

# Real Estate Strategies

**ITRA New York Realty Group, Inc. | New York City**

*View from the other side of the pond:*

## 7.5 Things a Landlord's Agent Won't Tell You

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*(To help US companies searching for corporate, diplomatic and institutional business space in the UK, ITRA's London representative, Martin Levy, a veteran of British tenant representation has prepared a few helpful tips and traps of leasing space on the other side of the Atlantic.)*

### 1. Rent Free and Service Charge Holidays

As a prospective Tenant or Buyer during this 'Golden Year of Opportunity', knocking a few £'s (pounds) off the bottom line is certainly going to win you points with your CFO or CPA. You feel good, but how can you be sure you've got the best deal?

Why stop at upfront free rent? Your appointed Tenant Representative will have the inside track on the market and the savvy to press a harder bargain – Service Charge holidays, Capital Contributions towards Tenant Improvements and Free Parking are all within reach and the Landlord knows it!

### 2. Break Clause/Expansion Rights

Landlords understand the value of including a break clause to a prospective tenant, but don't fall into the penalty rent trap as a trade-off for simply exercising a hard fought clause - and why stop at a cancellation option? Expansion rights are valuable too, and you'll



probably never have a better opportunity to secure them.

### 3. Capped Service Charges

Today's market is all about shorter term, flexible leases, so don't get suckered into an open-ended service charge – *put a cap on it!* If your agent has shrewdly brokered an early Break Option (termination), don't throw

away your advantage by being mugged into an exorbitant contribution toward a new lift (elevator) or air conditioning plant.

### 4. Dilapidations and Reinstatement

Beware of the 'Tenant Friendly' Landlord bearing gifts as they are just as likely to 'give' with one hand and 'take' with the other. Your Tenant Representative will really earn their corn by limiting your liability to repair, reinstate and redecorate at the end of the term.

### 5. Security of Tenure

When the Landlord talks about "contracting out of the Act", do you know what he means? Certainly, the Landlord is not looking out for the financial consequences of your company forfeiting its rights of renewal and compensation. Your Tenant Representative understands the legal implications and market forces. They will stand in your corner to help you avoid financial heartache and have your crucial rights restored, prior to signature.

## 6. Space & Lease Audit

Do you know Landlords and their Managing Agents sometimes make mistakes? You didn't? Well, while overcharging is rarely deliberate, when was the last time you checked the Landlord's demand against the lease to ensure accountability and compliance, or accurately measured your floor area?

Your Tenant Representative will save you a lot of \$\$\$'s by adopting a forensic 'success' driven approach

which recognizes the unique dynamics in each lease in an unremitting quest to 'nail down' anomalies in operating expenses.

## 7. Surveyor's Inspection

Acquiring a suite or floor in a multi-let building? Don't trade a modest professional fee for a lease life of unforeseen costs and soaring charges.

An inspection by a Chartered Surveyor or independent specialist consultant, prior to signature, will protect your

interests and highlight problems in building fabric and the life expectancy of costly capital items which may fall due for repair or replacement during the term.

## 7.5 They're not working to protect your interests.

But the good news is – we can!

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