

Why You Should Use a Tenant Representative Broker

BY BERT ROSENBLATT & ANDREW STEIN,
VICUS PARTNERS, LLC

Purchasing and leasing office space is much like everything else in life – it helps to have a professional on your side. Try as you might to convince yourself you know everything there is to know about finding the best space for your company in the best building out there, chances are, a tenant representative broker knows more. Not convinced? Let us break it down for you.

1. You need one point of contact to negotiate several sides against one another.

Whether you're renewing a lease, or moving to a new space, a good broker will show you ten or so spaces. From those ten options, you'll pick three finalists and play those against one another to get the best deal. People often assume that the broker listed on the website for a given building will work with them – and they assume correctly. What they don't realize is that while said broker will work *with* you, they're not working *for* you. They're working for the landlord of the building. A tenant representative broker, on the other hand, works both *with* you and *for* you. Unlike a building broker, tenant representative brokers don't have any alliance with the landlord. They're representing you!

2. A tenant representative broker understands both the players and the market.

Anyone can type a few words into Google and find what appears to be a great office space. No one's stopping you from doing that – but what should stop you is the fact that the Internet doesn't know everything. Your tenant representative, however, knows the ins and outs of how landlords take advantage of tenants. That incredible building you find online? Without a knowledgeable professional on your side,

you won't know that the landlord of your incredible building has a reputation for being difficult to work with; if the escalation clause is fair; if you're being nickel and dimed to death on how electric is billed or how over-time air conditioning is handled or how you're billed for the use of the freight elevator during move in or construction - and the list goes on and on. Leases are complicated and often more than 50 pages long. Most people pay close attention to page one of the lease which basically outlines price per square foot. A good tenant rep appreciates the economic impact of everything that follows page one of that lease document and will protect you in the negotiation of all the minutia that adds significantly to your costs. Your tenant representative's job is to help you navigate waters and save you money.

3. A tenant representative broker follows through.

A good tenant representative broker follows through. They represent their client until the lease is signed, and after. Tenant representatives read through your lease and make comments, which are then passed on to your attorney. A good attorney will be able to read through your lease and advise you – but because he's not embedded in the market like a tenant representative is, he/she can't play hardball with the landlord's attorney. Your lawyer can't say things like,

“If you don’t take this provision out, I’ll take my client to the building across the street.” Only a tenant representative broker knows the landscape of the market well enough to make those sorts of demands.

4. **A tenant representative broker will save you money.**

Your tenant representative will make sure you get the best bang for your buck. Because he/she is looking at this from a business perspective, they’re sure to comb through prospective leases and landlords and ensure that you get the best deal possible. Without good representation, a tenant may sign off on an improvement allowance of \$20 per square foot, when unbeknownst to them, the market price is \$35 per square foot. A tenant representative knows the market well enough to negotiate the price down to market rate or lower, saving you significant dollars.

5. **A tenant representative doesn’t cost you anything.**

You can save a good deal of money by hiring a professional – and best of all, it

doesn’t cost you a dime. Yes, you read that right. Tenant representatives don’t cost the tenant anything - so you’ll get the professional attitude and knowledge without sacrificing a dime of your own money. This isn’t to say that your tenant representative doesn’t get paid. He/she merely gets a commission that comes out of the same money that the landlord’s broker would have gotten. It’s the landlord that’s paying for the service, not the tenant.

In the end, it all comes down to one thing. When you’re hunting for a new office space, you want to work with someone who makes you feel secure in your choices, your moves and your money. A tenant representative broker does just that.

Bert Rosenblatt and Andrew Stein are principals of Vicus Partners, LLC and the ITRA affiliate for New York City – Downtown. Bert Rosenblatt can be reached at (212) 880-3747 ext. 6619 or at brosenblatt@vicuspartners.com. Andrew Stein can be reached at (212) 880-3747 ext. 6620, or at astein@vicuspartners.com.