

HOW TO: CHOOSE A BROKER FOR TENANT REPRESENTATION

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Tenant reps: Best when it's a 'relationship business'

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SPECIAL TO THE JOURNAL

In the commercial real estate world, finding space and negotiating a lease are often complex tasks, and most businesses find it prudent to work with a broker of their own.

Such tenant-representative brokers may be exclusively working for tenants, or they may work both sides of the tenant-landlord fence. But experts say what's far more important than exclusivity is to find a broker who will get to know a business and what it needs both now and in the future.

"Every tenant has a different goal or strategy, and a good broker will have the ability to tailor both into their space requirements and terms," said **John Butterworth**, senior vice president at Boston's **Meredith & Grew**. "What you don't want to do is be put into a position where if you need to grow you can't, or if there isn't growth, you can shrink your space. A good broker will fight for that flexibility."

Butterworth and other industry insiders say brokers and tenants need to work well together. From a starting point of collecting references — or waiting by the phone, since many brokers cold call growing businesses — a business should get a strong feel for the people they'll be working with.

SPACE HUNTERS

- Tenant reps can work exclusively for tenants or work for both the tenant and landlord.
- Tenant reps should be able to find not only the spaces being heavily marketed, but have the resources to find the hidden spaces.
- With the pendulum swinging back to the landlord's advantage, a good tenant rep is becoming increasingly important.

"This is a relationship business," Butterworth said. "A good broker will take the time to understand what's important to a business. At the end of the day, it comes down to the individual broker representing you."

Still, a larger firm such as Meredith & Grew can offer insight into a landlord's objectives, as well as market data from its large roster of clients on both sides of the ledger.

Jason Weissman, president of **Boston Realty Advisors**, which also represents both tenants and landlords, said his firm strives to become a trusted partner for businesses seeking space. "Our goal is to save the organization time and money and at the same time make

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John Butterworth
Senior vice president, Meredith & Grew

a business more competitive," he said.

Experts say the best brokers will recognize that every business is unique and spend the time to get to know all about a company — its culture, its growth prospects, its location needs — before starting to suggest spaces to lease.

While there are some advantages to working with a broker who specializes in a specific type of space — such as biotech or professional services firms that have specific needs — a range of experience can also be helpful. At a minimum, a broker should be able to tap into a range of resources to find available and even hidden space that isn't being heavily marketed, such as space coming into the market when a

lease expires or a tenant moves.

Often, a tenant's broker is just one player among many as deals are getting done, and good brokers buffer businesses from those dealings to some extent while also keeping the lines of communication open to ensure that negotiations are proceeding the right direction for all involved.

Good tenant brokers can also ensure that leases are fair to tenants. "A lot of businesses don't have experience with reading, let alone writing, leases," said **Linda Horsley**, a spokeswoman for the **Building Owners and Managers Association** in Washington, D.C. "Many good landlords will insist on having a professional in the room to represent the tenant in negotiations. Having someone qualified in the mix can help avoid future problems."

Butterworth, meanwhile, said a good tenant broker is becoming increasingly important as the real estate market in the Boston area starts to shift once again from a pure renter's market to more of a landlord's market.

"The pendulum has definitely begun to swing the other way," he said. "The power has started to shift to the landlord's side of the table. Things like free rent and moving allowances that were commonplace from 2001 to 2005 are slowly starting to drop off the table."