

The Schenk Company, Inc

Improving your bottom line thru your real estate facilities
Reduce your lease cost today thru early lease renewals

Summary:

- Start your renegotiation process 12-24 months early.
- Know your options.
- Don't expect to take the first offer, negotiations can take several months.
- Treat your landlord as any other bidder and don't show favoritism.
- Let your professional representative handle negotiations for you.

No Cost Lease Review:

The Schenk Company, Inc offers our readers a no-cost review of their lease to see how it stacks up against other tenants in their building and sub-market as well as our 44 point checklist guide. Get your free copy of the booklet, that will assist you in structuring a favorable lease renewal or new lease.

Greg Schenk SIOR

The Schenk Company, Inc

www.irephtenant.com

www.schenkseminars.com

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5 WAYS TO SAVE MONEY ON YOUR LEASE RENEWAL

Are you considering a lease renewal? If not you should be in today's record high vacancy market. Why? A landlord's goal is to get your rent as high as possible and yours is to pay no more than fair market rate. Regardless of your satisfaction with your current landlord, you are at odds at renewal time.

According to Gregory P Schenk SIOR from The Schenk Company, Inc. a commercial tenant representation firm, "Most landlords' strategy is to keep you in the dark and offer you an above market proposal by assuming that you won't seek professional assistance and that the inconvenience of moving will keep you from relocating." Unfortunately, some tenants are so caught up with their business that this bet will pay off for the landlord, according to Schenk.

The most effective strategy you can employ to combat above market rent proposals is to know your options and to use this knowledge to negotiate the best renewal package possible from the landlord. Only when the landlord is convinced that you are prepared to vacate his building will the negotiation tip in your favor.

Today most businesses engage a professional to represent their interests at the bargaining table, making the perceived threat of moving very real to their landlord. It fires a shot across the bow to notify your landlord that you are prepared to explore all of your options.

THE IRONIC TRUTH: MORE OFTEN THAN NOT, LANDLORDS OFFER BETTER DEALS TO NEW TENANTS. Why does a tenant off the street get offered better terms than loyal rent-paying existing tenants? Because the landlord has to compete heavily to attract those tenants to his space. You are, quite frankly, already there. To get the best rate you must get back "in the market" comparing price and terms. In order to keep you, the landlord will have to offer you the concessions needed to attract new tenants, which will generally match those offered by competitive landlords.

"Losing your business is very expensive for a landlord" "In addition to the loss of your rent, he'll lose your contribution to operating expenses, taxes, and insurance, and incur advertising and



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marketing costs, leasing commissions, legal expenses. And that's before the new tenant demands improvements. Believe me, a smart landlord aggressively works to keep his or her tenants."

So compare rates. Who knows? We do! You may also discover a hidden gem of opportunity to lease or purchase another location that is better suited for your business than the existing space.

HERE ARE 5 WAYS TO SAVE MONEY ON YOUR UPCOMING RENEWAL:

- 1. START THE RENEGOTIATION PROCESS EARLY.** Begin the renegotiation process 9-12 months prior to the expiration of your lease by engaging The Schenk Company, Inc as your exclusive tenant representative. See our Getting Started form on website www.irephtenant.com
- 2. SEEK OUT OTHER SUITABLE SPACES** and obtain real, viable, bids from other landlords.
- 3. NEVER ACCEPT THE FIRST OFFER.** By rejecting the first proposal, you have drawn the line in the sand and established your "worst case scenario". Negotiate down from there.
- 4. NEVER REVEAL YOUR INTEREST** in renewing your lease in your current location to your landlord, his agents or brokers and any of his employees. This includes the building property managers, maintenance and janitorial personnel.
- 5. ALWAYS REFER YOUR LANDLORD** his agents or brokers directly to your professional representative and instruct your staff NEVER to discuss your current lease or your leasing intentions with anyone at any time.