**COMMERCIAL REAL ESTATE** 

# Ultimate Guide to Lease Management in 2025

Commercial leasing trends, market insights and shifts and tips for real estate and operations teams.



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# LEASE MANAGEMENT IS BROKEN & READY FOR A REDESIGN



#### A Quick Summary:

#### What is Commercial Lease Management and Tenant Leasing Software?

**Commercial lease management** is the process of tracking and optimizing lease agreements throughout their entire lifecycle, ensuring organizations never miss critical deadlines, stay compliant with terms, and control real estate costs.

**Tenant leasing software** automates this process through centralized platforms that replace spreadsheets with automated alerts, real-time reporting, and integrated workflows.





### State of Commercial Real Estate in 2025

Commercial real estate teams across asset classes have a few things in common: they manage high-stakes portfolios, juggle cross-functional priorities, and rely on accurate lease data to drive strategic growth. According to <u>Deloitte's 2025 Commercial Real Estate Outlook</u>, 68% of commercial real estate professionals expect improved market conditions in 2025.

A shocking reality persists beneath the surface of optimism: 64% of real estate teams still rely on spreadsheets to manage millions in lease obligations, according to a study by <u>RETI</u>. This isn't just an efficiency issue—it's a strategic crisis hiding in plain sight. That's why adopting lease management software isn't optional anymore. It's imperative.



As commercial lease portfolios grow more complex and decisions become more timesensitive, outdated tools like spreadsheets create costly delays, missed opportunities, and compliance risks. That's why lease management software is no longer a nice-to-have; it's a strategic imperative.

A study shared by <u>Globe Newswire</u> found that the lease management software market is expected to expand from \$4.5 billion in 2022 to \$7.22 billion by 2030, primarily driven by automation and increased compliance demands.

This rapid shift to lease software reflects a broader trend: companies are no longer willing to accept the financial risk, inefficiency, and compliance gaps of manual processes. As portfolios grow and regulations tighten, modern platforms offer the accuracy, insights, and unlock cost savings across the lease lifecycle.

### Legacy Lease Management is Broken

#### THE FINANCIAL IMPACT: QUANTIFYING THE COST OF MANUAL PROCESSES

A <u>PWC Study</u> revealed that **78% of companies have errors in their lease data** due to outdated information, highlighting the systematic nature of manual process failures.

In fact, these errors often lead to bigger problems like inaccurate financial reports, missed lease deadlines, and noncompliance with ASC 842. Relying on spreadsheets and disconnected tools doesn't just slow you down—it can result in audit issues, overpaying on leases, and costly operational blind spots that can cost hundreds of thousands of dollars annually.

# THE PRODUCTIVITY DRAIN: WHERE PROFESSIONAL TIME GOES TO DIE

A time allocation study by <u>Glean Workplace Al</u> found that employees spend on average two hours a day, about 25% of their week, searching for necessary documents and information.

For lease administrators, this problem becomes exponentially worse since their entire role depends on lease data accuracy buried in PDFs, spreadsheets, and filing systems. When critical lease information is scattered across multiple locations and formats, the time drain becomes even more severe, leaving minimal capacity for the strategic analysis, market research, and optimization work that actually drives business value.

This means one quarter of expensive professional time is consumed by tasks that modern software can automate... a massive opportunity cost compounding daily across thousands of real estate departments.

### The Transformation: What Modern Lease Management Actually Delivers

Modern lease management software transforms scattered lease information into centralized, accessible intelligence. Instead of weeks spent gathering data for renewals, automated workflows handle alerts, market analysis, and reporting without human intervention. Integration with accounting and ERP systems happens in hours rather than months, while organizing and analyzing portfolio data requires clicks rather than weeks of manual compilation.

The positive impact of this extends throughout organizations:

- Real estate teams shift from reactive fire-fighting to proactive strategic planning.
- Finance teams gain reliable data for budget planning.
- Executive leadership receives real-time portfolio insights

All of which enables faster, betterinformed strategic decisions. The question isn't whether organizations can afford to invest in modern lease management. It's whether they can afford not to.



FACT OR FICTION: EXPLORING THE RISKS OF LEASE MANAGEMENT SOFTWARE



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#### Myth #1: Software Costs More Than Spreadsheets

Organizations using spreadsheets face many hidden costs that add up quickly. When teams miss important lease deadlines, the financial consequences can be severe. Commercial lease late fees typically range from 5% to 10% of the monthly rent, according to legal industry standards, <u>Upcounsel</u>. These penalties hit hard when manual tracking systems fail to catch payment deadlines or renewal notices.

The real cost of manual processes becomes clear when companies finally examine what they're losing. Most organizations discover they've been overpaying on rent, missing valuable opportunities, and wasting money on preventable mistakes. These hidden costs often exceed what they would spend on <u>lease management software</u>. Modern platforms prevent these expensive problems through automatic alerts, deadline tracking, and error prevention.

Myth #2: Outsourced Lease Administration is better than In-House Leasing Software

Many believe outsourcing lease administration to third-party specialists provides better expertise and removes the burden from internal teams. The appeal is obvious— let the experts handle lease management. While outsourcing may seem like an easy solution, it often creates more problems than it solves. Organizations that outsource lease administration frequently discover they've traded direct control for expensive dependencies, slow response times, and limited flexibility.

Control problems create constant headaches with outsourced services. When you need lease information quickly during negotiations, you have to wait for the outsourcing company to get back to you. Simple questions that should take minutes often require formal requests and take several days to answer. Making changes to reports or processes costs extra money.

Quality stays inconsistent when different people handle your account over time. You constantly have to retrain new staff on your specific needs. When mistakes happen, fixing them means coordinating with outside teams who don't understand your business or priorities.



#### Myth #3: Software Won't Integrate with Our Systems

Research shows 34% of businesses identify integration inability as an adoption barrier. Modern lease management platforms are designed for integration, offering connections for major accounting systems like NetSuite, QuickBooks, and SAP. They integrate with ERP platforms, communication tools, and business intelligence systems seamlessly.

The real integration challenge lies with manual systems. Spreadsheets are the worst offenders, relying on manual entry and creating data issues across systems. This leads to errors, delays, and inconsistencies. In contrast, automated integration enables connected workflows that turn lease management from a siloed task into a strategic advantage.

#### Myth #4: Lease Management Software Isn't Secure

The 2025 State of Cloud Security Report

shows that security and compliance issues remain the primary barriers to cloud adoption, cited by 61% of organizations striving to meet regulatory requirements and protect sensitive data. Additionally, 76% of organizations report a shortage of expertise in cloud security, while 46% lack confidence in their ability to handle real-time threat detection. Lease data risks go beyond breaches they include data loss and damage. Paper files and spreadsheets are vulnerable to water, fire, theft, or simple human error. Modern lease management platforms protect against these risks with constant backups on secure servers. Instead of hindering compliance, leasing software supports data security and ASC 842 and IFRS 16 with automated classification and full audit trails.



# THE GREAT LEASE MANAGEMENT DEBATE:

# SOFTWARE VS. SPREADSHEETS



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### 1. The Fundamental Architecture TWO DIFFERENT WORLDS

Every lease management approach falls into two categories: modern integrated software or manual legacy tools like spreadsheet processes. Modern software provides anywhere access through internet connections, real-time multi-user collaboration, native mobile applications, monthly subscription pricing, and automatic vendormanaged updates. Spreadsheet approaches confine access to specific computers, require email attachments or share drives for collaboration, and offer limited mobile functionality. On the surface, a spreadsheet appears free, but the hidden costs are substantial when you calculate employee time wasted and data risks.

### **2. Cost Analysis** THE ECONOMICS OF "FREE" SPREADSHEETS

Spreadsheets appear free while ignoring substantial hidden costs. Labor represents the largest expense. Lease administrators spend 43%, (<u>Fintor</u>) of time gathering data rather than analyzing. For an administrator earning \$85,000 annually, this represents \$36,000 dollars in automated tasks. Error costs compound the problem with 23% calculation error rates averaging \$3,400 dollars each mistake.

Say A retail company with 50 locations found \$380,000 in yearly lease overpayments and missed out on \$1.7 million in unused tenant improvement allowances—all because they were managing leases in spreadsheets. Modern lease management software helps avoid these costly mistakes. With one subscription, you get the tools, support, training, and updates you need plus immediate benefits like automated reminders, fewer errors, and one place to manage all your lease data.

### **3. Security and Reliability** CHALLENGING COMMON ASSUMPTIONS

Internal threats represent the greatest security risk. Forrester found that 54% of data breaches come from inside companies. Spreadsheets do not protect against internal threats while offering complete access to file holders. Data loss represents another vulnerability; thousands of scenarios can destroy spreadsheet data, from hardware failures to human errors.

Modern platforms address threats through SOC 2 Type 2 compliance, data storage across multiple secure servers with automatic backups, and complete audit trails. Leading platforms guarantee ninety-ninepoint-five % uptime with professional support, while spreadsheets become unusable during computer crashes or network failures without service guarantees.

### **4. Collaboration and Workflow** FROM INDIVIDUAL TASKS TO TEAM INTELLIGENCE

Spreadsheet collaboration creates familiar but dysfunctional patterns. Email-based sharing through attachments creates version conflicts and the inevitable "which file is latest?" question. Single-user access limitations force teams to coordinate work schedules around file availability, delaying critical updates and strategic decisions.

Modern software makes collaboration easier with real-time access for multiple users, automated workflows for approvals, and role-based permissions to control who sees what. It also connects with communication tools to send automatic updates and deadline reminders—complete with direct links—so there's no need to dig through files or chase down teammates.

### 5. Mobile and Remote Access MODERN WORK DEMANDS MODERN TOOLS

Spreadsheets tie users to a desktop, making remote work frustrating and on-site visits inefficient. Real estate teams often rely on printed PDF lease documents or clunky remote desktop tools just to access lease info, slowing down strategic real estate decision-making.

Modern leasing software changes that. With leasing tools, you can view lease details on the go, check renewal terms, and make decisions on the go. Everything stays in sync in real time, so the information you access is always up to date, no matter where you are.

### 6. Scalability and Growth PLANNING FOR ORGANIZATIONAL EVOLUTION

Spreadsheets start to break down around 50 to 100 locations. Files get slow, users run into version issues, and manual work piles up. Often, one person manages the master file, creating risk if they leave or take time off.

Modern platforms scale with ease, no matter how many locations you have. Adding new properties takes just a few clicks, and multiple users can work at the same time without conflicts. This keeps your data accurate, your team aligned, and your operations can scale efficiently.

# UNLOCKING SUCCESS WITH MODERN LEASE SOFTWARE



### The Foundation: Three Golden Rules for Success

Organizations recognizing modern lease management advantages still face implementation and adoption challenges. Software projects fail more often than they succeed, with failure rates increasing as stakeholder numbers grow. Success follows three fundamental principles addressing common failure causes while building foundations for sustained value creation.

#### **RULE #1: KNOW YOUR GOALS AND PAIN POINTS**

Many software projects fail because teams don't clearly define what they want to achieve or fix. "Too often, we see people say, 'Someone told us we need software, so we're buying software.' That's not real buy-in.

To avoid this, get specific about your goals at every level. Commercial real estate team members need tools that ease daily leasing tasks. Managers need better visibility into performance. Executives need insights to guide portfolio decisions. Start by assessing your current processes, pinpointing what's broken, and estimating the cost of those issues. Clear goals lead to better alignment, smoother adoption, and lasting value.



As Doug Lister, Asset Manager, puts it:

"The opportunity cost of not having Leasing Software like Occupier is far too great. The real ROI is in not missing an option. It keeps us in control of our lease dates and due diligence timelines."

Clarity on what's at stake helps teams align around shared outcomes—and ensures the software delivers real, measurable value.

#### **RULE #2: BUILD STAKEHOLDER COALITIONS**

The average mid-market software buying team includes 5 to 10 stakeholders, with each decision-maker playing a direct role in the selection process. Success drops sharply once six or more participate, with software purchase completion rates falling to 31%. <u>Wynter</u>.

Managing this complexity is crucial because each department brings unique priorities: real estate seeks operational efficiency, finance focuses on workflows and compliance, IT demands security and integration, and executives expect strategic value and measurable ROI.

#### **RULE #3: STRATEGIC INTERNAL TEAM ALIGNMENT**

Even the best software won't succeed without the right team alignment behind it. Lease management touches multiple departments, from real estate and finance to legal, operations, and IT. If these teams aren't working from the same playbook, friction and confusion will slow adoption and reduce impact.

Strategic alignment means more than just sending out a launch email. It requires clear ownership, defined roles, and cross-functional collaboration from day one. When each team understands how the software supports their goals—and how their work supports the bigger picture—you create momentum, not resistance.

Successful companies align around shared objectives, consistent workflows, and measurable outcomes. They don't just implement software—they operationalize it across departments. That alignment transforms lease management from a siloed task into a strategic advantage for the entire business.

### How to Engage Cross Departmental Business Leaders

#### 1. ENGAGING C-SUITE LEADERSHIP

Focus on strategic impact and ROI. Highlight how modern lease software reduces risk, improves visibility across the portfolio, and supports broader business goals like growth, expansion, and operational efficiency.

Emphasize how <u>poor lease</u> <u>management</u> can lead to missed opportunities, financial exposure, and unnecessary costs. C-suite leaders are looking for solutions that create longterm value and scale with the business —make sure they see this as a smart investment, not just another tool.

#### 2. GAINING BUY-IN FROM REAL ESTATE & OPS

Show how lease management software simplifies their day-to-day work, centralizing lease documents, surfacing critical dates, and streamlining site selection and renewals. These teams care about speed, efficiency, and control. Replacing spreadsheets with real-time, cloudbased tools means fewer mistakes, faster decisions, and easier collaboration. When they see the software as a way to reduce headaches and stay ahead of deadlines, they'll be eager to adopt it.

#### 3. SUPPORTIING ACCOUNTING AND FINANCE TEAMS

Address lease accounting compliance, accuracy, and reporting needs head-on. Lease software can automate ASC 842 and IFRS 16 calculations, generate auditready reports, and ensure all lease data is centralized and up to date. This saves hours of manual work, reduces errors, and helps the finance team stay auditready year-round.

When finance leaders understand that the software improves both control and confidence in their numbers, they're more likely to become strong advocates.

MAKING THE BUSINESS CASE FOR LEASE SOFTWARE:

GETTING BUY-IN AND BUDGET



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### Getting Lease Management Buy-in and Budget

#### **1. BUILDING THE FINANCIAL FOUNDATION**

To win executive approval, your business case must clearly prove financial impact, strategic value, and risk reduction. Start by auditing your current state. Highlight actual costs, like missed renewals. Research shows that failing to exercise renewal options on time can cost businesses over \$100,000 per lease in higher rents, lost opportunities, and penalties. <u>Occupier</u>.

Next, show what can happen without change: missed deadlines often lead to tens of thousands in extra rent or legal fees. Then, calculate your investment—include first-year licensing, implementation, and training, followed by ongoing subscription and support costs. Your ROI projection should be realistic: subtract these costs and demonstrate the net gains achieved through fewer errors, automated reminders, and increased team productivity.

By presenting both current risks and clear, conservative ROI, you'll build a compelling case for modern lease software and secure the budget and buy-in you need.

#### 2. COMMUNICATING STRATEGIC VALUE BEYOND ROI

To build a strong case for lease software, it's important to connect its benefits to broader business goals—not just the return on investment. Modern platforms help leaders move faster by giving them instant access to portfolio data, instead of waiting weeks for manual reports. With better insights, teams can negotiate from a stronger position and spot opportunities others might miss.

### Getting Lease Management Buy-in and Budget

Software also helps reduce risk—whether it's compliance, operational, or strategic—by automating tasks and keeping thorough records. Christina Holden of Zoom Tan shared, "Everyone on our team loves Occupier. This software has saved our team hundreds of hours across departments over the past year. We have at least 25 team members benefiting from the streamlined lease management process." <u>Full Story</u>

Manual systems become a bottleneck as companies grow, requiring more time and people to keep up. Lease software scales with the business, making it possible to expand quickly without adding administrative overhead.

#### **3. ADDRESSING RISK AND TIMING CONCERNS**

Smart planning means looking at both types of risk: the risk of moving forward and the risk of waiting. Implementation risks include choosing the wrong vendor, facing integration issues, or teams struggling to adopt the new system. These can be managed with thorough research, a phased rollout, and strong training.

But waiting carries risks, too. While you're on hold, competitors may move faster, adopt better tools, and gain an edge in negotiations and decision-making.

Timing also matters. Shifts in the market, new regulations, or company growth can create the ideal moment to act. Moving quickly in these windows shows strong leadership and can unlock real advantages.



WHY TENANT-REP BROKERS RECOMMEND LEASE MANAGEMENT SOFTWARE



### **The Industry Transformation**

FROM INFORMATION GATEKEEPERS TO STRATEGIC LEASING ADVISORS



The commercial real estate brokerage industry is experiencing a fundamental transformation beyond simple technology adoption. Traditional brokers built value propositions on information access and relationship gatekeeping, but that methodology is being displaced by tech-enabled advisors providing ongoing strategic value through data transparency and analytical insight.

#### HOW TECHNOLOGY ENABLES SUPERIOR VALUE DELIVERY

Top tenant-rep brokers use lease management software to deliver long-term strategic value, not just support during individual deals. Instead of waiting for a lease renewal to reach out, they schedule quarterly portfolio reviews to share market trends, performance insights, and tailored recommendations backed by data.

With this level of portfolio intelligence, brokers can advise clients on when to consolidate, expand, or renegotiate, turning reactive decisions into proactive strategy. Armed with detailed lease data and market insights, they help clients secure better terms by understanding historical rent trends, landlord behavior, and the best timing for negotiations. This not only adds value, it sets them apart from the competition.



#### THE CLIENT EXPERIENCE: WHAT TECH-ENABLED SERVICE LOOKS LIKE

Tech-forward brokers are delivering more value than ever. A <u>proptech survey</u> found that 66% of real estate firms view technology as a core part of their business strategy. Leasing technology is no longer siloed; it's central to business strategy.

Leading brokers leverage these platforms to go beyond transactional support. Instead of waiting for renewal deadlines, they conduct quarterly portfolio reviews, sharing market trends, optimization insights, and timely strategic advice. This approach turns routine interactions into proactive planning sessions.

#### THE PERFORMANCE GAP: WHY TECHNOLOGY ADOPTION IS NO LONGER OPTIONAL

In 2025, technology isn't just a nice-to-have; it's a requirement. Clients now expect brokers to offer more than transactional support. They want datadriven insights, ongoing portfolio strategy, and tools that streamline decision-making. According to industry research, over 66% of clients stay loyal to service providers who offer modern digital tools, and referrals are the top driver of new business growth, according to <u>Centana</u> <u>Growth Partners</u>.

### The Future of Commercial Tenant Representation

#### TENANT-FOCUSED TECHNOLOGY

The evolution toward technology-enabled representation reflects broader professional services trends favoring advisory relationships over transactional services. Clients increasingly expect ongoing value delivery, strategic insight, and measurable results. The next wave includes artificial intelligence integration for predictive analytics, machine learning for market trend identification, and automated portfolio optimization suggestions.

For tenant-rep brokers, technology adoption has moved beyond optional advantage to existential requirement. Clients experiencing technology-enabled service delivery are unlikely to return to traditional approaches lacking analytical capability.

Organizations evaluating broker relationships should consider technology integration essential criteria rather than optional enhancements, as performance advantages and strategic value justify premium pricing while delivering measurable returns through improved portfolio management and strategic decision-making capabilities.



Chapter 7 CONCLUSION:

THE STRATEGIC IMPERATIVE FOR LEASING SOFTWARE



# Lease Management as a Core Business Function

The commercial real estate industry has reached an inflection point. Organizations can't treat lease management as just paperwork anymore. The evidence is clear: spreadsheet-based systems create serious business risks that get worse every day, while modern software delivers game-changing results. With commercial real estate leases as an organization's largest expense after payroll and operating expenses, it is clear that lease portfolio management is a strategic imperative.

- The Cost of Delay: Companies using manual lease processes face high hidden costs, like missed renewals, calculation errors, and compliance fees, that quietly erode profitability.
- The Competitive Edge: Early adopters gain faster decisions, smarter insights, and scalable growth, while late movers fall behind in a tech-driven market.
- The Urgency to Act: Acting now secures a competitive lead, while delaying only increases risk and puts you further behind as the market accelerates.
- The Speed of Return: Modern lease software delivers value quickly, with immediate error reduction, mid-term productivity boosts, and long-term strategic impact.
- The Inevitable Shift: The future belongs to data-driven lease operators, and the only question is whether you'll lead the change or be forced to catch up.



# TENANT LEASING SOFTWARE RESOURCES

- <u>Occupier Lease Administration Software</u>
- Commercial Real Estate Resources
- Occupier Interactive Demo
- <u>Occupier Pricing</u>

