

Strategic Insights for the Real Estate Negotiation Phase

In this phase bring together everything you know about your business, what you know about the market and determine the right accommodation decision for the needs of your business.

NEGOTIATE HEADS OF AGREEMENT

It can take many months to get to the position of negotiating heads of agreement. Your Property advisor will undertake the negotiations on preferred and secondary options, and the client and their legal counsel should be ready to commit effort to achieving commercial terms quickly after negotiations.



TENDER - REQUEST FOR LEASE PROPOSAL

- You have aligned your Business Strategy with Lease essentials, and have worked through location and technology decisions.
- You have a Design Brief, and have calculated the costs.
- You are now ready to go to market.



NEGOTIATE AGREEMENT FOR LEASE

A commercial lease has dozens of clauses. It is advisable to sit down and scrutinise these terms. The CEO, CFO, CIO, Property Manager and Legal Counsel will be asked to carefully consider the ongoing cost implications and legal liabilities attached to the transaction.

COMMON ROADBLOCKS

- Personal guarantees can slow down the Negotiation being completed. Understand what Is your liability should the business fail?
- Losing bargaining power by expressing to your Landlord and the market your desire to stay put.
- Not having a detailed cashflow to detail what the actual costs are including relocation costs.
- Board Approvals



OVERSEE LEGAL DRAFTING OF LEASE AND LICENCES

Legal Counsel will be documenting agreed Make good, Bank Guarantee, Annual reviews, Incentives, Park and Lease Costs. In addition to the vast array of lease elements for review, meet with your existing landlord and refresh yourself with the make good obligations.



5 TIPS FOR A SUCCESSFUL PREMISES SOURCING

1. Review the key documents completed in the Strategy Phase.
2. Complete cashflows & comparisons at the same time that the Agreement for Lease Is being prepared.
3. Financial analysis of each property and a comparison against the alternatives Is recommended.
4. Make sure you review the whole market.
5. Don't approach your Landlord direct to renegotiate.