



Things to Check Before You Sign

Below is a checklist of helpful things that a lessee should review and check before they sign any commercial lease. Because not every lease, however, contains the same lease terms and clauses, any potential lessee should *thoroughly read the entire lease* to ascertain their rights and obligations. Please note that because there are many commercial leases for many particular situations, this checklist is *not* comprehensive; it is educational, and it is no substitute for retaining competent legal counsel. A list of sources consulted in creating this Checklist is provided at the bottom of this document.

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Payments.

- The base rent is: _____
 - Does it increase over time?
 - Yes
 - If yes, it is by this much: _____
 - No
 - What other costs will you be responsible for?
 - Security Deposit
 - Property Taxes
 - Maintenance Costs
 - Property Insurance
 - Utilities
 - Percentage of Gross Sales
 - Other: _____
 - Do you know the payments are due?
 - Weekly
 - Monthly
 - Quarterly
 - Annually

Common Area Repairs.

- Who is responsible for common area repairs?

- Landlord
- Commercial Tenant
- Both

- What repairs will you be reimbursed for?

- Who is responsible for Americans with Disabilities Act Requirements (i.e., providing handicapped-accessible entranceways?)

- Landlord
- Commercial Tenant

Conditions that Need to Be Satisfied Before Lease Begins.

- What events have to occur before the lease begins (i.e., Do you need to first get any required permits/licenses? Does the landlord need to first finish construction/renovation of the premises?)

- Are the premises currently under construction?
 - Yes
 - No
- If construction is not complete by the date that the lease is scheduled to begin, are you *still* responsible for rent?
 - Yes
 - No

Is the Property Suitable for Your Purpose?

- Look at the zoning laws—is your intended use permitted in the zone where the property is located?

- Yes
- No

- City of Ithaca zoning laws may be found here:

<https://www.cityofithaca.org/151/Zoning>

- What permits/licenses do you need to operate your business?

- How do you get these permits/licenses?

- How long does it take to get these permits/licenses?

- Did the landlord warrant (that is, promise) that the premise would be suitable for your intended use?

- Yes
- No

- Can you make improvements to the premises or install necessary fixtures?

- Yes
- No

- If yes, will you be required to leave the fixtures in the space at the termination of the lease?

- Yes
- No

- If yes, do you need pre-approval from your landlord before doing so?

- Yes
- No
- Yes, but only for major improvements (Tip: Don't forget to figure out what this means!)

- Will your landlord compensate you for any improvements?

- Yes
- No

- If yes, which improvements can you be compensated for?

- What is the permitted use, as described in the lease?

- Does the use described allow for expansion (e.g., can the permitted use go from being a restaurant to an ice cream shop)?
 - Yes
 - No

Location.

- Is the location near where your intended customers live, work, or shop?
 - Yes
 - No
- Is the location accessible to your employees?
 - Yes
 - No
- Is the location accessible for deliveries?
 - Yes
 - No
- Is there parking nearby?
 - Yes
 - No
- If yes, how many spots can you reserve for your business?

The Physical Property.

- How much space do you need for your business? _____
- What kind of space do you need (i.e., open space)?

- Does the lease allow for physical expansion?
 - Yes
 - No
- Have you inspected the property yourself?
 - Yes
 - No
 - If yes, does it appear to be in good condition?
 - Yes
 - No

Market Conditions.

- What is the market price of the premises? _____
- What are the market conditions for renewing a commercial lease?

 ***Finally, have all oral promises made by the landlord been put into writing?***

Sources Consulted

¹ Beat U. Steiner, *A Quick Review of a Commercial Lease: Ten Questions, Ten Traps, Ten Tips*, *Prob. & Prop. Mag.* (May–June 2015), https://www.americanbar.org/publications/probate_property_magazine_2012/2015/may_june_2015/2015_aba_rpte_pp_v29_3_article_steiner_quick_review_of_a_commercial_lease.html.

² *Checklist—Drafting a Lease of Commercial Property*, 4A NEW YORK FORMS LEGAL & BUS. § 8:22 (2018).

³ HON. ORIN R. KITZES ET AL., 4E NY PRAC., COM. LITIG. IN NEW YORK STATE COURTS §§ 120:8, 120:21, 120:33 (4th ed. 2018).

⁴ NYC SMALL BUSINESS SERVICES, COMPREHENSIVE GUIDE TO COMMERCIAL LEASING IN NEW YORK CITY (2018), <https://www1.nyc.gov/assets/sbs/downloads/pdf/about/reports/commercial-lease-guide-accessible.pdf>.