As an established dentist looking ahead to your commercial lease renewal, you should not passively accept the same lease terms and conditions from your landlord. Without effective negotiation, dental tenants can leave a great deal on the bargaining table such as valuable tenant inducements (paid by the landlord) and even lower rents.

Since 1993, I have been helping dentists and other commercial tenants learn the dos and don’ts of negotiating commercial leases and renewals. When it comes time to renew a commercial lease, a dental tenant must be wary and not agree to terms too quickly. Dental tenancies are valuable to a landlord and should be leveraged by the tenant to secure the best and fairest lease renewal deal possible, without requiring a move (which can be an expensive and time-consuming process). Remember the following tips when renewing your lease.

**Do Plan in Advance**
Start the planning and site selection process well in advance. Lease renewal negotiations should begin 12 months before the term expires. This will give you sufficient time to look at other sites and do your homework. If you can’t get a decent renewal rate, would you rather find out you need to move with three weeks or six months left on your lease term?

**Do Negotiate Rent**
Don’t settle for your same rental rate. Achieving a rent reduction on your lease renewal is a very real possibility. If your landlord is leasing space to new tenants at less than what you are currently paying, a rent reduction for you should be a given. If your current rental rate is artificially high because of your last tenant allowance, a rent reduction on your renewal term could also be in order.

**Do Negotiate for Lease Renewal Incentives**
If your lease is expiring, ask yourself what inducements the landlord might give to a new dentist just coming into the property. Examples would include free rent and tenant allowances. If these were being offered to a new dentist, then why wouldn’t an established dental tenant – with a proven track record – get the same (or more) consideration?

**Don’t Have False Optimism**
Unless you change location or something else about the way you practice, you should not realistically expect your next five years to be better than your first five years. While it can be difficult, frightening, time-intensive and expensive to consider moving after you have been in one location for a long time, this may be necessary.

**Do Create Competition for Your Tenancy**
Negotiate on more than one location simultaneously – especially with lease renewals. Even if you don’t want to move, create options so you can play one landlord against another. Share with each landlord that you are receiving proposals on other sites. Remember, you are the customer – make the landlord earn your tenancy.

**Don’t Let a Landlord-paid Agent Represent You**
It is not uncommon for a dental tenant to believe that the broker/agent is working for them. However, it should be
noted that the agent’s commission is being paid by the landlord and even an outside agent might be sharing in that commission. Remember, the higher the rent paid, often the higher the agent’s commission. Brokers and agents do a great job, but who are they doing that job for and who is paying them to do it?

Do Negotiate for Lease Renewal Allowances

Often, doctors don’t think they can negotiate for a tenant allowance on their renewal term. But they can! Approximately 75 percent of our clients get a tenant allowance on their renewals. Remember, if the landlord is giving allowances to new tenants moving in, why can’t you get an allowance too? Even if your space only needs cosmetic upgrades, negotiate this as part of a renewal deal. After all, your tenancy is proven, plus there is less risk for the landlord putting cash into your renewal than taking a chance on a new tenant.

Don’t Allow the Landlord to Retain Your Deposit

If your lease agreement requires you to make a deposit for the initial lease term, it is not acceptable for that deposit to continue indefinitely. Ask yourself, are you a security risk? Have your rental payments been on time? If so, resist further security deposits and make sure that you state this amendment in the renewal document. Otherwise, your deposit, which was to be applied to the last month, needs to be replaced for the renewal term.

These are just a few of my dos and don’ts when it comes to negotiating a dental office renewal. Remember, ultimately, that your success will depend on your location and the deal you make.