

WESTCHESTER COUNTY BUSINESS JOURNAL

Renewing or relocating?

A tenant's rep can ease the pain

By RICK RAKOW

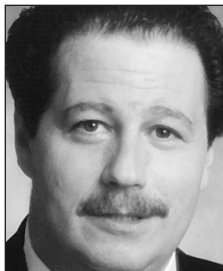
When it's time to renew a lease or relocate, having the right broker can make all the difference.

If you're like most business people, chances are pretty good that you'll find your broker because his or her name is attached to a "space available" sign. On the outside, it seems to make sense to call the broker associated with the building that has caught your eye. But, if you do, you'll be calling a broker who works for the landlord and gets paid to lease this building for profit. The smarter alternative is to work with your own broker, who serves as your tenant representative – a broker, by virtue of his own experience in the industry, "serves as your voice" during the roller coaster rides that often accompany lease negotiations.

Client service

Any good business person will service his or her clients, in our case, the tenant. In an economy where productivity counts and time is money, it's often appreciated by tenants when we "bring the market" to them.

Unlike an owner's rep who makes his or her commission only if the tenant takes space in the landlord's building, a tenant's broker will be paid by the landlord wherever the tenant decides to rent. If he or she wants your repeated business and referrals, it's in the interest of a tenant's broker to be as objective as possible. The first re-



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sponsibility of a landlord's broker is to market the landlord's property, therefore, other viable alternatives may not be presented. It's easy to see how a broker working for the landlord can lose objectivity. This objectivity can also be helpful should you start to fall in love with the wrong property.

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Voices of experience

The three biggest dangers in relocating are: "falling in love" prematurely, not understanding the market and panicking. In each of these instances, a tenant rep can be the most important "voice" you have.

Objectivity and information are the best tools for combating all of these dangers. And, if you only go into the real estate market every five or 10 years or so, it's not likely that you will have the information you need.

Through any number of websites you can determine many, but not all of the availabilities in Westchester and/or Fairfield County yourself. However you would miss getting knowledge, insight and protection that would be provided by a firm that specializes in

tenant representation – at no cost to you or your firm.

Because he or she is not tied to a particular landlord, a tenant representative will be more forthright in helping you to understand which landlords are easier to "live with." That rep will know all of the properties in the landlord's market, what their current position is and what it has been historically. That knowledge can provide important negotiating leverage.

In the same vein, a good tenant's rep will have a solid overview of the market, especially trends toward occupancy and vacancy. His or her insight as to where the market or a particular building is headed can help you determine: The length of lease you should take; whether or not you should propose "options" for extending the lease to the landlord; and whether or not it might be advantageous to sublet or perhaps even stay where you are. A broker working for you will help level the playing field.

■ Rick Rakow is president of Rakow Commercial Realty Group Inc. Based in White Plains, Rakow Commercial Realty Group Inc. has served the needs of tenants seeking space for more than 23 years. The Rakow has negotiated hundreds of leases and purchases valued at over \$100,000,000.

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