

EXPERT EYE

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Successfully negotiate your lease/renewal

Whether you're looking for a new place to rent or it's time to renew your lease, always consider negotiating your rent. Even if you think you have no chance of getting your rent lowered, if you're prepared and confident, you will probably walk away with something.

If you're looking for a new apartment, it may work in your favor to approach the landlord with your new offer at the last minute. An owner may be more likely to agree on a lower rent if it's near the end of the month and he or she still hasn't found any potential tenants, or if the apartment has stood empty for a few months already. Sometimes a landlord would rather accept a lower offer than risk losing money on an empty apartment.

Listed below are different things to bear in mind while negotiating a new lease or renewal:

What's the fair rental rate? A common phrase used in all lease negotiations is "market rate." Your landlord will cite the market rate for similar properties as cause for an increase in rent. To begin negotiations, the tenant needs to conduct some research in order to understand the rental market within their neighborhood. Once you have done your research, you can determine whether or not it's realistic to ask for a lower rent.

Demand. After determining the rental rate, you will need to figure out what the demand is like for similar properties. Occupancy rate will influence a landlord greatly in the negotiation process. If demand for similar properties is high, the landlord won't be very keen to negotiate. Once you have figured out what others are paying, the demand for the unit and how desperate the landlord is to rent, it's time to finalize the negotiations.

Ask for a longer lease. If a landlord won't meet your offer on a 12-month lease, it's possible the landlord will budge if you are willing to sign a longer lease. A landlord will be motivated by not having to pay for advertising and cleaning up the unit for one more year.

Consider other concessions. If the landlord is not willing to reduce the rent and you still wish to stay in the same property and locality, considering a trade-off might be a good idea. If the landlord can't meet your offer, perhaps the landlord can offer another concession, such as free parking. The important thing in the negotiation is to get something out of the deal, even if it's not a lower rate.