

Do's and Don'ts of Commercial Leasing

Do:

- ✓ Consider your business's space needs and what you can afford
- ✓ Work with professionals (brokers and tenant representatives, lawyers, architects, and engineers).
- ✓ Plan for the complexity, cost and timing of construction when negotiating when you will start paying rent.
- ✓ Determine whether your business will need special licenses or permits to operate.
- ✓ Check the space's certificate of occupancy to ensure your business's use is allowed.
- ✓ Have a business structure in place.
- ✓ Negotiate a lease term that guarantees the option to renew.
- ✓ Figure out how much additional rent you will need to pay including potential real estate taxes and utilities.
- ✓ Negotiate and sign a "good guy guaranty" to reduce your liability.
- ✓ Buy insurance.
- ✓ Understand your responsibilities for construction or renovations under the lease.
- ✓ Consider your rights to sublease and assign the lease.

Don't:

- ✗ Sign a lease without consulting a lawyer or understanding your responsibilities.
- ✗ Depend on a broker or agent's explanation of the lease.
- ✗ Rely on oral agreements or a letter of intent.
- ✗ Trust the landlord knows the space's permitted uses and restrictions.
- ✗ Agree to a limited permitted use of the space that doesn't cover your intended use
- ✗ Sign a lease without trying to negotiate more favorable terms.
- ✗ Sign the lease in your own name without conditions.
- ✗ Assume the landlord is required to make repairs or provide heat, water, electric, or other utilities.

WHO SHOULD YOU CONTACT AFTER YOU HAVE FOUND A POTENTIAL SPACE?

- An architect,
- A contractor,
- An insurance broker, and
- A lawyer.

For more tips and explanations, check out the [Comprehensive Guide to Commercial Leasing in New York City](#).
Go to nyc.gov/sbs select "About" then select "News & Reports" then select "Publications & Reports"

For more information on free legal help
for commercial tenants:

- Call our Hotline at (347) 521-5729
- Email us at lease@volspobono.org

COMMERCIAL TENANT KNOW YOUR RIGHTS!

New York City has a new law to protect commercial tenants from landlord harassment. You may be entitled to certain remedies if your landlord commits any of the following acts with the intention of causing you to vacate the leased premises or surrender or waive your rights under your lease or under law:

- Uses force or makes threats that force will be used against you, your employees, any subtenants or your customers.
- Causes repeated or long term interruptions or discontinuances of one or more essential services (such as electricity, water or heating).
- Interrupts or discontinues an essential service which substantially interferes* with your business.
- Repeatedly commences frivolous court proceedings against you, your employees, your subtenants (if any) or your customers.
- Removes any personal property belonging to you, your employees, your subtenants or your customers from the leased premises.
- Removes the entrance door or lock, renders the lock inoperable, or changes the lock on the entrance door without supplying a key to the tenant (unless done so for the purpose of performing a legitimate repair or replacement of the door or lock).
- Prevents you, your employees, your subtenants or your customers from entering the leased premises (unless there is a legitimate emergency or construction or repairs project, and the landlord acted in good faith).
- Commences unnecessary construction or repairs on or near the leased premises, which substantially interferes* with your business.
- Engages in any other repeated or continuing acts or omissions that substantially interfere* with the comfort, peace or quiet of you, your employees, any subtenants or your customers.

*What is “Substantially Interfere”?

Depends upon the facts and circumstances of your situation. If you cannot reach a resolution with your landlord on your own, a court will need to decide whether or not substantial interference has occurred.

WHAT ARE YOUR REMEDIES?

If your landlord commits any of the above acts or omissions, you may be entitled to[†]:

- ✓ Restraining order against the landlord’s unlawful conduct.
- ✓ Money damages from your landlord as well as imposition of civil penalties ranging from \$1,000 - \$10,000.
- ✓ Reasonable attorney’s fees and court costs.

[†] Only you, as the tenant under your lease, have the rights and remedies discussed here.

WHAT IS NOT HARASSMENT?

If your landlord commits any of the following acts, it does not constitute landlord harassment:

- Landlord increases your rent upon renewal of the commercial lease.
- Landlord lawfully terminates your lease, or refuses to renew or extend your lease.
- Landlord lawfully reenters and takes repossession of the leased premises.

For more information on free legal help for commercial tenants:

- Call our Hotline at (347) 521-5729
- Email us at lease@volsprobono.org