

Use a broker to negotiate your lease renewal

Many people seem to think that brokers only work on leasing new space. In reality they are available on a consulting basis and are a valuable source of information, knowledge and expertise.

My personal rule of thumb is that the more personally involved I am in the outcome of a negotiation, the less I should be involved in the negotiation itself. Real estate clearly fits into this general definition, because I am personally involved in that I am going to inhabit, or continue to inhabit, the space and a variety of different considerations make me a poor negotiator in those circumstances.

Moreover, I have no knowledge about the current real estate market or the trends affecting it; even if I think I do, more importantly I have no idea of recent “deals” that have been done in the market place. I had a client who was very smug about the lease renewal negotiation he had just done and then learned that somebody else in the building had negotiated a rent reduction that amounted to 10% less than he was paying when that person negotiated their lease.

The moral of the story is when you start a negotiation, you start from the level of knowledge you have yourself. In the case of a lease, that knowledge is what you are currently paying, perhaps tempered somewhat by what you believe to be market conditions. What you do not know is what the person in the next suite has just negotiated, and a broker may well be privy to this information.

Without having to retain them on a contingency basis where they are getting a percentage of the rental as their fee, you can tap into a real estate broker's fund of market knowledge and craft a real world proposal to deliver to your landlord. If you want you can go and deliver the prop yourself and enter into the negotiation; if you really buy into what I'm saying here, then you can send the broker along to negotiate on your behalf!

Edge Initiatives is the brainchild of **business guru** Steve Davies. It exists to help executives run their businesses more effectively and offers business solutions that cover most situations faced by owners and executives trying to bring their business to the next level.
