

Renegotiating Your Commercial Lease

The benefits of using a commercial real estate broker

There are many reasons why business owners want to change their original lease agreement. While this is fairly common practice, it isn't always successful, and it is always a headache. Most everyone could benefit from assistance from a commercial real estate broker. Before you decide to recruit help, consider whether the following is valuable to you:

1. Options – When you need to modify a lease, you typically have a number of ways to go about it. For example, if you need rent lowered, there are many ways to negotiate this. You might be able to discuss lower rent in exchange for an extension of the lease at full price after several months at a lower rate. You could give up on tenant allowances like new carpet and paint in exchange for a different rate. If the market is hot, you may be able to end your lease early without penalty. There are a myriad of options available, and only an experienced broker will be able to analyze the ones that match both you and your landlord's needs.
2. Knowledge – It is extremely helpful to be able to compare your lease with terms that are being offered to office or retail or industrial tenants with similar leases. Brokers know how much rent costs per square foot at other buildings, for example. When you go in to renegotiate, you have to remember to keep it fair to your landlord. Comparing to other similar leases shows that you are staying in line with what's acceptable.
3. Avoid over-negotiating – If you end up going too far in your negotiations, you will A) risk your chance of modifying the lease at all and B) put your landlord in a position of power because he or she will know you're

desperate.

4. Avoid agreeing to too much – If you *are* feeling desperate, you can risk agreeing to more than is necessary. Then you could end up even worse off than you were before – and for how long? Brokers know exactly what is fair and how far to go with modifications.

Of course, the best situation to be in with a lease is to have flexibility in your original contract. Businesses need room to grow, and so does a lease. Results Real Estate prioritizes both your present and your future when negotiating a lease. We also can help you modify or renegotiate an existing lease so that you get what you need without exposing yourself to paying more than you should be paying. We know how to approach landlords and how to examine every option to get you what you need. Call us for a consultation today:

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