

# business trends

## Small Businesses Close The Door On Long-Term Leases

(NAPSA)—Small businesses employ more than half of all U.S. workers, according to the U.S. Small Business Administration. Yet despite their prevalence, many small companies and startups have little leverage when it comes to negotiating leases and frequently end up with office space they either don't need or can't afford. The result can be devastating to a small company.

Analysts say this trend is due to the fact that the commercial real estate industry concentrates primarily on serving the needs of medium-size and large companies, making suitable office space difficult for a small business to come by. Additionally, when a startup or small company does find suitable space, they are typically expected to sign a multiyear lease agreement—one in which terms and conditions generally favor the landlord. According to veteran New York real estate broker Jeffrey A. Landers, founder and president of Offices2Share.com, that lease is tantamount to a lengthy “prison sentence” and the small-business person should “refuse to sign, tear it into small pieces, walk away and never look back.”

But, without committing to a long lease, how can an entrepreneur make the great leap forward from a home office to real office space?

“The most common—and often the most fatal—mistake made by fledgling businesses is signing a multiyear lease which requires a



**Analysts say long-term leases may be a bad choice.**

financial obligation that may outlive the business itself,” Landers says. “There is one rule about renting office space that all small businesses, especially startups, should follow: ‘Rent only short-term, ready-to-use office space. Period.’”

“It’s common sense, really,” he says. “No one wants to start a new business with a long-term commitment hanging over their head. It’s a no-win situation: If the business fails they are financially liable, almost always personally; if it prospers, they are renting space that is now too small and no longer adequate for their needs.”

Landers suggests that small-business owners rent suitable space for no more than 12 months at an executive suite (often called an office business center) or share space with an established company that has unused offices.

He explains that executive

suites offer many advantages. There’s no need to buy office equipment or furniture or even hire a receptionist. Most business centers provide telephone lines, voice mail, videoconferencing and high-speed Internet access. Perhaps best of all, without a long lease to tie the business down, growth can simply mean moving to a larger suite of offices down the hall.

Another alternative is to sublet or share offices. Many companies, for financial reasons, need to rent their unused space; others want to share space with a complementary business. There are several thousand executive suites in cities and towns around the country and Landers says opportunities to share space with existing firms abound virtually everywhere. His firm operates a free-to-the-renter Web site that focuses exclusively on short-term, ready-to-use office space nationwide. It features thousands of offices in hundreds of American cities.

Landers says such spaces are ideally suited for startups, small businesses, consultants/professionals and other businesses looking to avoid the up-front costs and long-lease terms typically required when renting “traditional” office space. His company runs the “The Home Office From Hell” contest, which gives away a 12-month, rent-free sabbatical in a professional office virtually anywhere in the U.S.

For more information, visit [www.offices2share.com](http://www.offices2share.com).