize the enormous impact it can have on their bottom line.

### Avoid Conflicts of Interest

There is an inherent conflict of interest when a tenant negotiates directly with building owners or the leasing agent that represents them. The primary goal of a leasing agent is to get the best deal for the building –tenants, on the other hand, are looking for the most economical lease rate and flexible terms. To determine whether a broker's interests are completely aligned with yours, you should ask yourself these questions:

Am I getting the broadest spectrum of office space choices, unclouded by any listings, management agreements or hidden agendas?

In lease negotiations, are my interests being represented without compromise, or is the broker influenced by a current or potential relationship with the buildings owners?

Could there be a real or perceived pressure on the broker to steer me toward certain properties?

Does my broker work for a full service brokerage and property management firm?

Dual representation (representation of both the owner and tenant) is very common in today's commercial real estate practice. Although a conflict of interest, dual representation is not dishonest or illegal as long as it's disclosed up-front to the tenant. It is however, imperative that tenants understand the implications of this type of arrangement and are aware of the pitfalls.

The bottom line is no matter how much you trust the landlord, or no matter how tempting it is to deal directly with the listing agent, it would be foolhardy to walk into negotiations without leverage and some knowledge of the market (what space is available, rental rates for comparable space, etc.) Unfortunately, it could take you countless hours, if not weeks to accumulate this type of

information, and you will still leave money on the table by not being familiar with the nuances of lease negotiation.

### Let an Expert Help You

Tenants have recourse- they can employ the professional services of a tenant representative. However, all tenants' representatives are not created equal, and the only way to be assured you are getting an independent broker is to hire one with no listings or owner affiliation. Full service firms that have a separate department for tenants and buyers still derive most of their income from property owners. So although their "tenant representatives" might claim objectivity, you cannot be sure that the firms profitability or a colleague's livelihood will not color recommendations and decisions

CREG specializes in tenant representation exclusively; we do not own property nor do we work for any building owners. We have a deep market knowledge that translates to leverage at the negotiating table and we help save our clients thousands of dollars over the lease term by uncovering the "hidden money" in leases.

### Saving Tenants Significant Dollars and Time

The benefits of using a tenant representative can include savings on square footage costs, increases in space improvement dollars, limits on expenses passed through to the tenant, and the coordination of the space planning and construction process. The result: a significant savings of both time, money, and office space tailored to the personal and financial needs of your company.

Perhaps the most attractive benefit is knowing that CREG is working diligently on your behalf to find the right space and negotiate a favorable leasing arrangement while you continue to focus on your core business. We are committed to making your lease negotiations as trouble free as possible.

At CREG, we focus on finding the right space for our clients, not just the available space. We are tenacious about uncovering every dollar of savings in negotiations. Our fees are paid by the landlord, equating to a free and valuable service for the tenant.

In summary, no business should act without professional support on something as vital and expensive as their office space. Whether you are looking for new space or you plan to renegotiate your current lease, Give CREG a call today.



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