

Case Study on Lease Negotiation

A business in the Minneapolis area recently hired Results Real Estate Incorporated (RREI) to negotiate a lease renewal on their behalf. The Landlord originally wanted to raise the rates on the lease of an 18,500 square foot industrial space. RREI was able to negotiate the following:

- A lower lease rate than what the Landlord proposed.
- A Tenant improvement package.
- Free rent.
- A new lease switching the building from a 100% triple-net tenant managed lease to a pro-rata share Landlord managed lease.

The leasing package that was ultimately agreed to saved the client thousands of dollars.

Bringing in an experienced commercial real estate broker to help renegotiate your office or industrial space lease makes a lot of sense, yet many companies try to do it themselves. In most cases, a commercial real estate broker can save you a lot of money. Consider the following:

A commercial broker knows the ins and outs of commercial property leases, what alternatives are available as well as the "traps". An experienced commercial broker can help guide you through all the options and pitfalls and help understand what elements for the lease agreement are crucial to your short term and long term business goals.

A commercial real estate broker knows what the terms are for comparable leases in the local market. They understand what is competitive in terms of rates and options so that you have a good bench mark for what is possible. This information can also be used to show the Landlord that what is being asked for

is in line with the current market.

Having an agent takes the “emotion” out of the process. It is outcome based, to get the best deal for the client. There is no anger, fear or other feelings that can cloud the negotiation process.

In the case of Results Real Estate Incorporated, the partners are experienced, strong negotiators. They know how hard they can push as well as where the “give and take” is. Negotiation is a valuable skill that most business people don't have. The negotiation process can be painful to both sides, taking that burden off your back keeps you focused on what you do best: running your business.

If you are about to renew a lease or need to renegotiate your current lease then you want to have Results Real Estate Incorporated as your partner in negotiations.