

# Doron F. Eghbali Commercial Leasing Law

## [Commercial Leasing Paradox: More Vacancies and Unchanged Rents](#)

Monday, December 28, 2009 by [Doron F. Eghbali](#)

High unemployment and slowly recovering economy have contributed to more office vacancies and less willing landlords to decrease rents substantially. This is a paradox. Why is this happening?

One would expect commercial real estate landlords to be more willing to decrease rents to retain their existing tenants. However, some landlords show little willingness to significantly accommodate their tenants. The reason is this commercial real estate bust is not similar to the one we experienced after the dot-com bust.

The difference is office construction is way down from previous recessions. In addition, some tenants have spent so much on customizing their leased property, they are hoping the economy will turn around soon enough so they would lose less than what they would lose if they were to breach their contract or in the best scenario walk away.

*Doron Eghbali is a Partner at Beverly Hills Offices of Law Advocate Group, LLP. He Primarily Practices Business, Real Estate and Entertainment Law. For More Information:*

[www.LawAdvocateGroup.com](http://www.LawAdvocateGroup.com).