

Attorneys**Partner**

- Bradley A. Kaufman

Partner Bradley Kaufman Discusses Rising Owner Concessions in Two Part Series on GlobeSt.Com

On April 14 and 16, 2008, *GlobeSt.Com* featured a two part series about Owner Concessions.

In Part 1, entitled "Industry Watchers: Owner Concessions On Rise." The article reported that, according to the 2008 Studley Effective Rent Index Report, the average national concession package rose for the first time since 2003 and insiders agree that concessions are rising.

Pryor Cashman Real Estate partner Bradley Kaufman, an experienced leasing attorney, was interviewed for the article and stated that he was noticing a rise in owner concessions that is directly affected by leasing slowdowns. Kaufman noted that concession packages not only affect newcomers to buildings, but involve existing tenants as well. "It affects everyone in the marketplace. The intention of offering packages is clearly to help lure cautious tenants who might otherwise wait to commit to space, but whether it works or not depends on where the market is headed."

In Part 2, published on April 16, 2008 and entitled "Industry Watchers: Concessions Go Only So Far," Kaufman was again quoted extensively, stating that owners will step back and lower rents when it looks like the light at the end of the tunnel is not in site.

According to Kaufman: "If a landlord can hold out for six months and the market will head back up, then they do not look to lower rents. However, if the landlord feels that we are in it for the long haul or if the sublease market picks up, they might have to rethink things. What you have here is that it is easier for a landlord to increase a concession package than it is for them to lower rent. If you lower asking rents, you have to lower it across the board."