THE WRA PERSPECTIVE / LEASE STRATEGY

Lease Renewal Negotiation

Why Going It Alone Costs You

November 12, 2026

The most expensive sentence in **lease renewal negotiation** is one I hear from business owners all the time:

> "We're all set.
> We have a great relationship
> with our landlord."

KEEP THE RELATIONSHIP. BUILD THE LEVERAGE.

01 / THE RELATIONSHIP

Lease Renewal Negotiation Is Business, Not Friendship

I believe you, and that relationship is worth a lot. Keep it. Just don't mistake it for leverage.

A good relationship gets your HVAC ticket handled fast. It doesn't set your rent.

On your renewal, the landlord's job is to keep you in the building at the highest rent it can get. That isn't a character flaw. It's how the building makes money.

Your goals run in the opposite direction. When one friendly conversation has to settle both, the side with more data and more practice usually wins. In a commercial lease renewal, that side is almost never the tenant.

If your lease expires in the next 12 to 24 months, WRA represents tenants exclusively in Greater Boston. No landlord work, no conflicts, just strategy built around your renewal.

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The Person You Like Doesn't Set Your Rent

Who actually approves your renewal terms? Usually not the person you've dealt with for the last five years.

Many office and flex buildings along Route 128 are owned by an investment fund or a family partnership, usually with a lender behind it. Your property manager runs the day-to-day. Your rent and concessions get approved by an asset manager whose performance is measured on the building's income and value.

That asset manager has never met you. To them, your company is a line on a rent roll with an expiration date. Your goodwill doesn't show up in their model.

Ownership also changes. Buildings sell and refinance all the time, and the owner you trusted can be replaced by one answering to new investors and a new lender. In a lease renewal negotiation, a relationship that can change hands at one closing is a weak foundation.

TWO DIFFERENT CONVERSATIONS

Property manager
Day-to-day operations and service

Asset manager
Income and renewal economics

02 / THE INFORMATION GAP

They Negotiate Leases Every Week. You Do It Every Ten Years.

Here's a quick test for any renewal: count how many leases each side signed this year.

The landlord's leasing team and attorneys work deals full time. They know what concessions recent tenants received down the hall and across the street. You go through this once every five to ten years, which is a big edge to hand over in a lease renewal negotiation.

That gap shows up in places most tenants never check:

01 **Face rent vs. net effective rent.** A landlord can hold your face rate flat, then trim the free rent, improvement allowance, or escalations. The headline looks like a win. The net effective rent tells you what you're really paying.

02 **What other tenants got.** Concession packages vary widely from deal to deal. Without recent comparable transactions, you can't tell a fair offer from an opening bid.

03 **Operating expenses.** A commercial lease renewal is the moment to cap controllable expenses, tighten audit rights, or push for a new base year. Landlords rarely volunteer those changes.

04 **The amendment itself.** Renewals are often papered as a short amendment that carries every old clause forward, including the ones you wish you'd fought harder on the first time.

$53,000

THE FIVE-YEAR COST OF A $1.00/SF GAP

Illustrative math only. Your figures depend on your building and term.

Small gaps add up. On a 10,000 square foot lease, every $1.00 per square foot left on the table costs about $53,000 over a five-year term once 3% annual increases compound.

10,000 SF × $1.00 ×
$(1 + 1.03 + 1.03^2 + 1.03^3 + 1.03^4) = \$53,091$

THE NUMBERS / AN ILLUSTRATIVE EXAMPLE

A small rent gap. A five-year consequence.

A $1.00/SF first-year difference on 10,000 SF grows when that difference increases by 3% annually. The bars show the cumulative cost of that gap.



LEASE YEAR	GAP / SF / YEAR	ANNUAL COST	CUMULATIVE
1	$1.0000	$10,000.00	$10,000.00
2	$1.0300	$10,300.00	$20,300.00
3	$1.0609	$10,609.00	$30,909.00
4	$1.0927	$10,927.27	$41,836.27
5	**$1.1255**	**$11,255.09**	**$53,091.36**

Assumptions: 10,000 SF; $1.00/SF first-year gap; 3% annual compounding; five years. Undiscounted base-rent difference only. Calculations use unrounded amounts.

ILLUSTRATIVE MATH, NOT A FORECAST OR A PROMISE OF SAVINGS.

03 / PROTECT THE DEADLINE

Your Renewal Option Isn't the Safety Net You Think

Do you know the exact date your renewal option expires? Plenty of tenants have to dig out the lease to check.

Most options require written notice by a hard deadline, often nine to twelve months before expiration. Miss it and the option is gone. Nobody on the landlord's side is obligated to remind you.

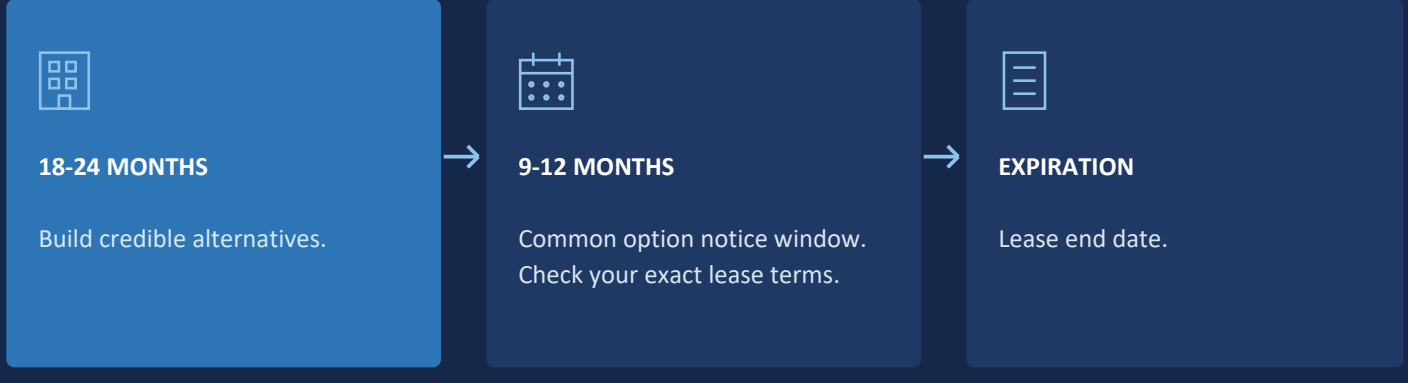
Read the pricing language next. Options usually set rent at "fair market value," and the definition often lets the landlord name the first number. Most of the time, that does not include free rent and allowances, which is exactly what every new tenant would receive.

Treat a renewal option as a fallback. It protects your right to stay. It doesn't protect your rent, and you're free to negotiate below it.

Timing drives every lease renewal negotiation. Landlords tend to send that friendly renewal proposal once relocating has gotten hard, because design, permits, construction, and the move can take the better part of a year.

Your leverage peaks 18 to 24 months before expiration, while you still have time to build real alternatives. We break this down in Two Leverage Tools Every Tenant Has.

WORK BACKWARD FROM EXPIRATION



Planning guide from the article. The notice deadline in your signed lease controls.

04 / CREDIBLE ALTERNATIVES

No Alternatives, No Leverage

REPORTED MARKET SNAPSHOT / Q2-Q3 2026



Renewals are where much of the market's business is happening right now. In its Q2 2026 Boston Office MarketBeat, Cushman & Wakefield reported that renewal activity more than doubled from the prior quarter and made up half of the ten largest deals. CBRE's Q3 2026 suburban office figures named renewals and mid-sized deals as the main drivers of activity.

Tenants still hold real leverage. Vacancy on the 128 Belt was 18.1% in Q2, and Greater Boston Class B asking rents fell 4.0% year over year, per Cushman & Wakefield. Downtown, CBRE put Q3 vacancy at 18.5% with asking rents slipping to $66.12 per square foot.

The honest caveat: the market is stabilizing. CBRE reports suburban availability and sublease space both trending lower, so the window favoring tenants is narrowing.

Flip it around. If you leave, they face months of empty space, a new improvement allowance, free rent, and leasing commissions to land your replacement. Keeping you is usually their cheapest option.

That math only helps you if the landlord believes you might walk. Telling your property manager you're "looking around" rarely moves anyone. Written proposals from competing buildings do.

This is what tenant representation is built for: real tours, real proposals, and side-by-side analysis of the numbers. When the landlord believes you have alternatives, the terms improve. Credible options are the strongest card in any lease renewal negotiation.

Source periods differ. Vacancy rings show the stated vacancy share; rent change is a separate measure. Figures reproduced from the October 22, 2026 article; not updated for this edition.

THE NEGOTIATION / MAKE THE OFFER COMPARABLE

Turn an opening offer into a decision.

A renewal proposal becomes useful when each major term can be compared with credible alternatives. Use these four lenses alongside the headline rent.

REVIEW AREA	WHAT TO COMPARE	WHY IT MATTERS
Total rent	Face rent, annual increases, free rent and net effective rent.	A flat headline rate can conceal a more expensive package.
Concessions	Improvement allowance and free rent against recent comparable deals.	The opening offer does not show everything the market may support.
Operating expenses	Controllable-expense caps, audit rights and the base year.	Rent is only one component of occupancy cost.
Lease amendment	Existing clauses carried forward and terms worth revisiting.	A short amendment can extend old limitations for years.

HOW CREDIBLE ALTERNATIVES BECOME NEGOTIATING LEVERAGE



The strongest comparison starts with real, written proposals.

05 / KEEP THE GOODWILL

“Won’t Hiring a Broker Hurt the Relationship?”

This is the real worry behind "we're all set." Nobody wants to sour years of goodwill over a few dollars a foot.

Representation protects the relationship during a lease renewal negotiation. Your advisor makes the tough asks and pushes back on weak offers, so you get to stay the good tenant. Professional landlords work with tenant reps every day.

Then there's cost. Our fee is paid by the landlord, so there's no added cost to you.

A fair follow-up: if you renew direct, won't the landlord pass that savings along? Nothing requires it, and you'd have no way to verify it. A landlord who renews you directly usually just keeps the difference.

Who you hire matters too. Many large brokerages also lease, manage, or sell buildings for owners, so your advisor's firm may work for the landlord across the table. WRA has no landlord clients, and our commercial tenant representation starts from that.

Final Thoughts from WRA

Keep the goodwill with your landlord. It has real value, and the right process protects it. Just don't let it decide your rent for the next five or ten years.

Start a year and a half to two years out, learn what the market is actually offering, and make sure the landlord knows you have options. That's how a friendly landlord turns into a better deal. If your lease is on the horizon, let's talk before the landlord calls you.

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06 / QUESTIONS, ANSWERED

Lease Renewal Negotiation FAQs

01 Should I negotiate my lease renewal myself?

You can, but you'll be sitting across from people who negotiate leases every week. A tenant rep brings market data, competing proposals, and a clear read on net effective rent. For most companies, that's the gap between the landlord's first offer and the market's best terms.

02 When should I start a lease renewal negotiation?

Begin 18 to 24 months before your lease expires. That leaves time to tour, collect competing proposals, and still relocate if the landlord won't move. Check your renewal option's notice deadline first, since it often lands well before the lease end date. Waiting for the landlord's call usually means starting with less leverage.

03 Does a tenant rep cost me anything on a renewal?

Not with WRA. Our fee comes from the landlord, not from you. Before you hire anyone, ask two questions: who pays them, and does their firm also represent landlords? The second answer tells you whose side they're really on.

04 Can I negotiate a better deal than my renewal option?

Yes. A renewal option secures your right to stay, not the best price available. Typically, a renewal option will not include concessions. A new tenant who signs at the building gets free rent and tenant improvement dollars, so why shouldn't a tenant who has been paying rent at the building over the past 5-10 years?

05 Can I reset the base year and renegotiate original lease clauses?

Yes. A negotiated renewal can address more than rent and term. If your lease uses a base year for operating expenses or real estate taxes, you can seek a reset to a more recent year to reduce future pass-through charges. You can also revisit expense caps, audit rights, repair obligations, assignment and subletting, guarantees, and restoration requirements. Exercising an existing option generally carries forward the original terms unless the option provides otherwise or both parties agree to changes.

YOUR SPACE. YOUR TERMS. YOUR ADVOCATE.

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