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## Top 10 reasons to use a broker

Do you really need a broker next time you renew a lease? Perhaps you consider yourself a good negotiator. Maybe you're completely happy where you are, and have a good relationship with your landlord. So what's in it for you to use a broker?

In a word, plenty. The "golden rule" of real estate negotiation is: Leverage = Time + Options. Unless you have full time to commit to pursuing the optimum deal, and you're fully aware of all the opportunities both in your market and within your current landlord relationship, you're likely going to leave savings and favorable conditions on the table. Here are the Top 10 reasons to use not just a broker, but a tenant representative of a major commercial real estate firm with broad national, even international, reach.

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broker  
will save  
an average  
of **5X**  
the cost of their fee

### **1 You have nothing to lose, and everything to gain**

Brokers are in business because they save clients time, money and risk, pure and simple. For their service, they receive a fee, which is paid by the landlord—not the tenant. The landlord's budget includes brokerage fees within their rent structure—which, when you think about it, increases the value of their buildings. If a tenant represents themselves, the landlord typically allocates the fee budgeted for the tenant broker to the owner's agent, or asset or property manager. It costs you nothing extra to use a broker. You are just accessing "market fees" that are going to be paid as part of your transaction.

To discourage a tenant from using a broker, a landlord will sometimes offer to pass the amount of the fee to the tenant if they represent themselves. In reality, even if you do receive the brokerage fee "on paper," you will assuredly more than pay for it in other undisclosed ways, including a lesser overall deal due to weakened negotiating capability. According to our research, a good broker will save an average of five times the cost of their fee. In short: even if the landlord offers you the brokerage fee, you're still money ahead by forgoing it for a trusted expert advisor who can save you even more.

### **2 Brokers are better at this than non-brokers**

Chances are that, if at all, you study the property market in your locale mostly at lease renewal time. Brokers are immersed in the market all day, every day. It is not their occasional interest, but their full-time job and core talent. They have not only the research and negotiating skills to succeed, but a deep real-time knowledge of markets that can change daily.

### **3 Brokers have access to better information**

Even if someone in your organization has handled transactions, they will not have access to the up-to-the-minute market intelligence of a working broker. These professionals are connected to information that provides you the best options at any given time. Even if you're not considering moving, this "ammunition" increases your leverage in negotiating with your landlord.

### **4 Brokers save you time**

Why should you spend time researching the market, narrowing candidates and negotiating with your landlord and possibly others when a broker will do it for you? Engaging a broker enables you to eliminate non-productive time and spend more of your work schedule

strategically addressing the “big picture” of your real estate portfolio while a competent professional handles much of the legwork of individual lease renewals. A good broker can also spend time researching conditions surrounding your own landlord such as the asset’s financing for intelligence that can be used to your advantage in negotiations.

#### **5 Your process shifts from reactive to proactive**

As noted, tenants typically don’t think much about their leases until renewal time. Brokers think about leases every day, and continually keep their clients posted on market trends and opportunities. Establishing a relationship with a broker can elevate your process from a reactive mode that kicks in when the lease is up, to a proactive stance that anticipates opportunities in advance, enabling more effective pursuit when the time comes.



Brokers have the research, negotiating skills and real-time knowledge to save you time and money.

#### **6 Not using a broker tips your hand to the landlord**

Did you know that renewal transactions are, by far, the most profitable for landlords? One of the best reasons to use a broker is to eliminate what *not* using one suggests to your landlord: that you do not plan to move, or that you are less likely to drive a hard bargain. Landlords typically believe that if they satisfy you during the lease, you will likely renew and accept their increase. Using a broker will “keep them guessing” and compel them to make their best offer to encourage you to stay.

#### **7 Using a broker reflects the good business practice of outsourcing for non-core services**

Organizations regularly outsource for specialized skills outside of their core capabilities, such as accounting or legal counsel. Commercial real estate is a similarly exacting business function, and it is typically the second or third largest expense on operational balance sheets. With so much at stake, it pays—literally—to outsource to a specialist.

#### **8 If you have leases in multiple cities, a major brokerage firm gives you one-stop service for all locations**

A strong brokerage firm operating in multiple markets can serve you from a single source, eliminating the hassle of finding a good broker in every location where you need one. The best brokerage firms will provide multi-city tenants with an account manager who serves as a single point of client contact and responsibility, working with brokers in other locations to deliver the best opportunities in any location, whenever you need them.

#### **9 Large brokerage firms accumulate and share the benefits of experience**

Regardless of the scope of your portfolio, a major brokerage firm can transfer collective insights and lessons learned into best practices and standard operating procedures for every new assignment. Even the smallest, most seemingly routine lease negotiations can benefit from this value-added quality.

#### **10 A broad-based brokerage firm is more capable for specialized needs**

Perhaps you wish to investigate special opportunities such as build-to-suit facilities, environmentally-friendly properties or footprints that facilitate alternative work arrangements. A large, full-service brokerage firm is most likely to be knowledgeable and experienced across the broadest range of specialized leases and properties, even to the extent of having staff who focus on particular areas. The best brokers are part of a wide-ranging firm that provides multi-faceted real estate services to clients. Such complimentary services might include lease administration to help you prevent overpayment through oversights or inaccuracies, and project management to help build out a leased space to suit your needs best.

Jones Lang LaSalle stands ready to save you time and money as your trusted tenant representative with one of the largest, most experienced brokerage teams in the business, linked to a company that provides the broadest platform of commercial real estate and financial services in our industry. Let us put our Top 10 advantages to work for your organization in your next transaction.