



The Top 5 Reasons Not to Sublease Office Space

The office sublease isn't for everyone. Although subleasing office space is popular among companies with limited options, some of the drawbacks may give you cause to reconsider whether or not you'd be better off leasing directly from a landlord or property management company. Here are the top 5 reasons why opting for an office sublease might not be the right decision for your company.

1. Your business stands the risk of winding up homeless if the sublessor (also known as the master tenant) defaults on their end of the bargain and gets themselves kicked out for non-payment. If you're thinking that this is a risk you're willing to take in exchange for a low-cost sublease, think again. Consider the ramifications for your own business if you're forced to change location at a moment's notice without even having the opportunity to inform your customers. Not only can this reflect negatively on you in their eyes, but it could bring irreparable harm to your business – especially if you're struggling, and one lost client could be the difference between survival and failure.
 2. In most cases, the office space that you sub lease is in "take it or leave it" condition. Not that you should expect to find yourself in deplorable circumstances – just don't go into the deal expecting to have the office space upgraded to meet your tastes. If you feel that the office could do with some improvements, you'll have to pay out of pocket to have them made.
 3. Your sublessor might not be keen to disclose if they're in a "bad relationship" with the landlord or property management company in charge. Some master tenants have been known to bring in sublease tenants and charge them a higher rate to help offset the losses they're experiencing from being locked into a less-than-favorable lease of their own. However, this situation is easy to avoid if you do one thing: shop around. It's also important that you read your office sublease contract very carefully before signing, but even more important that you read the contract between the master tenant and the landlord. If reading leases isn't your forte (and even if it is) have both documents read over by an attorney or a [commercial real estate broker](#) to ensure you didn't miss something you'll later kick yourself for having overlooked.
 4. An office sublease is mostly beneficial for companies that don't mind moving from one place to another. The fact is, the master tenant that you're subleasing through may decide to ask for a higher rate of pay at the expiration of your agreement. Or, depending on their own company plans, they may not even offer you the option of renewing.
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5. Subleasing space could inhibit your company's growth and visibility, since all exterior signage will reflect the company name of the master tenant and not your own. This could also impact the way that your existing customers view your company, and could result in you earning something of a "minor league" reputation. Some of these concerns can be nipped in the bud simply by selecting your sublessor wisely. Unless cost is the absolute determining factor and you have no wiggle room to work with, you should only rent office space from a company in the same industry. Even if you find an existing tenant advertising for a sub lease needed at a cost that's too good to be true, take a closer look and ask yourself if their "brand" will reflect positively on your company.

If you're still not sure whether an office sublease is for you, it may be time to discuss your circumstances with a commercial real estate broker. Working with a company like [Cardinal Real Estate Partners](#) can also connect you with master tenants that'll match your needs perfectly, limiting the time you'll spend hunting down potential office space partners.

ABOUT THE AUTHOR

Cardinal Real Estate Partners

Cardinal Real Estate Partners are brokers and consultants that think differently. Determined to be an advocate on behalf of clients, the firm has carved out a new niche of professionals in the commercial real estate industry. It has deliberately set itself apart from commercial brokers by offering clients three distinct differences that make it, in essence, the “anti-broker.”

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For tenants: **The Strategic Tenant Advocate™**

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