

Tips for Negotiating Your Business Lease

Negotiation can be one of the most intimidating processes people experience. However, when it comes to owning your own business, learning how to negotiate with confidence is essential to managing your cash flow and boosting your bottom line. One of the first opportunities to practice negotiating is with your business lease. Success means extra cash in your bank account each month and more money to spend on building and growing your business. Here are a few tips to help you get the lease price you want.

#1 Prepare in advance. Know how much you can afford to pay, how much the property manager is asking and how much your neighbors are paying for their leases. Arm yourself with as much information as possible. For example, if the property you're looking at is half empty, you may have more leeway to negotiate than if people are banging down the door to lease the last available space.

#2 Be patient. Patience is more than a virtue; it's a negotiation tactic that usually pays off. If you're in a rush to get into a space, then you're not going to be willing to sit back and wait until the right property comes down to the right price. During negotiations, the one with the more urgent need usually concedes more.

#3 Listen more, talk less. Most negotiations falter because people talk too much rather than listening. If you go into the negotiations knowing what you can afford or are willing to pay and are willing to listen to the property manager rather than do all the talking, you're more likely to find out key information that may help you in the negotiation process. Talk too much and you're going to give away information the property manager may be able to use to sway or influence you.

#4 Don't argue. Negotiation isn't an argument, it's a process of give and take. For example, perhaps the property manager could be swayed to lower the monthly rent if you agree to make bi-monthly payments. It's about influencing and finding a need rather than winning an argument.

#5 Learn to read body language. One of the easiest ways to understand what type of negotiator you're working with and how they're feeling about the process is to understand non-verbal communication or body language. For example, arms crossed during a negotiation might mean a defensive attitude.

#6 Understand various negotiation tactics including:

- The Nibble - The nibbler often pulls this tactic out at the end of a negotiation and attempts to add on to the agreement. The best counter-tactic for this approach is the counter nibble, and the negotiations continue until both parties have come to a complete agreement.
- The Red Herring - Designed to throw you off, the person that uses this tactic will introduce an old problem that is not related to the current discussion or negotiation. An easy way to avert this tactic is to simply acknowledge their comment and ask to come back to it once you've finished your current discussion.
- The Appeal to Higher Authority - This is a common tactic with middle-level decision makers. It is the "Let me run this by my boss," tactic. To counter this tactic you can mirror it by acknowledging their new proposal and saying that you need to run it by your partner.
- The Squeeze - What do you do when the buyer announces that you've reached an impasse? Buyers use this tactic to encourage a concession. To determine if you're really at an impasse or if they are simply using a tactic, list the areas of agreement and the impasse points and attempt to collaborate to overcome the impasse points.

#7 **Be willing to walk away.** Knowing what your limits are before you enter negotiation is essential for success.

Successfully negotiating your lease can be an extremely powerful and gratifying process. Know what you want, be prepared, and be patient. The right solution can be found.