

Attorney

In this market, no owner or leasing agent can afford to be arrogant or insulting to a tenant

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Nothing like an article based on firsthand knowledge. Next week begins month three at my new office. Didn't want to move. But REIT's have away of "inviting" one to move.

I was an 11-year tenant. It was at best an A-minus building.

The REIT had always acted like they were doing me a favor. Corporate arrogance, I guess. At my last renewal there was a major mess after the lease was renewed. The president of the REIT called me himself to smooth out the mess. The leasing agent obviously has a short memory. And he thinks he was doing me a favor. The building manager and general staff were fabulous, but they didn't handle leasing.

I was looking to reduce my office size. No need to pay for unused space. I communicated this to the same leasing person I initially rented the space thru. He knew I was in the

"business." His only offer was space at our sister building in the complex. He sent me the diagram. I pointed out his measurements were incorrect. He had redefined the term net usable space. His incorrect definition added 90 s/f. Given the loss factor, the high rent and the many pass alongs, by my calculation that 90 s/f was the equivalent of more than four months rental over five years. I sent him a hyperlink to an industry website defining usable space. His response was "radio silence." How insulting. So I looked.

I contacted the broker that assisted a floor mate in his move. It resulted in me renting more space at much less rent. Ok, it is a B building, but as my friend noted, today office visits with clients are rare and clients do appreciate not having their billing rates rise. So I looked at several properties in the area.

There are a lot available. Cheaper with owners anxious to rent. They offered concessions and would negotiate. Some buildings included onsite free parking. I'm not the biggest tenant. But vacant space, means zero income. My current lease will gross my landlord well above \$100,000. The REIT is receiving nothing for my old space. And even when they find a replacement, they have lost

me as a tenant so it's a net loss to them. Not to mention the concessions they will have to give, and the work

So which kind of owner are you? Which kind of rental agent are you? In this market no owner or leasing agent can afford to be arrogant or insulting to a tenant. No owner can afford any space remaining vacant or becoming vacant.

they will need to do to make a new tenant happy.

My current space is two blocks away. I see my old building from my top floor window. I have a new, cleaner, upgraded and brighter space and it's a solid B building. My windows open! Good staff. Family owned. No nonsense owners. Sat down at a face-to-face meeting and ironed out the lease. You know, like the, "good old days." This owner understood "market conditions."

The broker took the measurements in front of me and we arrived at an accurate computation of net space available.

The final rental, with concessions and work done, made the final

decision easy. Albeit I made it in a fetal position. My new office overlooks White Plains. The wiring is

upgraded to handle today's Internet and telecommunications needs. My staff, working with the owner's staff made the move smooth.

My current LL now has a full floor in its building rented with a five year lease.

Oh yes, the old broker did email me, (not a visit or a telephone call!), three weeks before the expiration of my lease, and "invited" me to discuss a renewal. My response pointed out that it was obvious he didn't rent my space, that his invitation was late and I asked him (professionally) if he thought I was that stupid as to not have protected myself. How impersonal. How insulting. Had he acted

professionally and not, among other things, redefined common industry terms, I probably would have stayed. Owners know tenants get paralyzed over the thought of moving (see fetal position above). My hand was forced and it turned out it was for the better for my office. I should thank him. I will email him a copy of this article. Probably his boss too.

The REIT has an empty suite. It has lost a long-time tenant and will lose others as my old neighbors wait for their leases to expire. It has already lost three month's income. Concessions and work at the suite will cost the REIT at least eight month's rent. Well the arrogance of the REIT and its leasing agent sure has paid off for them.

So which kind of owner are you? Which kind of rental agent are you?

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