



**Protect Your Business Location:  
Best Practices for Successful Lease Renewal and Rent Repayment Negotiations**

**Start Early** – Don't wait until the last minute. Begin discussions with your landlord about renewing your lease at least six months before your lease expires for office space, and one year for retail. Businesses thrive when lease agreements work for everyone; the best leasing arrangements emerge slowly through a series of conversations, proposals, and counterproposals.

**Research the Market** – Knowledge is power. Massive data are available about real estate values and going rents for every neighborhood and commercial use in San Francisco. Ground your leasing negotiations in facts and measurable trends, including factors that inform local conditions and business practices.

**Get Help** – Every commercial lease transaction contains two negotiations. One about the specific terms related to leasing your space, and a second one about the lease document itself. For either of these purposes, consider engaging the services of a licensed commercial broker who specializes in leasing for your business type.

When it is time to memorialize the terms of a leasing agreement into a written lease, engage a commercial real estate attorney to review the lease before you sign. *Investment in these services can prevent catastrophic losses and protect your interests in dozens of small but important ways.*

**For Retailers** – Sales determine value for tenants and landlords alike. Gross revenue is the key metric in determining how much rent your business can sustain. Understanding industry benchmarks for optimal occupancy cost to sales ratios is a critical element of successful retail lease negotiation. No one wants to pay more rent, but successful businesses can sustain increases while remaining profitable. Looking at rent as an expense in relationship to proven sales performance, and detaching from emotional reactions to landlord demands, is essential to success. *Relocating a business is almost always more expensive than paying more rent in an already successful location. Rash decisions to relocate that are fueled by difficult emotions can tank a business; always think about the bigger picture after emotions calm down, before relocating a retail business.*

Contact Conflict Intervention Service of the Bar Association of San Francisco for negotiation coaching, business analysis, mediation, and legal referrals. Learn more about us here: [sfbar.org/cis](http://sfbar.org/cis). Call the helpline at 415.782.8940 or email [CIS@sfbar.org](mailto:CIS@sfbar.org).

**CIS guarantees a response to all help requests within 24 hours, 7 days a week.**