

LEASE SEMINAR
MARCH 25TH 2008
MORAGA PRESBYTERIAN CHURCH
7:00 PM

A Lease Seminar was put on for Chamber members on Tuesday, March 25 at the Moraga Valley Presbyterian Church. The seminar was led by Keith Blakeney of Metropolitan Company Realtors and SCORE and Rich Larsen of TRI Commercial Real Estate. Here is a brief summary of the presentation:

- A lease is a contract.
- **A lease expresses the rights and responsibilities of both parties, as well as their remedies.**
- Most all of the clauses in a lease are negotiable... *before* the lease is signed.
- Although the landlord will rarely relent on a base rent, you may be able to include perks that will reduce the effective rate you pay. For example, you may negotiate for some months of free rent. You may negotiate with the landlord to pay for all or a part of your tenant build-out costs. Or, the landlord may advance the cash to pay for the build-out and then put it into the rent as an interest free loan that you pay back a little at a time over the length of your lease.
- An option favors the renter. You may pay something for the option but in return you have protected yourself from eviction at the end of the lease.
- It is wise to pay particular attention as to how rents may be adjusted. This clause is negotiable.
- You can use a commercial real estate agent to find the property that would suit you best and to help you understand what the lease says. Before you sign the initial lease you can often find comparable rents by working with a commercial real estate agent. A real estate agent at this point is paid a commission by the landlord if the space is rented to you.
- Should you need advice *after* you've signed the lease you can often hire a

commercial real estate agent to work with you or with a group of your fellow renters. You pay the agent for this service.

- To expand on your rights under the lease, be sure you are aware of what the landlord must do. It may be written into the lease, for example, that you need to notify the landlord a certain number of days in advance that you intend to exercise your option. Should the landlord not respond, it may be seen in the lease that the landlord is at fault for non-performance. Remedies to this and other non-performance issues are likely written into your lease.

- Last, but not least, it is a good idea to have a competent real estate attorney review your lease before you sign it.