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Providing commercial real estate services by advocating for our corporate clients' interests and decreasing their expenses.

### 5 Leasing Tips if Your Office Lease Expires in 2022-2023

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If your company has a lease in an office building that expires this year or in 2023, here are a five insider tips you need to consider for your new lease or lease renewal:

**Start the process early:** Don't be the tenant that has to double move because the space isn't finished. Shortages in construction labor and materials are increasing the length of time to obtain construction pricing and complete construction projects. Higher costs are also making lease negotiations more difficult with landlords, so increasing the overall timelines before a deal is completed. It's going to take longer to finish the lease process, so start sooner!

- 2. Lease Expires in 2023:** Most office tenants wait to start negotiating with their landlord until there are only six months of term left before it expires. Why not negotiate that lease renewal early while the office market is soft? If you aren't sure what your space needs are, then it makes sense to wait. But if you know what your space needs are for the foreseeable future, negotiating the deal in 2022 makes sense.
- 3. Pandemic Clause:** We all hope the current pandemic will be coming to an end soon, but it might be better to plan for some rough patches just in case. Make sure to ask for some rent relief if the government doesn't allow your company to use your office space due to a pandemic. What your landlord will agree to provide will vary between offering nothing to offering some levels of rent abatement. A landlord might also offer a period of rent abatement in exchange for extending the length of your lease term on a day per day basis. *May the force majeure be with you!*
- 4. Sublease & Assignment Rights:** Landlords like to maintain control of their property, which is fair. But sometimes they go too far and retain the right to arbitrarily reject a sublease or assignment. This can adversely impact a tenant's plans when it has new space needs. Adding some flexibility in subleasing the space is worth the effort in a new lease or lease renewal negotiation when adding staff, downsizing, or buying/selling another business.
- 5. Renewal Options.** In soft markets, tenants tend to overlook renewal options because they assume they will be able to continue to lease their current space as long as they are willing to do so. Unfortunately, this is flawed thinking. Space markets can, and do, recover quickly and change the demand for space—and that includes your space.



Even if overall space demand doesn't increase, that doesn't mean there isn't another tenant in need of your space for some reason. Don't be the tenant that loses their space to their neighbor or to that really big tenant that moves into your mostly empty building. Renewal options are customarily only provided upon request and are often not granted to very smaller tenants, but its worth asking for.

When an ITRA Global member represents tenants on new leases and renewals, we will consult with them on the items above—but this just scratches the surface. There are 30+ important lease items to review in order to improve the negotiation outcomes for our clients. If your company has a lease expiring in the next few years and want to achieve the best possible outcomes for your company, please [contact us](#) to discuss further.

With global resources and insights, our team of principal-level members stand ready to guide your business through the challenging workspace change initiatives that lie ahead so your organization is positioned for success moving forward. ***Our Difference is Your Advantage***

