



COMMERCIAL

The ROAM Guide to *Leasing Your Commercial Property*

What to expect. How to prepare. Making the most of
your commercial investment.

Understanding the Commercial Leasing Process

Leasing commercial space well takes more than advertising available square footage. The owners who lease successfully tend to begin with a clear strategy: how the property should be positioned, what the market will support, which tenants make sense for the building, and how each lease fits the long-term plan for the investment.

That strategy looks different for every property. A ground-floor storefront on a busy corridor, a second-floor office suite, and a building already equipped for a restaurant will each attract different tenants, command different terms, and call for different preparation. Owners differ too. Some want steady income with minimal management. Others are positioning a property for sale, planning a redevelopment, or leasing commercial space for the very first time.

Our work begins with understanding both: the property, and your goals for it. From there, we shape a plan for bringing the space to market, introduce it to qualified prospects and the brokers who represent them, and help you evaluate each proposal on its full merits, not just its headline rent.

This guide walks through the leasing process from our first conversation to the day your tenant opens for business. It explains what happens at each stage, what decisions you may be asked to make, and where we help. Keep it nearby, and bring us your questions at every step.

Lia Caton

FOUNDER & MANAGING BROKER · ROAM COMMERCIAL

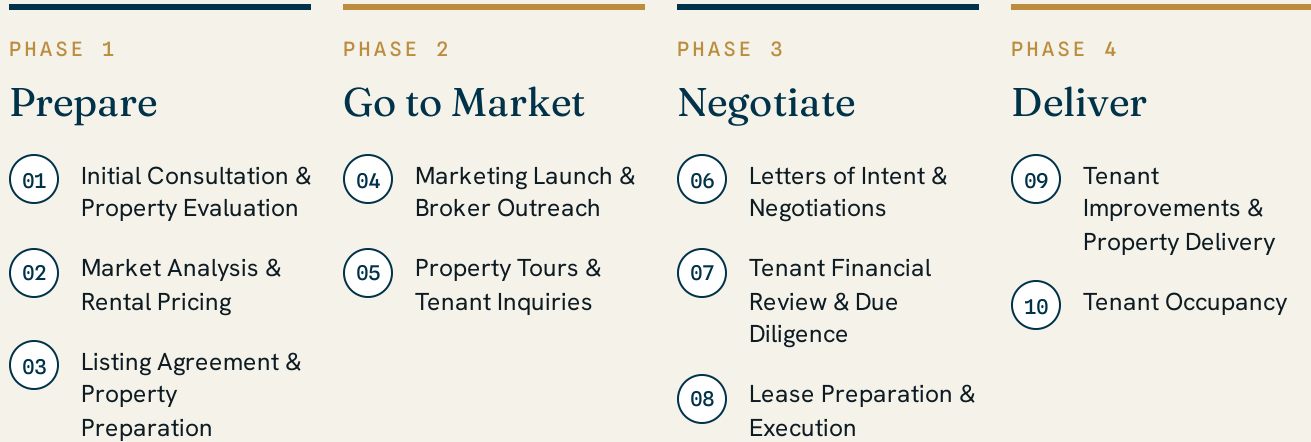
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The Commercial Leasing Roadmap

Every lease follows its own path, but most move through the same ten stages. Here is the shape of the journey before we walk through each step.



How long does it take?

There is no standard leasing timeline. Some spaces lease within weeks; others take many months. The pace depends on the property itself, current market conditions, the tenant's requirements, how much construction is involved, and how many parties need to review and approve the deal.

Stages also overlap. Marketing often continues while an early proposal is being negotiated, and a deal can return to an earlier stage if terms change or a prospect steps away.

WHAT TO EXPECT

We will give you an honest read on timing at each stage, based on what we are seeing with your property and the prospects involved. We won't promise a date that depends on decisions outside our control.

Ten Stages, Step by Step

For each stage: what happens, how ROAM helps, and the decisions that rest with you.

01 Initial Consultation & Property Evaluation

WHAT HAPPENS

We walk the property with you, review its layout, condition, systems, and history, and talk through your goals for the space and the investment.

HOW ROAM HELPS

We identify the property's strengths, the tenant categories it is likely to attract, and any issues worth addressing before it goes to market.

YOUR DECISIONS

Your priorities: income, tenant type, lease length, timing, and how involved you want to be.

02 Market Analysis & Rental Pricing

WHAT HAPPENS

We study comparable spaces, verifiable leasing activity, competing availability, and current demand for the property type.

HOW ROAM HELPS

We recommend an asking rate and lease structure and explain the reasoning behind both, so you can weigh them with confidence.

YOUR DECISIONS

The asking rate, the expense structure, and how much flexibility you are open to on concessions.

03 Listing Agreement & Property Preparation

WHAT HAPPENS

We put the terms of our engagement in writing and gather the information tenants and their brokers will ask for.

HOW ROAM HELPS

We walk through the agreement in plain language, prepare a list of needed materials, and coordinate photography and floor plans.

YOUR DECISIONS

Approve the listing agreement, provide property information, and decide whether any work happens before marketing.

Ten Stages, Step by Step

continued

04 Marketing Launch & Broker Outreach

WHAT HAPPENS

The property is introduced to the market through the channels in our agreed plan, including outreach to cooperating brokers.

HOW ROAM HELPS

We prepare marketing materials, share accurate information widely, and respond promptly to early questions.

YOUR DECISIONS

Approve materials and signage, and confirm how access and showings will be handled.

05 Property Tours & Tenant Inquiries

WHAT HAPPENS

Prospective tenants and their brokers tour the space and follow up with questions.

HOW ROAM HELPS

We schedule and lead tours, follow up with every prospect, and share what we are hearing with you.

YOUR DECISIONS

Answer questions only ownership can answer, and consider whether feedback points to a change in strategy.

06 Letters of Intent & Negotiations

WHAT HAPPENS

Interested tenants submit letters of intent outlining proposed business terms. Counterproposals are common.

HOW ROAM HELPS

We summarize each proposal, compare its full economics, and negotiate on your behalf within the parameters you set.

YOUR DECISIONS

Which proposals to pursue, which terms matter most to you, and where you are willing to be flexible.

07 Tenant Financial Review & Due Diligence

WHAT HAPPENS

The prospective tenant provides financial and business information, and both sides confirm details such as permitted use.

HOW ROAM HELPS

We request documentation, organize it for your review, and flag questions worth raising with the tenant or your advisors.

YOUR DECISIONS

Whether the tenant's financial profile, experience, and proposed security meet your standards.

Ten Stages, Step by Step

continued

08 Lease Preparation & Execution

WHAT HAPPENS

Attorneys draft and negotiate the formal lease based on the agreed business terms.

HOW ROAM HELPS

We keep the transaction moving, track open items, and help confirm the business terms carry through to the lease.

YOUR DECISIONS

Work with your attorney on final provisions, and sign when you are satisfied.

09 Tenant Improvements & Property Delivery

WHAT HAPPENS

Any landlord work is completed, the space is delivered in the agreed condition, and the tenant begins its build-out, permits, and inspections.

HOW ROAM HELPS

We help coordinate communication among ownership, the tenant, and contractors, and keep key dates in view.

YOUR DECISIONS

Review tenant plans where the lease calls for approval, confirm insurance certificates and deposits before handing over keys, and fund any allowance as the lease provides.

10 Tenant Occupancy

WHAT HAPPENS

The tenant completes its work and opens for business. Rent begins on the date set by the lease.

HOW ROAM HELPS

We stay in touch through opening and remain a resource as questions come up.

YOUR DECISIONS

Confirm that any required inspections, approvals, and initial payments are complete.

The order and timing of these stages vary from deal to deal. Some overlap, and some deals revisit an earlier stage before moving forward.

Before the Listing Goes Live

Successful marketing begins with accurate information. Preparation is what allows a tenant to say yes with confidence.

Prospective tenants and their brokers evaluate many spaces at once. They want to know quickly whether a property fits their size, use, budget, and timing. When the information is complete and accurate, a promising conversation can move straight to terms.

When it is incomplete or inaccurate, the same conversation can stall. A square footage figure that changes mid-negotiation, an expense estimate that turns out to be low, or a zoning question no one can answer can create confusion, delay negotiations, or affect a prospective tenant's decision.

What tenants will want to know

Square footage and floor plans

Measured square footage, whether quoted as rentable (RSF) or usable (USF), how it was measured, and current floor plans. Tenants compare cost per square foot, so accuracy matters from the first conversation.

Condition and presentation

A clean, well-lit, accessible space shows and photographs better. Small repairs made early can prevent larger questions later.

Professional photography

Often the first impression a tenant has of your property, and an easy way to help the right prospects recognize a fit.

Property taxes and operating expenses

Current taxes, insurance, and common area maintenance, or CAM: the shared costs of operating and maintaining the property. Tenants need these to estimate their total cost of occupancy.

Utilities

Which utilities are separately metered, which are shared, and how shared costs are allocated.

HVAC systems

Type, age, capacity, and service history of the heating and cooling equipment serving the space.

Electrical and plumbing

Electrical service capacity, water and gas service, and drainage. These details matter most for restaurant, medical, fitness, and other specialized uses.

Before the Listing Goes Live

continued

Existing improvements

What is already in place, from finished offices to kitchen infrastructure, and what could stay or be removed.

Zoning and permitted uses

The zoning classification and any known restrictions on use, including exclusive rights held by other tenants. Final confirmation of a tenant's use rests with the municipality.

Accessibility

Entrances, restrooms, and other features relevant to accessibility. Questions about specific compliance obligations are best directed to an architect or attorney.

Availability and delivery

When the space can be delivered, and in what condition: as-is, with specific landlord work, or somewhere in between.

Improvement expectations

Whether you are open to funding improvements, completing work yourself, or offering concessions, and within what range.

LANDLORD CHECKLIST

Gather before launch

- | | |
|--|--|
| ☐ Measured square footage and floor plans | ☐ Recent property tax bills |
| ☐ Insurance summary | ☐ Operating expense and CAM history |
| ☐ Utility and metering details | ☐ HVAC, electrical, and plumbing specifications |
| ☐ Zoning classification and use restrictions | ☐ Existing improvements and fixtures |
| ☐ Site plan, parking, and signage information | ☐ Existing leases or exclusives affecting the space |
| ☐ Target delivery date and condition | ☐ Your parameters for improvements and concessions |

ROAM TIP

A well-prepared listing helps prospective tenants evaluate a property more efficiently and allows negotiations to begin with greater clarity.

How Much Should You Charge?

Asking rent opens a conversation with the market. Setting it well takes evidence, judgment, and a clear view of the competition.

Commercial asking rents are usually quoted as an annual amount per square foot. They reflect a combination of factors, and no single one tells the whole story.

Comparable properties

Similar spaces nearby, both currently available and recently leased, offer the clearest reference point.

Location and visibility

Frontage, signage potential, foot and vehicle traffic, transit access, and neighboring businesses all influence what a tenant will pay.

Property condition

A space ready for occupancy commands different terms than one that needs significant work.

Square footage

Larger spaces often lease at a lower rate per square foot; smaller spaces can support a higher one.

Market demand

How many tenants are actively seeking this type of space, and how quickly comparable spaces are leasing.

Tenant use

Restaurants, medical users, fitness concepts, retailers, and offices each value features differently.

Lease structure

A rate that includes operating expenses can't be compared directly with one that doesn't.

Competition

What else a tenant could lease today, and on what terms.

Concessions and improvement costs

Free rent, improvement allowances, and landlord work all change what a lease is actually worth.

Asking rent versus economic value

The rent in a listing is an opening position. The economic value of a lease is what remains after concessions, improvement costs, and other commitments are accounted for over the full term. Two leases with the same starting rent can produce very different results. We work through an example on page 19.

Owners should also consider the cost of vacancy. Property taxes, insurance, utilities, maintenance, and other carrying costs may continue even when a space is unoccupied. An asking rate that is too high can extend vacancy and ultimately reduce the property's overall financial performance.

HOW ROAM HELPS

We recommend an asking rate grounded in comparable data we can verify and in what we hear from tenants and their brokers. If the market responds differently than expected, we tell you early and suggest how to adjust.

Who Pays What

The lease structure determines how operating expenses are shared. It matters as much as the rate itself.

	NNN Triple Net	MG Modified Gross	FSG Full-Service Gross
HOW IT WORKS	Tenant generally pays base rent plus its proportionate share of property taxes, insurance, and operating expenses, as defined in the lease.	A negotiated structure in which certain expenses are included in rent and others may be paid separately.	Most operating expenses are included in the stated rental rate, subject to the specific lease terms and any applicable expense adjustments.
TENANT TYPICALLY PAYS	Base rent, plus its share of taxes, insurance, and operating expenses, often as monthly estimates reconciled annually.	Base rent, plus whichever expenses the lease assigns to it, such as utilities or a share of certain costs.	Base rent, plus its own in-suite costs, and sometimes increases in expenses above a base year.
FOR OWNERSHIP	Changes in covered expenses generally pass through to the tenant, as the lease provides.	Ownership carries some expense risk, so precise drafting matters.	Ownership typically carries most operating costs, so the rate must account for them.

These descriptions are general. Labels vary in practice, and the actual allocation of expenses is determined by the lease.

From annual rate to monthly rent

Rent is quoted per square foot per year. Here is how that translates to a monthly figure on a hypothetical triple net lease.

$2,000 \text{ SF} \times \$40.00/\text{SF per year} = \$80,000 \text{ per year}$
 $\$80,000 \div 12 \text{ months} = \$6,666.67 \text{ per month in base rent}$
 Estimated NNN expenses: $2,000 \text{ SF} \times \$12.00/\text{SF} = \$24,000 \text{ per year, or } \$2,000.00 \text{ per month}$

Estimated monthly total: \$8,666.67, before utilities and tenant-specific costs

Illustrative example only. Actual rates and expenses vary by property, market, and lease.

ROAM TIP

When comparing your asking rent with another property, make sure the structures match. A triple net rate and a full-service gross rate may be closer than they first appear once expenses are added.

The Value of Professional Representation

A listing broker helps you position the property well, reach the right tenants, and make informed decisions throughout the process.

1 Property Positioning

Understanding what sets your property apart, which tenants it suits best, and how to present it. Positioning shapes everything from pricing to photography.

2 Market Exposure

Introducing the property to qualified prospects, cooperating brokers, and relevant industry contacts, so the right tenants learn it is available.

3 Tenant Qualification

Helping ownership assess prospective tenants and obtain the financial documentation needed to make a sound decision.

4 Negotiation Strategy

Evaluating proposed lease terms, concessions, financial considerations, and potential risks, and negotiating toward terms that support your goals.

5 Transaction Coordination

Working with ownership, attorneys, tenant representatives, and other parties to keep the transaction organized and moving toward execution.

Where our role ends

Brokers are not attorneys, accountants, or tax advisors. We can help you understand business terms and how a proposal compares with the market. Questions about lease language, legal rights, tax treatment, and financial planning belong with your attorney, accountant, and other professional advisors. We are glad to work alongside them.

HOW ROAM HELPS

Legal, tax, and financial questions come up in nearly every lease. When one does, we flag it early and bring it to your attorney or accountant, so it can be resolved before it slows the transaction.

Understanding the Listing Agreement

The listing agreement establishes the scope of the brokerage relationship and the responsibilities of each party.

A listing agreement is a written contract between a property owner and a brokerage. It authorizes the brokerage to market the property for lease and sets out how the engagement will work.

Exclusive representation

One brokerage markets the property for a defined period. Under an exclusive right to lease, the broker is typically compensated even if the owner finds the tenant; under exclusive agency, it may not be.

Non-exclusive representation

More than one brokerage, or the owner, may market the property. The agreement should state when a broker earns compensation.

Listing duration

The start and end dates of the engagement, and any terms for extending or ending it.

Brokerage compensation

How and when the brokerage is paid. Compensation is negotiable and should be stated clearly in writing. See page 23.

Cooperating broker arrangements

How brokers who represent tenants will be compensated, and by whom.

Marketing responsibilities

The marketing the brokerage will provide, and any costs involved.

Ownership responsibilities

The information, access, and timely decisions the owner agrees to provide.

Agency relationships

Whom the brokerage represents in the transaction, and in what capacity.

Expiration and protection provisions

What happens when the agreement ends, including any period in which the brokerage may still be compensated for a lease with a prospect introduced during the term.

Why an Exclusive Listing Can Benefit Ownership

An exclusive listing gives one brokerage responsibility for bringing the property to market. For many owners, that means centralized communication, consistent marketing and property information, coordinated showings, and clear accountability for the leasing effort. It is not the right fit for every situation, though. Some owners prefer to keep the ability to lease directly or to work with more than one brokerage, and the right choice depends on the property and your goals. Under either arrangement, compensation obligations depend on the terms of the executed listing agreement.

A note on agency in Illinois

In Illinois, brokerage relationships are governed by the Real Estate License Act of 2000, which addresses whom a licensee represents, the duties owed to clients, and the requirement that dual agency, representing both sides of a transaction, occur only with the informed written consent of all clients. Your listing agreement should state clearly whom ROAM represents.

Bringing Your Property to Market

Effective marketing puts accurate, compelling information in front of the right people, then follows through.

Every property calls for its own mix. A neighborhood storefront may benefit most from signage and broker outreach; a specialized building may call for targeted prospecting. Before launch, we agree with you on the plan for your property. It may draw on:

Professional photography

Clear, accurate images that represent the space well.

Brochures and flyers

A concise summary of size, terms, features, and floor plans.

Listing platforms

Commercial listing services where tenants and brokers search for space.

Broker outreach

Direct communication with brokers who represent tenants.

Direct prospecting

Outreach to businesses that may be a natural fit.

Property signage

On-site signs that reach passersby and neighboring businesses.

Digital marketing

Online presentation of the property and email to relevant contacts.

Social media

Additional exposure where it suits the property and audience.

Property tours

Well-prepared showings that let the space make its own case.

Follow-up

Timely responses and consistent communication with every prospect.

Throughout the marketing process, we keep ownership informed of inquiries, property tours, prospective tenant feedback, and market activity. When adjustments to pricing, positioning, or marketing strategy may be beneficial, we discuss those recommendations with you.

Why Broker Relationships Matter

Many commercial tenants, particularly established and growing businesses, work with their own tenant representative. Those brokers survey the market on their client's behalf and bring a short list of options to tour. If your property isn't in front of them, it may never make that list. Exposure to the broader brokerage community can be an important part of an effective leasing strategy.

Brokers recommend spaces they can understand quickly and present with confidence. Accurate, readily available information, including floor plans, expense estimates, and clear terms for cooperating brokers, makes your property easier to recommend.

HOW ROAM HELPS

ROAM also represents commercial tenants, so we know what tenant brokers look for when they evaluate a listing. If a ROAM tenant client becomes interested in your property, we will tell you, and we proceed only as Illinois law allows, including with the informed written consent of both clients.

Finding the Right Tenant, Not Just Any Tenant

A lease is only as strong as the tenant behind it. Financial review helps ownership assess the risks of a proposed lease before signing.

Operating history

How long the business has operated, and how it has performed.

Financial statements

Tax returns, profit and loss statements, and balance sheets, often for the past two to three years.

Liquidity and capacity

Cash and resources available to fund the build-out, opening costs, and rent through the early months.

Creditworthiness

Credit history of the business and, where appropriate, its principals, obtained with proper authorization.

Business plan

For newer businesses, the plan, projections, and sources of funding.

Relevant experience

The operator's track record running similar businesses.

Corporate and personal guaranties

A guaranty from a parent company or an individual, adding a second party responsible for the lease obligations.

Security deposit

Funds held as security for the tenant's performance, in an amount negotiated in the lease.

Established businesses

Review centers on track record: several years of financial statements and tax returns, current bank statements, and performance at other locations.

New concepts

With little operating history, review shifts to the people and the plan: projections, funding, the principals' experience and finances, and often stronger security.

Qualification criteria should be applied consistently to every prospect and in accordance with applicable law, including laws that prohibit discrimination. Your attorney can advise on your specific obligations.

Finding the Right Tenant, Not Just Any Tenant

continued

Evaluating Tenant Use and Property Compatibility

A financially strong tenant still needs to be the right fit for the building. Before moving forward, it helps to consider how the proposed business will actually operate in the space.

Intended use	What the business will do in the space day to day, and whether that matches the permitted use you are prepared to offer in the lease.
Infrastructure requirements	Electrical capacity, plumbing, ventilation, gas, grease traps, floor loads, or other systems the use depends on, and who will pay to provide them.
Hours of operation	Early mornings, late nights, or heavy weekend traffic can affect building access, security, parking, and neighbors.
Noise and other impacts	Restaurants, fitness studios, and similar uses may need sound attenuation, ventilation, or other measures to coexist with nearby occupants.
Compatibility with existing tenants	Whether the use complements the current tenant mix and respects any exclusive rights or use restrictions in other leases.
Zoning	Whether the use is permitted under current zoning or may require additional approval. The municipality makes the final determination.
Construction requirements	The scope of build-out the use requires, the permits involved, and how construction may affect the property and other tenants.

ROAM TIP

A strong tenant is not simply the party offering the highest rent. Financial stability, operational experience, and the ability to fulfill lease obligations are important considerations.

From Interest to Negotiation

A letter of intent turns a tenant's interest into a written proposal you can evaluate.

A letter of intent, or LOI, generally outlines the proposed business terms of a lease before attorneys prepare the formal document. It gives both sides a chance to agree on the essentials before investing time and legal fees in a full lease.

Many LOIs state that the lease terms are non-binding while making certain provisions, such as confidentiality or exclusivity, binding. Whether an LOI, or any particular provision in it, is legally binding depends on the document's wording and applicable law. Your attorney should review any LOI before you sign it.

Business terms commonly negotiated

Premises and square footage

The space and how it is measured

Lease term

The length of the lease

Annual increases

How rent changes each year

Security deposit

The amount held as security

Free rent

Months of rent abated, and which rent

Landlord work

Improvements ownership will complete

Rent commencement

When rent payments begin

Assignment and subletting

Whether the tenant may transfer the lease

Permitted use

What the tenant may operate there

Base rent

The starting rent, usually per SF per year

Operating expenses

Costs the tenant pays beyond base rent

Guaranties

Corporate or personal guaranties

Tenant improvement allowance

Ownership's contribution to the build-out

Delivery conditions

The condition of the space at handover

Renewal options

The tenant's right to extend

Contingencies

Conditions such as permits or approvals

HOW ROAM HELPS

When an LOI arrives, we lay out every term, calculate the economics over the full term, and point out anything missing or unclear. Then we talk through a response strategy with you, so each counter moves toward terms that work for you.

Looking Beyond the Asking Rent

The starting rent is only one part of what a lease is worth to you.

A lease is a multi-year financial commitment, and its value to ownership depends on how every term works together. Before accepting a proposal, consider each of these.

Total scheduled base rent

All base rent due over the term, including annual increases.

Annual rental increases

Whether set as a fixed percentage, which compounds, or a fixed dollar amount, increases can meaningfully change total rent.

Free rent concessions

Each month of abated rent reduces total income and delays cash flow. Free rent often covers base rent only, with expenses still due.

Tenant improvement allowances

Ownership's contribution to the tenant's build-out, typically paid early in the term.

Landlord construction costs

Work ownership agrees to complete before delivery.

Brokerage commissions

A cost of the transaction, often calculated with reference to the lease's rent.

Operating expense obligations

Under some structures, ownership absorbs part or all of the operating expenses.

Lease duration

A longer term can justify larger concessions and extends the commitment on both sides.

Effective rental rate

A single figure reflecting rent net of concessions, averaged across the entire lease term.

Effective rent, simply put

Effective rent spreads the cost of concessions across the term. In its simplest form, it is total scheduled base rent, minus free rent and improvement allowances, divided by the square footage and the number of years. The result is an average across the entire lease term, not the rent in any single year. More detailed analyses, which your accountant or financial advisor can help with, also account for the time value of money, commissions, and expenses.

The example on the next page compares two hypothetical proposals for the same space, built on these assumptions.

ASSUMPTIONS

Space: 2,000 square feet

Starting base rent: \$40.00/SF per year

Free rent: first months of year one, at \$6,666.67 per month

Excluded: operating expenses, commissions, financing and other transaction costs, and the time value of money

Term: 5 years (60 months)

Increases: 3% per lease year, compounding

Allowance: paid by ownership

Two Proposals, One Starting Rent

SCHEDULED BASE RENT, IDENTICAL IN BOTH PROPOSALS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Rate / SF	\$40.00	\$41.20	\$42.44	\$43.71	\$45.02	
Annual rent	\$80,000.00	\$82,400.00	\$84,872.00	\$87,418.16	\$90,040.70	\$424,730.86

	Proposal A 2 months free No allowance	Proposal B 6 months free \$20,000 allowance
Total scheduled base rent	\$424,730.86	\$424,730.86
Less free base rent	(\$13,333.33)	(\$40,000.00)
Less tenant improvement allowance	\$0.00	(\$20,000.00)
Total value of concessions	\$13,333.33	\$60,000.00
Base rent net of concessions	\$411,397.53	\$364,730.86
Effective rent per SF Averaged across the entire 5-year term	\$41.14	\$36.47

BASE RENT PER SF PER YEAR, AVERAGED OVER THE TERM

Scheduled		\$42.47
Proposal A		\$41.14
Proposal B		\$36.47

Why the outcomes differ

Both proposals start at \$40.00 per square foot and escalate identically. The difference is entirely in the concessions. Proposal B asks for four more months of free rent and a \$20,000 allowance, a combined \$46,666.67 more than Proposal A. Averaged across the term, that lowers the effective rate by \$4.67 per square foot per year.

That does not make Proposal B the wrong choice. A stronger tenant, a longer commitment, or improvements that add lasting value may justify larger concessions. The goal is to see the trade clearly before deciding.

Illustrative example only. Free rent is valued at one-twelfth of year-one rent. This hypothetical comparison is not a market projection and does not represent an actual transaction.

From Signed LOI to Executed Lease

Agreeing on business terms is an important milestone. Several steps remain before the lease is signed.

An accepted LOI does not necessarily mean the transaction is complete. The formal lease addresses many provisions the LOI never mentions, and new questions often surface as the documents take shape. Here is what typically happens next.

- 01 Attorney preparation of the lease**
An attorney, often ownership's, drafts the lease from the agreed business terms.
- 02 Review of proposed provisions**
Both sides review the draft and exchange comments, sometimes over several rounds.
- 03 Financial documentation**
Remaining financial information is finalized, and ownership's lender approves the lease, if required.
- 04 Insurance requirements**
The lease sets the coverage each party must carry. Tenant certificates are commonly required before possession.
- 05 Guaranty documentation**
Any corporate or personal guaranty is prepared, often as a separate document.
- 06 Landlord and tenant responsibilities**
Repair, maintenance, and operating obligations are confirmed in detail.
- 07 Final negotiations**
Remaining open points are resolved.
- 08 Lease execution**
Both parties execute the lease, formalizing the agreed terms and obligations. Any binding provisions of earlier agreements should be reviewed with legal counsel.
- 09 Required deposits and initial payments**
The security deposit and any initial payments are delivered as the lease requires.

WHAT TO EXPECT

Lease review often takes longer than owners expect, particularly when lenders, guarantors, or complex build-outs are involved. Several rounds of comments are normal and do not mean the deal is in trouble.

Legal counsel should review the lease and all related legal documents. We can help confirm that the business terms carry through, but the legal language belongs with your attorney.

Improvements, Construction & Delivery

Many leases involve work before a tenant can open. Clear terms keep everyone aligned.

As-is delivery

The property is delivered in its existing condition, subject to any obligations negotiated in the lease.

Landlord work

Specific improvements or repairs ownership agrees to complete.

Tenant improvements

Work required to adapt the space to the tenant's intended use, often called TI or the build-out.

Tenant improvement allowance

A negotiated financial contribution from ownership toward qualifying improvements.

Free rent

A negotiated period during which some or all rent obligations are waived.

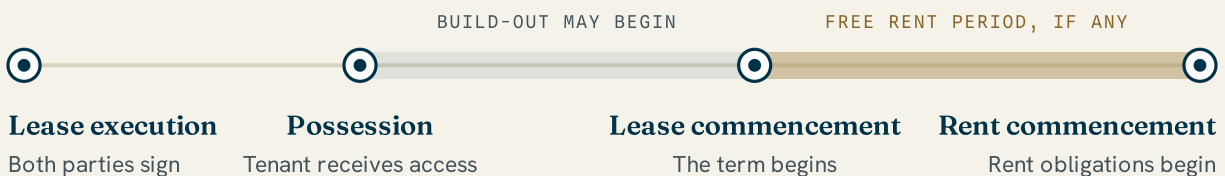
Rent commencement

The date on which the tenant becomes obligated to begin paying rent under the lease.

Permits, inspections, and licensing

Most build-outs require permits, and the work is typically inspected before the space can be occupied; some uses also need a certificate of occupancy. Depending on the use, the tenant may also need business licenses or health department approval. Because the authorities involved set review and inspection schedules, timelines can run longer than expected. Leases often address what happens if approvals are delayed.

Three dates that may not be the same



One possible sequence. Possession, lease commencement, and rent commencement may occur on different dates or the same day. The lease defines each one.

These dates should be clearly defined in the lease, particularly when possession, construction periods, free rent, and rent commencement do not occur simultaneously.

Improvements, Construction & Delivery

continued

Who handles what

Several parties play a role in getting a space ready for a tenant. How responsibilities are divided among them is negotiated and defined in the lease, often in an exhibit called a work letter. The outline below reflects a common arrangement, not a rule.

Ownership

Delivers the space in the agreed condition, completes any landlord work, reviews tenant plans where the lease calls for approval, and funds any allowance as agreed.

Tenant

Plans and completes its build-out, obtains its permits and business licenses, carries the insurance the lease requires, and keeps to the agreed schedule.

Contractors

Perform the construction for whichever party engaged them, under the applicable permits and codes.

Architects and engineers

Prepare plans and drawings, evaluate whether the space can support the intended use, and assist with the permit process.

Attorneys

Draft and negotiate the lease and work letter that define each party's obligations, and advise their own clients.

ROAM TIP

Define the delivery condition in writing, down to the building systems. "Good working order" can mean different things to different people.

HOW ROAM HELPS

During build-out, we keep the key dates from the lease in view, including delivery, possession, and rent commencement, and let you know early if one of them may slip.

Understanding Brokerage Compensation

How brokers are paid should never be a mystery. It belongs in writing, agreed in advance.

Commercial leasing commissions are commonly paid by ownership under the terms of the listing agreement. There is no standard or legally required commission rate. Brokerage commissions are negotiable and should be clearly established in a written agreement before marketing begins.

Negotiated arrangements

Commissions are agreed individually and may reflect the property type, lease size and term, and scope of services.

Calculation methods

Approaches vary. A commission may be based on a percentage of the rent over the term, on a fixed amount per square foot, or on a flat fee. The agreement should state the method and which rent counts toward it.

Payment schedules

A commission may be paid in full at lease execution, or divided between execution and a later milestone such as rent commencement or occupancy.

Cooperating broker compensation

When a tenant has its own broker, the listing agreement typically addresses how that broker is compensated and by whom.

Provisions in the listing agreement

Review how the agreement treats renewals, expansions, and leases signed after expiration with prospects introduced during the term.

HOW ROAM HELPS

Before you sign a listing agreement, we explain our proposed compensation in plain terms, including how any cooperating broker would be paid and when each payment would be due.

Common Missteps, and How to Avoid Them

Even experienced owners run into these. Knowing them in advance makes them far easier to avoid.

01

Overpricing the property

An asking rate unsupported by the market can limit interest and prolong vacancy, and vacant months can't be recovered.

INSTEAD

Price from evidence, and revisit early if activity is light.

02

Overlooking presentation

Poor photography or incomplete information can make it difficult for tenants to evaluate a space.

INSTEAD

Invest in accurate floor plans, good photography, and a clean, well-lit space.

03

Focusing only on base rent

Concessions, improvements, and other obligations affect the actual economics of a lease.

INSTEAD

Compare proposals by effective rent over the full term.

04

Skipping tenant qualification

A signed lease does not eliminate the risk of nonpayment or default.

INSTEAD

Review financials consistently and match the security to the risk.

05

Agreeing to unclear delivery conditions

Ambiguity about repairs, improvements, and possession can create disputes.

INSTEAD

Define condition, landlord work, and key dates in writing.

06

Underestimating the timeline

Marketing, negotiations, legal review, permitting, and construction may take longer than anticipated.

INSTEAD

Plan for carrying costs and build realistic dates into your expectations.

Questions Owners Ask

Short answers to the questions we hear most often.

How long does it typically take to lease commercial space?

There is no typical answer. It depends on the property, its pricing, market conditions, the tenant's needs, and how much construction is involved. We share what we are seeing as the process unfolds.

How is the asking rental rate determined?

By comparing similar spaces and weighing location, condition, size, demand, lease structure, and the concessions tenants are likely to request. See page 10.

Should I offer free rent?

It depends on your goals, the market, and the tenant. Free rent is common when a tenant needs time to build out a space, but it reduces the lease's economic value. We help you weigh it against alternatives.

Who pays for tenant improvements?

It is negotiated. The tenant may pay, ownership may provide an allowance or complete work, or the cost may be shared. The lease sets out the arrangement.

Do I need to renovate before listing?

Not necessarily. Many tenants prefer to customize a space themselves. Cleaning, repairs, and addressing obvious deferred maintenance often help. Larger renovations are worth discussing before you commit funds.

What information should I request from a prospective tenant?

Typically financial statements, tax returns, bank statements, a business plan for newer businesses, information on principals and guarantors, and a description of the intended use. See page 15.

Questions Owners Ask

continued

Can I approve or reject a prospective tenant?

Ownership generally decides whether to lease to a prospective tenant, provided its decisions comply with applicable law, including anti-discrimination laws. Your attorney can advise on specific situations.

Who prepares the lease?

Ownership's attorney often prepares the first draft and the tenant's attorney reviews it, though practice varies. Each party should have its own legal counsel.

When does the tenant begin paying rent?

On the rent commencement date defined in the lease. It may coincide with possession, or come later if the lease provides free rent or a build-out period.

What happens if lease negotiations fall apart?

Marketing continues and other prospects remain in play. Where possible, we keep backup interest active during negotiations so a stalled deal costs less time.

Who pays the brokerage commission?

Commercial leasing commissions are commonly paid by ownership under the listing agreement, including any share paid to a tenant's broker. The amount and timing are negotiable and set in writing.

What happens after the lease is signed?

Deposits and insurance certificates are delivered, any landlord work is completed, and the tenant begins its build-out and approvals. We stay involved through move-in.

Your Property Listing Checklist

Use this page to gather what we will need to bring your property to market.

PROPERTY INFORMATION

- ☐ Property address
- ☐ Ownership entity
- ☐ Available square footage
- ☐ Floor plans
- ☐ Property availability
- ☐ Existing improvements

BUILDING INFORMATION

- ☐ HVAC
- ☐ Electrical service
- ☐ Plumbing
- ☐ Accessibility
- ☐ Zoning
- ☐ Parking
- ☐ Signage opportunities

FINANCIAL INFORMATION

- ☐ Property taxes
- ☐ Insurance
- ☐ Operating expenses
- ☐ Utility information
- ☐ Existing lease information, if applicable

LEASING OBJECTIVES

- ☐ Desired rental rate
- ☐ Preferred lease term
- ☐ Acceptable uses
- ☐ Improvement expectations
- ☐ Delivery conditions
- ☐ Target occupancy date

NOTES

Every Property Has Potential. Let's Explore Yours.

Every property presents a unique set of opportunities and considerations. We hope this guide has provided a helpful foundation for understanding the commercial leasing process and the decisions involved along the way.



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