

“PORTABLE” COMMERCIAL LEASE NEGOTIATING THEORIES



Leasing **RE**ality

MASTER YOUR LEASING DOMAIN

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WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

1. The Albert Einstein, Snoop Dogg and Drake Bring Your “A” Game-Brick House Value Theory
2. The Snagglepuss, Groucho Marx, The Clash & Steve McQueen Great Escape Theory
3. The Ho Ho Ho, Dr. Evil & Jerry Maguire “You Complete Me” Theory
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WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

Question: What is The Albert Einstein, Snoop Dogg and Drake Bring Your “A” Game-Brick House Value Theory?

Answer: The real estate world - as we know it - would be a better place if the attorneys, brokers, contractors, architects and other professionals inhabiting it heeded the words *“Try not to become a man of success. Rather become a man of value”* by Albert Einstein.

In order to build a foundation of knowledge and ultimately add value - channeling *Drake* - you need to have *“Started From The Bottom,”* because if you don’t, among other things you will (1) no longer have access to your *“Hotline Bling,”* (2) have to *“Shut It Down”* because your iPhone will no longer *“Light Up”* with calls or texts from your prospective or former clients, and (3) consequently, no longer have *“Dreams That Money Can Buy.”*

With props out to *Snoop*, *“If it’s flipping hamburgers at McDonald’s, be the best hamburger flipper in the world. Whatever it is you do you have to master your craft.”*

Make a difference no matter what you do, and always bring your “A” game to the ultimate negotiation – namely life itself – regardless of what you are trying to achieve.

Lastly, with a little help from *Lionel Richie* and his old band the *Commodores* – you need to construct a “Brick House” of knowledge to truly grasp the nuts and bolts of commercial leasing!



WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

Question: What is The Snagglepuss, Groucho Marx, The Clash & Steve McQueen Great Escape Theory?

Answer: Much as one needs to have an exit strategy in life, such as the one that some people employ when going on a blind date by having their friend conveniently text or call them at a predetermined time as a potential means of being able to leave that date rather suddenly, the same can be said of the mindset that a real estate professional should have when not only negotiating a commercial lease, but even earlier than that.

As a tenant advocate, it is imperative that you create exit strategies for your client as early as the letter of intent stage for the myriad of things that can occur during a long term lease (including but not limited to the sale of a business, partners leaving and new ones joining a company, and the necessity to assign a lease or sublet a tenant's space).

With that said, beginning with the preparation of their initial letter of intent to a landlord, tenant representatives need to make it their mantra to simultaneously channel the mindsets of (1) *Hanna-Barbera* cartoon character *Snagglepuss* and his line “Exit, Stage Left,” (2) *Groucho Marx* and his line from the movie *Animal Crackers* “Hello, I Must Be Going,” (3) *The Clash* and their song “Should I Stay or Should I Go?” and lastly, (4) *Steve McQueen* and his desire in the classic movie to make “*The Great Escape*” from the P.O.W. camp he was held in during World War II.

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Question: What is The Ho Ho Ho, Dr. Evil & Jerry Maguire “You Complete Me” Theory?

Answer: Given that no real estate professional or owner for that matter knows everything (with a few of us sometimes being a can or two short of a full six pack), a key to success is filling in the holes in your knowledge base by surrounding yourself with those capable of doing so.

By way of example, a real estate agent should have a good number of reliable contractors, architects and attorneys “on call” as part of their “team.” With that said, Santa Claus wouldn’t be half the man he is without none other than Mrs. Claus and his elves!

Dr. Evil from the comedy classic *Austin Powers* didn't find true happiness and creativeness until *Mini Me* became part of his team.

Lastly, real estate professionals need to look no further than the movie *Jerry Maguire* starring *Tom Cruise*, when his character said to his then somewhat estranged girlfriend *Dorothy Boyd*, played by *Renée Zellweger*, “*You complete me.*” Make this part of your mantra my leasing brethren, and prospective clients will be channeling *Dorothy Boyd* in response to your pitch and the skill set you bring to the table by saying “*You had me at hello!*”



WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

Question: What is The Mariano Rivera, John Wooden, Billy Idol & Annie The Sun Will Come Out Tomorrow Theory?

Answer: Aside from having a closer’s mentality when it comes to hopefully bringing your deals to a smooth, expedited and successful conclusion, similar to that of THE greatest MLB closer of all time (yes, the one and only *Mariano Rivera*), real estate professionals need to (1) unfortunately accept that not every deal or game is going to have a happy ending, (2) acknowledge that when it comes to pitching business, more often than not you will end up being the maid of honor or best man, and not the bride or the groom, and (3) come to grips with the fact that as a consequence of the foregoing, one needs to adopt a “NEXT” mentality after a bad day at the office. After a rare poor outing, Mariano came to the ballpark the next day with a “closer’s mentality,” ready to throw the pitch that will (or depending on what year you may be reading this, did) get him elected to the Hall of Fame on the first ballot, notwithstanding that he might have given up a walk-off home run the night before to lose the game for the Yankees!

Along the same lines of having a “closer’s mentality,” legendary basketball coach *John Wooden* once said “*Today is the only day. Yesterday is gone.*” The point is to focus on what is the now, and not on what no longer will ever be! As to the *Billy Idol* song that we have all heard at many events, namely “*White Wedding*,” landlord and tenant advocates should consider repeating to themselves three times the lyrics “*It’s a nice day to start again*” the day after a deal goes south or sideways on them. Lastly, as to the famous Broadway show *Annie*, playing off the words from the iconic song, you can “bet your bottom dollar” that “*the sun will come out tomorrow*” after a down real estate cycle or a failed transaction.

WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

Question: What is The Winston Wolf, Vivian Greene, Forrest Gump & Gene Kelly Be Part of the Solution Theory?

Answer: At both the beginning and end of the day, it is our firm belief that in order to succeed in commercial leasing, life and in business, a major component of doing so is all about being a part of the solution and not part or all of the problem. For no better way of putting it, you need to “just deal with it” and navigate to the best of your ability and skill set the metaphorical 40 foot wave of life which on occasion seemingly finds a way without warning, to rain down on your close to crossing the goal line real estate transaction!

That said, real estate professionals need to (1) embody the character *Winston Wolf* from *Pulp Fiction* and practice his mantra of “*I solve problems*,” (2) embrace the words of poet *Vivian Greene* and her advice “*Life isn't about waiting for the storm to pass. It's about learning to dance in the rain*,” (3) channel *Tom Hanks'* character *Forrest Gump* from when he went on a run one day that turned into 3 years, 2 months, 14 days and 16 hours and acknowledge, like the bandana wearing dude looking for some inspiration for a bumper sticker slogan from Forrest (as Forrest simultaneously stepped in a big pile of dog poop), and merely acknowledge that like life and shit, “it happens” and deal with it, and (4) know that notwithstanding a few dark clouds surrounding your transaction, try and bring a sunny and optimistic approach to the deal by tap dancing and resolving the issues at hand like Hollywood legend *Gene Kelly* in the 1950's classic “*Singin' in the Rain*.”

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Question: What is The Ben Franklin, 5 P’s, JFK & John Wooden Cub Scout Theory?

Answer: Quoting one of the coolest dudes from the 1700’s, namely *Benjamin Franklin*, always remember that due *“Diligence is the mother of good luck.”*

As to the not so elusive 5 P’s theory, landlord and tenant advocates must know that *“Proper Planning Prevents Poor Performance!”*

Taking it a step further, ponder the advice of former President *John F. Kennedy* when it comes to staying on top of your game and your deals by making sure that you *“Use time as a tool and not as a couch.”*

Going back to the well one more time with Coach *John Wooden*, please keep in mind his mantra of *“If you fail to prepare, prepare to fail.”*

Last but not least, coming from a guy who wore the uniform in his third grade class picture, make the *“Be Prepared”* mantra of the Cub Scouts your very own!



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Question: What is The Luv The 1 U R With, George Benson, Jerry Garcia, LeBron James & Sting “So Lonely Drive-In Movie” Theory?

Answer: When it comes to tenant retention, lease renewals and lastly, those cycles where the context of the times scream out for a lease restructuring, given the financial fallout associated with vacancy turnover, legal, brokerage, architectural, tenant improvement allowance, landlord work, and lastly, free rent concession costs incurred when a tenant channels the *Grateful Dead* song “*Truckin*” and moves on to another office or retail space, landlords need to become bigger fans of the musicians known as *CSNY*, *George Benson*, *Jerry Garcia* and *The Police*.

Stated differently, in order to not feel compelled to channel *Sting* and start to sing “*So Lonely*” as they stand in the once occupied space of a dearly departed and once rent paying tenant who has made like *LeBron James* and taken his or its “talents” to another landlord's building, landlords should consider heeding the words from the songs “*Love the One You're With (CSNY)*” and “*Never Give Up on a Good Thing (George Benson)*” when negotiating a renewal option, lease extension or lease restructuring!

As to the drive-in movie theater aspect of our theory, it is our belief that having vacant space makes no sense, much like going to one of those old drive-in movie theaters by yourself ... in a taxi cab ... with the meter running ... and in the case of a single parent experiencing the foregoing, having to pay for a babysitter for the kids left at home. It makes no sense!



WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

Question: What is The Red Hot Chili Peppers, Gorillaz, Madonna and Public Enemy Bring The Noise-We Got The Power Theory?

Answer: In any world, leverage (along with knowledge) is power, and as the title of the *Red Hot Chili Peppers'* song goes, leverage brings “*The Power of Equality*” to those possessing it! In a landlord's market, when advocating on their behalf, real estate professionals should feel empowered, but with some semblance of tact and reasonableness, when putting forth the message - with a little help from the virtual band *Gorillaz* - that “*We Got the Power.*”

Conversely in a tenant's market - such as the summer of 2017 retail market across the country - tenant advocates can and should know that - in the words of Grammy Award winning band *Linkin Park* - they are not “*Powerless*” but rather possess in its negotiations (in the words of none other than *Madonna*), the “*Power of Goodbye*” when it comes to throwing that chip a landlords way at the bargaining table.

Tenant advocates - going to the well once more with *Public Enemy* as my wing men – should know that if you fail to properly advocate your client's position, not only will the landlord send a message to the tenant's side that they “*Can't Do Nuttin' for Ya Man,*” but even worse, they will move on to another prospective tenant by instructing their agent to cease negotiations and to “*Shut 'Em Down.*”

WHAT DO THE FOLLOWING “PORTABLE” THEORIES HAVE TO DO WITH SUCCEEDING IN BUSINESS, LIFE, COMMUNICATIONS AND COMMERCIAL LEASING?

Question: What is The Kevin Costner, Jerry Garcia, Jim Valvano and Lady Gaga Field of Dreams-Rose Colored Glasses-Paint Your Masterpiece Negotiating Theory

Answer: Part of the art of negotiation, playing off of a song often sang by the *Grateful Dead* titled “*When I Paint My Masterpiece*,” is to put yourself in the heart and mind of the person sitting across the table from you, and once you are able to ascertain exactly what makes them hot, and what makes them not, you have created - as the name of the *Kevin Costner* movie goes, a negotiating “*Field of Dreams*” for you to relentlessly and passionately make a difference for your client, and consequently at some point in time, your bank account as well.

The NCAA Basketball Championship winning coach *Jim Valvano*, in his heart warming iconic speech at the very first ESPY awards in 1993, said in a very different yet appropriate context “*Don't give up. Don't ever give up.*”

Although we at Leasing REality never truly thought we would ever refer to *Lady Gaga* and *Jerry Garcia* collectively as negotiating muses and allies, when it comes to whether or not you choose to (1) give your adversary only your “*Poker Face*,” or (2) get the other party hot by showing him or her what you've got, or alternatively, it's our suggestion that real estate advocates embrace - in keeping with the spirit of Jerry's song “*The Deal*”- a mantra of keeping all of your playing hands and negotiations for that matter alive by not letting your deals go south. Stated differently, depending on your negotiating style and whatever way your pleasure tends, please be cognizant of all market conditions and the context of the transaction when you choose to bluff, knock, call, raise, fold or cash out your negotiating chips!



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