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## Commercial Lease Checklist for Small Businesses Summary

This is a summary of the Commercial Lease Checklist for Small Businesses tool (“Summary”). This Summary briefly explains what a commercial lease is and explains how to use the Commercial Lease Checklist.

### What is a Commercial Lease?

A commercial lease is a written agreement between the landlord and tenant (small business/renter). The word “tenant” refers to the small business/renter who is renting space for their place of business. The commercial lease lays out the responsibilities of the landlord and the tenant with respect to the commercial space.

The lease also describes what happens when the landlord or tenant does not meet their responsibilities stated in the lease agreement. When landlord or tenant does not meet their responsibilities, it is called a “default.” Sometimes being in “default” of the lease is referred to as a “breach” of the contract or lease. The lease agreement should clearly state when a party is in “default” and what happens when a party is in default of the lease. For example, the lease agreement will state when a tenant has to pay their rent and what happens when the tenant does not pay the rent by a certain date.

Having a written commercial lease is good because it clarifies what is expected from the landlord and the tenant. If there is a disagreement or claim that the landlord or tenant is not doing what they are supposed to, both parties can review the lease agreement and determine what they had agreed to.

There are many parts of the lease that are negotiated and agreed upon. Please see the attached Key Lease Terms, to see the common lease terms that are included in commercial leases and that are discussed in the full version of the Commercial Lease Checklist. It is important for the tenant (you) to understand every term (item) in the commercial lease agreement before you sign the lease. Please refer to the full version of the Commercial Lease Checklist tool for more details.

## How to use the Commercial Lease Checklist Tool (“Checklist”)

In the Commercial Lease Checklist, you will find the following to help you understand each of the basic terms commonly found in commercial leases.

-  Definition of key terms. To the extent legal terms are used, we have provided definitions of such terms.
-  What to expect in a lease prepared by the landlord. Please be aware that any lease prepared by or provided by a landlord may "favor" the landlord and the landlord's rights and interests, and "dis-favor" the tenant and the tenant's rights and interests. While this is not always the case, it is important to review the lease in its entirety to make sure that it does not overly burden or disadvantage the tenant as compared to the landlord.
-  What terms and conditions specified in the lease can the tenant (you) negotiate? You may ask the landlord to revise certain terms and conditions in the lease to reflect agreed-upon deal terms or issues that are of importance to you as the tenant.
-  Things to consider and do. This is the checklist of things to consider and do in connection with your review and negotiation of the lease with the landlord.

### IMPORTANT WARNING

This commercial leasing toolkit is intended to help small business owners better understand key terms in commercial leases and better protect their businesses. This commercial lease toolkit is for educational purposes and is not legal advice for your particular situation. Using the Commercial Lease toolkit is not legal advice and does not create an attorney-client relationship. It is also not a substitute for attorney review. Commercial leases are legally binding contracts and tenants should have an experienced real estate contract or general small business attorney review the lease on their behalf before signature.