Many business owners assume the listing agent on a vacant building will help them find and lease space. That agent, however, works for the landlord. Tenant representation California businesses use exists to fix that imbalance by giving the tenant an advocate whose only job is to protect the tenant's interests from search to signature.

If you are planning a relocation, an expansion or a lease renewal, understanding what tenant representation services include can save you money, time and a good deal of stress. Here is a practical look at what a tenant rep broker does at each stage.

Why Tenant Representation California Companies Use Is Different

A tenant rep broker works on the occupier's side of the table. As the general overview of a real estate broker's duties notes, brokers act as agents for a specific party, and that relationship carries obligations of loyalty and disclosure. When the broker represents you, their advice is aimed at your business goals rather than the landlord's occupancy targets.

In California, where markets differ sharply from one submarket to the next, that advocacy matters. Rents, concessions and building quality can vary widely within a few miles, and a tenant rep who knows the local landscape can steer you toward options that fit both your budget and your operations.

Step One: Defining Your Space Requirements

Good representation starts before any property tour. A tenant rep broker will usually work with you to define what you actually need, which is often different from what you think you need. That conversation typically covers:

- Headcount today and projected growth over the lease term
- Workflow, such as private offices, open areas, labs, loading docks or warehouse clear height
- Location priorities, including employee commutes, customer access and proximity to suppliers
- Parking ratios, signage, power and technology infrastructure
- Budget for rent, operating expenses and move-in costs

This needs analysis keeps the search focused and prevents costly surprises after you have committed to a building.

Step Two: Market Search and Site Selection

Once requirements are clear, the broker surveys the market. That includes listed spaces as well as options that may not be widely advertised, such as subleases, upcoming vacancies or buildings where an owner is open to a deal before a space is formally marketed. The broker then narrows the list, arranges tours and compares each option on an apples-to-apples basis.

A useful comparison goes beyond quoted rent. It accounts for the type of lease, expense pass-throughs, free rent, improvement allowances and the true usable area of each space.

Step Three: Negotiating the Deal

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Negotiation is where tenant representation earns its keep. Landlords and their agents negotiate leases every day, and most tenants do so only once every several years. A tenant rep levels that field. Common negotiating points include:

1. Base rent and annual escalations
2. Tenant improvement allowances and who manages construction
3. Free rent periods and early access for move-in
4. Caps on controllable operating expenses
5. Renewal options, expansion rights and rights of first refusal
6. Assignment and subletting flexibility
7. Termination options if business conditions change

Running parallel negotiations with more than one landlord is a common strategy. It creates competition and gives the tenant a credible alternative if one owner will not move on key terms.

Step Four: Lease Review, Build-Out and Move-In

After business terms are agreed, the broker coordinates with your attorney as the lease is drafted. Brokers do not replace legal counsel, but they can flag business issues hidden in the language, such as restoration obligations or vague definitions of operating expenses. Many tenant reps also stay involved during build-out, helping keep the landlord on schedule and ensuring the improvement allowance is applied as agreed.

Renewals deserve the same attention. Tenants often skip representation on renewals, assuming the landlord will offer a fair deal. In practice, a renewal is one of the best times to negotiate because the landlord wants to avoid vacancy and the costs of finding a replacement. A tenant rep can test the market, document realistic alternatives and use that information to improve renewal terms. Starting this process 12 to 18 months before expiration is common for larger spaces.

Choosing a Tenant Rep Broker

Look for a broker with recent experience in your property type and submarket, a clear process and a willingness to explain how they are compensated. DAUM Commercial Real Estate Services, which traces its roots to the firm's 1904 origins in Los Angeles, is one example of a firm that offers tenant representation alongside investment, property management and research services across Southern California and Arizona.

Frequently Asked Questions

How is a tenant rep broker usually paid?

In many markets, the tenant rep's commission is paid by the landlord as part of the lease transaction. Arrangements vary, so ask your broker to explain compensation in writing before you begin.

Can a small business benefit from tenant representation?

Yes. Smaller tenants often have less leverage and less leasing experience, so an advocate who understands market terms can be especially valuable for them.

When should I contact a tenant rep broker?

Ideally six to eighteen months before you need to move or before your current lease expires, depending on the size and complexity of your space needs.

A lease is one of the largest commitments most businesses make. Having someone in your corner who knows the market and the tactics on the other side can turn a stressful process into a strategic advantage.