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Lease renewals are biggest game

Renegotiations Spawn New Specialists

by Sonny Goldreich | Special to The Gazette -- Wednesday, July 22, 2009

With the increased emphasis on tenants seeking better terms, some commercial real estate veterans are beginning to specialize in negotiations with landlords.

Green Light Retail has formed Green Light Advisors in Bethesda to help assist landlords and tenants with the increased number of lease renegotiations.

"A lot of area retailers need some assistance with their occupancy costs but getting the attention of the landlord is sometimes difficult," said **Peter Framson**, a Green Light principal.

A recent Green Light survey of retail landlords and tenants indicated that the time spent renegotiating leases has more than doubled in 2009 from 2008, with almost 50 percent spending more than 10 hours a week on renegotiations. Almost 33 percent are worried that lease renegotiations are creating ill will; and almost 70 percent said renegotiations take away from primary business.

"We have seen a lot of growth with this niche. We've done a lot of these deals because there's a tremendous amount of interest in this right now," said Andrew Nadler, principal of Summit Strategies of Potomac. "Landlords are now having a challenging time finding retailers to take vacant space, so we're here to facilitate amicable lease restructuring. It's big now, but the need for this doesn't always just occur in down economies — it also occurs in up markets."