

## Tenant reps can help space seekers save more time than money

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Businesses looking to move to another location might aim to save money by seeking out new office space on their own, but turning to a tenant representative might cost just as much and prove to be a big savings when it comes to the time invested in the search.

"It can end up taking you a great deal of time," said Mary Clare Codd, senior leasing and sales associate at Colliers Arnold in Tampa. "You make money doing what you do, and don't make money searching for property."

Local tenant reps are supposed to know their markets inside out. They're familiar with the buildings available and the landlords, as well as the leasing rates.

"Right now it's sticker shock for a lot of tenants coming into the market," Codd said. In the West Shore business district, for example, vacancy rates for Class A office space are below 7 percent, she said.

At the same time, construction costs jumped 20 percent last year and are expected to climb 15 percent more through 2006. Therefore, lease terms of seven to 10 years often are offered to help cover build-out costs, Codd said.

Chris Butler, managing principal of The **Staubach Co.** in Tampa, said business owners might incorrectly believe there are extra costs associated by working with a tenant representatives.

Instead, "extra costs are often incurred by tenants who attempt to represent themselves in lieu of hiring a good tenant rep," Butler said. "Considering most landlords arm themselves with landlord reps, a prudent tenant often balances the transaction with their own tenant rep."

Most landlords pay commissions to their own broker as well as a tenant rep, but if a tenant represents itself then the landlord's representative usually receives a higher commission and "the landlord profits from negotiating out of a position of strength with an unsuspecting tenant," he said.

Abbey **Dohring**, an associate with **Prudential CRES Commercial** Real Estate in Tampa, said the lease offered tends to be slanted in the landlord's favor, while "a tenant might not understand what they can change."

For example, many leases contain a clause that a tenant has to remove all the improvements that have been made when the lease expires -- even if the landlord made the improvements, Codd said. This can be extremely costly for tenants if they don't negotiate a change.

Butler also warned that tenants should be sure the rep they want to use doesn't have a conflict of interest because many landlord representatives also work as tenant reps.

A good, independent tenant representative will pull together information on several properties for the client, including floor plans, rental rates and tenant improvement costs, after which clients can choose which properties they would like to see, Codd said.

Dohring, who specializes in downtown Tampa and adjacent areas, said that experience gives her knowledge of the various office towers and smaller buildings that have space available, as well as which buildings might best suit either an attorney or an accountant. Other tenants might want a building with valet parking so clients don't have to hunt for parking spaces downtown.

One of the keys is starting the search three to six months in advance, Dohring said. Just looking at properties, making a selection and negotiating a lease can be time-consuming, and then even a simple build-out can take two to three months, she said.

If a client starts to look just a month or two in advance "there isn't much negotiating power," Dohring said.

And it can be costly if a move-in is delayed. Codd said if a tenant has to stay on after the lease has expired, current rental rates might double. It's a clause many tenants overlook.

Codd said some landlords prefer to work with tenant reps, who can explain the process to prospective tenants. Without a tenant rep, there can be "a lot of misunderstandings" when a tenant doesn't understand something the landlord has explained, she said.

Furthermore, landlords might not have time to follow up with new tenants. "If somebody's not pushing for it, it doesn't get done as quickly," Codd said.