



cresa

CONCESSIONS: Maximizing Value with a Tailored Strategy

By Mindy W. Saffer, LEED AP

Visit [cresa.com](https://www.cresa.com) for more information.

Cresa © 2026

EXECUTIVE SUMMARY

When it comes to office leases, many tenants focus on rental rate as the primary driver for lease economics. In reality, concessions are often what create the most meaningful value for tenants. However, there is no standard concession strategy.

The key to unlocking maximum value is understanding the full range of what is negotiable and structuring the right combination of concessions for **your specific business**. This requires strategy, timing, and experience.

Cresa has designed and executed custom concession strategies for thousands of tenants with a range of priorities, so you can be confident that your lease will be optimized to meet both your immediate and long-term goals.

WHAT ARE CONCESSIONS AND WHY DO THEY MATTER?

Concessions are incentives that landlords offer tenants beyond the basic rental rate. They are a critical component of total occupancy cost. While rent is a fixed number, concessions influence your cash flow, flexibility, and the overall financial and operational outcomes of your lease.

Typical concessions can include: free rent, tenant improvement allowances, early access to space, flexibility rights such as expansion or termination, operational expense caps, and additional benefits like parking or signage.

However, not all concessions hold the same value for every tenant.

Some concessions deliver immediate benefit but provide little protection against long-term cost escalation or operational risk. Others like expansion, contraction, and early cancellation rights create long-term value through flexibility and expense controls. It's important that concessions be evaluated over the full lease lifecycle to determine which concessions align with your company's situation and objectives.



THE OPPORTUNITY: SECURING AND APPLYING CONCESSIONS STRATEGICALLY

Understanding which concessions will deliver real value requires commercial real estate experience and market insights. In the right hands, concessions are what transform a lease from a simple rate agreement into a deal that truly works for your business.

A strategic approach begins with understanding market conditions and individual landlord dynamics. Analyzing competitive supply, transaction timing, and ownership pressure points can create leverage to help reduce your costs, provide operational flexibility, and protect you from unforeseen expenses.

Beyond simply knowing what is available, every concession must be evaluated in the context of **your business**. The same concession that benefits one tenant may offer little value to another. Strategy and customization are critical.

Cresa's evaluation is informed by market analysis, financial modeling, and scenario planning. We compare concession value across multiple scenario types and transaction structures, not just baseline economics.

Potential concessions and their benefits include:

Lower Occupancy Cost

- Free rent or rental abatement
- Tenant improvement allowance (TIA) and converting abatement to additional TIA
- Operational expense and tax caps

Flexibility and Operational Rights

- Expansion, contraction, and termination rights
- Sublease and assignment rights
- Early access to space without triggering the lease commencement date

Additional Benefits and Creative Solutions

- Parking, signage, storage, and amenities
- Custom improvements such as MERV-13 filtration systems or gender-neutral bathrooms
- Donations to organizations or other creative landlord concessions
- Capping core factor to offset building upgrades
- Remaining liability assumption by landlord
- Extended use of tenant allowance funds
- Conversion of cash value of rental abatement into additional tenant allowance funds
- Fungible improvement allowance for purchase of equipment, furniture or technology

WHY ONE-SIZE-FITS-ALL DOES NOT WORK

While two transactions may appear similar on paper, the underlying business drivers and operational priorities behind each tenant are rarely the same.

Factors such as a company's capital constraints, growth trajectory, operational complexity, and tolerance for long-term risk may demand a fundamentally different concession structure than another company, even with comparable square footage and lease terms. Those differences are further shaped by what landlords are financially able to offer.



“Not every landlord can offer the same concessions, and a lot of that comes down to their financial position. Some owners are better able to offer free rent instead of cash allowances, while others may lean toward a lower rental rate rather than concessions. There simply is no one-size-fits-all approach to structuring a lease.”

Mindy W. Saffer, LEED AP
Executive Managing Principal, Cresa

Recognizing and accounting for these differences is essential to structuring concessions with the right strategy, otherwise **you risk leaving value on the table or negotiating concessions that do not support your objectives.**

With thousands of transactions under our belt, Cresa advisors are **experts in identifying landlord pressure points** to create leverage in negotiations and optimizing concessions packages and structure to best meet **your unique financial and operational needs.**

Cresa's tenant-only representation changes the dynamics in any negotiation. By representing only occupiers, Cresa is able to pursue a more aggressive and competitive strategy: we create leverage, run parallel negotiations, and prioritize concessions that extend beyond baseline economics.

HOW CRESA MAXIMIZES CONCESSION VALUE

Early planning is essential. When you involve a Cresa advisor from the start, you gain access to a wider set of options, including concessions that landlords may not initially provide. Cresa's proactive approach combines each of the above elements into an integrated strategy to increase leverage, expand optionality, and improve long-term outcomes.



Tenants with lease expirations in the next 12 to 60 months are in a particularly strong position to plan early, create leverage, and significantly reduce occupancy costs. Engaging early allows tenants to evaluate options deliberately rather than reactively, positioning them to negotiate from strength rather than necessity.

Our approach is designed to capture the maximum benefit for you.

Tenant-only advisory: We represent only tenants, ensuring no conflicts of interest

No cost to you: Our services are paid for by the landlord, meaning you receive expert representation at no direct cost

Parallel negotiations: We explore multiple paths simultaneously to identify the most advantageous structure for you

Real-time market intelligence: Our data informs your strategy and provides leverage

Strategic planning: Before site selection, we conduct a comprehensive analysis to understand which concessions are most valuable for your situation

Tailored solutions: Your needs are unique, and we structure concessions accordingly

With the help of a Cresa advisor, you are equipped to obtain concessions that are rarely offered proactively by landlords and typically secured only through early planning, competitive positioning, and experienced tenant-only negotiation. When applied strategically, they can **meaningfully improve operating efficiency and reduce total occupancy cost over time.**

CONCLUSION

Start with Strategy, Not Rent

Concessions are where real, lasting savings and flexibility are created in a lease. The right approach requires understanding the full spectrum of options, early planning, and strategic insight. No two transactions are alike, and value comes from designing a **strategy that fits your unique needs.**

Cresa's expertise, built over thousands of transactions, ensures that you maximize value, reduce risk, and create a lease that supports both your immediate and long-term business goals.

By partnering with Cresa, you can approach every negotiation with confidence, knowing you are securing the concessions that truly benefit your company.

Informed by a Cresa
Subject Matter Expert



Mindy W. Saffer, LEED AP
Executive Managing Principal
Washington, DC