

## WHY SHOULD I SIGN AN EXCLUSIVE AGREEMENT WITH A TENANT REPRESENTATION BROKER?

Signing an exclusive agreement with a tenant representation brokerage firm is a must in today's tough and competitive commercial real estate market. In doing so, you are ensuring that you stay top priority and have fair and adequate representation in every landlord/tenant interaction.

### EXCLUSIVE REPRESENTATION IN A TOUGH MARKET

The commercial real estate market is one of the most competitive markets in the world, and real estate firms prefer to work with only the most committed owners and tenants who are focused on long-term tenancy in a given property.

- If you want to see the best real estate available in your market, including off market opportunities, an exclusive agreement gives the firm working for you the confidence to spend the time, money and energy marketing to the industry on your behalf. Without an exclusive arrangement, there is no motivation for the brokers or firm to spend the thousands of dollars to uncover hard to find opportunities. This means you may never see your ideal space.
- Besides the fact that most credible real estate firm will not work without an exclusive, it can become very difficult down the road to establish where an opportunity came from when multiple brokers are reaching out to property owners on your behalf. By retaining an exclusive firm, you demonstrate you are a committed business owner who is focused and ready to secure a location.
- In addition, landlords have become more sophisticated and savvy. An exclusively represented tenant shows the landlord that the tenant is serious about their business establishment and is in for the long haul.



Without an exclusive arrangement, there is no motivation for the brokers or firm to spend the thousands of dollars to uncover hard to find opportunities.

A common misconception of brokerages is their main purpose is to help tenants find a location. In reality, one of the key reasons for engaging a full-service tenant representation brokerage is for the support and representation AFTER finding a location. Spending the time and energy in choosing an experienced full-service tenant representation brokerage is one of the best business decisions you'll make in the long run.

## **SECURE THE BEST FIRM FOR YOUR NEEDS**

Before retaining any firm, review the firm's qualifications carefully. Most commercial real estate firms have a core business of representing landlords and this is a major conflict of interest to you, the tenant. You also need to review the contract to ensure there are protection clauses for you in case you aren't satisfied with the firm's performance. That being said, the commercial real estate market is a test of patience; be aware that it can take months, sometimes 2-6 months for the site selection process alone, especially in today's competitive market.

Signing an exclusive agreement with a tenant representation firm ensures you will remain a priority for both your broker and your commercial landlord. You will be seen as a credible professional who is committed to the long-term success of their business. You will also have a much better chance of seeing spaces for lease or purchase that you would not normally see compared to representing yourself or having multiple firms working on your behalf with little to no positive outcome.