

Points to Negotiate as Occupier Leverage Increases

Increased vacancies will create opportunities for you.

Occupiers around the world are asking: how should we modify our real estate strategy for the months ahead? What is our plan for today and how does it change as vacancy increases and landlords become more willing to negotiate?

Our answer is: “that depends.” Whether you are renegotiating an existing lease, looking for new space or considering subleasing space, time is on your side. We recommend discussing these points of negotiation with your attorney and local [Cresa advisor](#).

In every instance, we work to achieve the following for our clients:

Reduce Cost



Rental Rate

Leverage market conditions for a more favorable rent structure

Base Rent Escalation

Reduce the rate of escalation to lower your fixed costs

Rent Abatement

Delay rent to start, offsetting costs

Tenant Improvement Allowances

Reduce exposure by reducing capital expenses

Security Deposits

Use your cash to support your business

Base Year

Minimize expenses over the long term

Audit Rights

Landlord mistakes are unintentional, but inevitable

Repair & Maintenance

Keep the landlord accountable

Operating Expenses

Ensure you get what you pay for

Maximize Flexibility



Length of Lease

Is shorter really better?

Renewal Options

Renew all or part of your space with less notice

Termination Rights

Only you should decide how long your space works for you

Mitigate Risk



Holdover

Planning for the unexpected

Subleasing & Recapture Rights

Use your space your way

Landlord Default

Protect yourself from over-leveraged landlords

Abandonment

Reserve the right to work where you want, when you want

Notice Provisions

Secure communication timeframes that meet your needs

Force Majeure

Rent protection from the unknown (e.g. pandemics)