ROAM
REAL ESTATE INC

COMMERCIAL

The Tenant's Guide to *Commercial Leasing*

What to expect, what to prepare, and how we'll work together from the first conversation to the day you get the keys.

Welcome to ROAM

Leasing commercial space is an important step for any business. Our role is to make it a clear and confident one.

A commercial lease brings many moving parts together: financials, property searches, tours, letters of intent, attorneys, leases, permits, construction, licensing, insurance, and the move itself. Every transaction is a little different, and not every one involves each of these pieces.

We'll take each step in order, explain what matters as we reach it, and share our perspective along the way. You bring a deep understanding of your business. We bring experience in commercial real estate. Together, those two perspectives lead to well informed decisions about your space.

This guide is meant to be a companion throughout the process. As your search progresses, we'll point you to the sections most relevant to each stage. Whenever a question comes up, we're always glad to talk it through.

Thank you for the opportunity to represent you. We look forward to the work ahead.

Lia Caton

FOUNDER AND MANAGING BROKER · ROAM COMMERCIAL

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This guide offers general information to help you understand the commercial leasing process. It isn't legal, tax, accounting, zoning, or construction advice. Every property and transaction is unique, and the terms of your deal are set by the documents you sign.

How We'll Work Together

Great representation is built on partnership. When roles and expectations are clear from the start, the entire process feels more focused and more productive.

How ROAM supports you

We begin by learning your business and what you need from a space. Together we define the search criteria, then we research the market and bring you options that fit. We coordinate tours, help you compare properties on more than appearance, and analyze what each one will truly cost to occupy. When you find the right space, we prepare and negotiate the letter of intent, communicate directly with the listing broker and ownership, and work alongside your attorney as the lease is reviewed. From there, we help keep the transaction organized through occupancy.

How we collaborate

Open communication helps us tailor our recommendations to your priorities and identify opportunities that align with your goals. A clear understanding of your budget allows us to focus on spaces that make sense for your business. Having your financial information organized early positions you well when the right space appears. Your impressions after each tour, and any shifts in your plans, help us refine the search as it unfolds. You lead the business decisions, and we provide the insight and guidance to make them with confidence.

When a property catches your eye

Discovering a space on your own is common and genuinely helpful. Simply share it with us, and we'll research the property and reach out to the listing broker on your behalf. A single point of contact keeps conversations consistent and allows us to represent your interests seamlessly from start to finish.

> ROAM INSIGHT
>
> A well defined search is an efficient one. Clear criteria, early financial preparation, and ongoing conversation help us focus on spaces with real potential for your business.

Who Does What?

A commercial lease brings several professionals to the table. Here's a look at each role and how everyone works together on your behalf.

You THE TENANT	You guide the business decisions: which space, which terms, and when to move forward. You share the financial information ownership requests, select your own advisors, and sign the lease.
ROAM YOUR TENANT REPRESENTATIVE	We lead the search, coordinate tours, analyze the economics of each option, and prepare and negotiate the letter of intent. We communicate with the listing broker on your behalf and help keep the transaction organized through occupancy. We work closely with your attorney, accountant, and design team, and help connect each question with the professional best suited to answer it.
Ownership and the listing broker THE OTHER SIDE OF THE TABLE	The listing broker represents the property owner. Ownership determines whether to approve a tenant, what terms to offer, and what work, if any, it will complete in the space. Their goals and yours often overlap, and our role is to find where they align.
Your attorney YOUR LEGAL ADVISOR	Your attorney reviews the lease, advises you on legal obligations and risks, and negotiates the legal language. We recommend working with an attorney experienced in commercial leasing, and we share the business context of your deal so they have the complete picture.
Your design and construction team IF YOUR SPACE NEEDS WORK	An architect or designer plans the space, and a contractor prices and builds it. Depending on the deal, ownership's team may handle a portion of this work. Your architect, contractor, or other project professionals typically coordinate the permits and inspections the project requires.

Your accountant, lender, and insurance agent may also play a role. We're glad to collaborate with each of them.

Understanding Your Business & Real Estate Goals

Every successful search begins with a clear understanding of your business. That understanding shapes each recommendation we make.

Why we begin with your business

Some of the most valuable work in a commercial search happens in our early conversations. When we understand how your business operates, we can focus on the spaces that genuinely fit and make the most of your time on tour.

Two spaces can look equally appealing yet perform very differently for your business. Ceiling heights, electrical capacity, parking, and permitted use all play a role. Starting with your goals allows us to evaluate these factors from the outset.

What we'll explore together

- How your business operates on a typical day, and on your busiest one
- How customers, clients, and your team will arrive and move through the space
- The size and layout you need today, and the flexibility you'd like for tomorrow
- Your budget, including a comfortable total occupancy cost
- Your ideal opening date, and the milestones leading up to it
- Your preferred lease commitment and plans for growth
- Any specialized requirements, such as venting, plumbing, heavy power, loading, or after hours access

Planning for growth

Commercial leases often span several years, so it's worth considering where your business may be in two, three, or five years. Additional room, a shorter initial term with renewal options, or room to expand are all possibilities. The right structure is the one that supports your plans.

On the next page, **Your Search at a Glance** brings these priorities together on a single worksheet. Preliminary answers are a perfect starting point, and we'll refine them together.

Your Search at a Glance

A simple way to capture your priorities. Complete it ahead of our first planning meeting, or we're happy to work through it with you.

TARGET AREAS AND NEIGHBORHOODS

SIZE RANGE square feet

MONTHLY BUDGET total occupancy

IDEAL OCCUPANCY DATE

PREFERRED LEASE TERM

MUST HAVES

DEAL BREAKERS

PARKING NEEDS

SIGNAGE NEEDS

SPECIAL USE REQUIREMENTS venting, plumbing, heavy power, loading, after hours access

ANYTHING ELSE WE SHOULD KNOW

Understanding Your Total Occupancy Cost

Asking rent is one part of the picture. Looking at the full cost of occupying a space allows you to compare options with clarity and confidence.

Starting with base rent

Commercial rent is typically quoted per square foot, per year. To arrive at a monthly figure, multiply the size of the space by the rate, then divide by twelve.

```
3,000 SF × $30/SF = $90,000 per year
$90,000 ÷ 12 = $7,500 per month in base rent
```

Additional costs to consider

Depending on the lease structure, your occupancy cost may also include some or all of the following:

- Common area maintenance (CAM)
- Real estate taxes
- Insurance
- Utilities
- Janitorial
- Trash
- Parking
- HVAC service
- Repairs

Some retail leases also include a percentage of sales.

These expenses explain why two spaces with similar asking rents can result in very different monthly totals. On the next page, we walk through how this looks on a triple net lease.

Understanding Your Total Occupancy Cost

continued

On a triple net (NNN) lease, property expenses are quoted separately from base rent. Here's how that affects the same example:

```
Base rent: 3,000 SF × $30/SF = $90,000/year = $7,500/month
Estimated NNN expenses: $12/SF = $36,000/year = $3,000/month
```

Estimated occupancy cost: about $10,500/month, before utilities and other tenant specific expenses

This is an illustrative example only. Actual costs vary by property, lease structure, and use.

An overview of lease types

Gross or Full Service	Most costs are bundled into a single rent figure.
Modified Gross	Some costs are included in the rent, and others are paid separately.
Triple Net (NNN)	Base rent plus your share of taxes, insurance, and CAM.
Percentage Rent	Common in retail: base rent plus a percentage of sales above a set threshold.

Each structure has its place. The most meaningful comparison is the total cost and how predictable it will be for your business.

> ROAM INSIGHT
>
> When we compare spaces, we look beyond the listing to the full cost of occupancy, giving you a true side by side view of each option.

Preparing Your Financial Package

Ownership wants to understand the business behind the lease. A well organized financial package presents your business at its best.

Why ownership requests financials

Leasing a space represents a multi-year commitment from ownership, often paired with an investment in improvements, allowances, or the time a space is off the market during build-out. Financial review gives ownership confidence in that partnership. It's a standard part of every commercial lease and a routine step in the process.

HOW WE HANDLE SENSITIVE DOCUMENTS

Financial documents often contain confidential personal and business information. Before anything is shared, we'll review what ownership is requesting and why, so you provide only what the transaction requires.

For established businesses

Ownership typically requests some combination of the following:

- Business tax returns for the last two to three years
- Personal tax returns for the principals
- A year to date profit and loss statement
- A current balance sheet
- Recent business bank statements
- A personal financial statement for each principal
- Articles of incorporation or organization
- Your operating agreement or bylaws
- A business plan, in some cases
- Resumes or bios of the principals, occasionally

Each landlord's requirements vary slightly, and we'll share the specific requests for each property as soon as they're available.

Preparing Your Financial Package

continued

For new businesses

For a business without an operating history, ownership places greater emphasis on the business plan, funding, and the experience of the people behind it. Typical requests include:

- A business plan
- Sources of funding, such as loan approvals or investor commitments
- A personal financial statement
- Personal tax returns
- Recent bank statements
- Investor information
- Financial projections
- Personal guarantor information
- Franchise documents, for franchise concepts
- A resume highlighting your industry experience

Understanding guaranties

A personal guaranty is a commitment by an individual, typically an owner of the business, to stand behind the lease obligations. Ownership may request one, particularly from newer businesses or when it is making a significant investment in the space.

Guaranties can be structured in a variety of ways. Some are limited to a defined dollar amount or period of time, while others are full guaranties. We'll help you understand ownership's proposal from a business perspective, and your attorney will advise you on the right structure and language for your situation.

> ROAM INSIGHT
>
> Affordability and landlord approval are two distinct considerations. A space may fit your budget while ownership requests additional support, such as a larger deposit or a guaranty. Understanding both early allows us to plan the strongest approach.

Finding the Right Space

The right space is the one that supports how your business operates, both today and as it grows.

Our search is comprehensive. We draw on listing platforms, our relationships with other brokers, and direct outreach to ownership where appropriate. Then we refine the field by looking beyond the photos and evaluating how well each space can support your business.

What we evaluate beyond the listing

Location and visibility	Who passes by, how easily customers find you, and how well the area suits your clientele and your team.
Access and parking	How people arrive, where they park, and how deliveries and loading are handled.
Permitted use	Whether your use is allowed in the space. We address this early, and final confirmation comes from the municipality along with your attorney or architect.
Layout and efficiency	How much of the space is truly usable, and how well it supports the way you work.
Building systems	Whether power, HVAC, plumbing, and venting appear well suited to your needs, with capacity confirmed by a qualified professional.
Condition	Whether the space is move-in ready, previously built for a similar use, or a shell ready for a full build-out.
Neighbors and restrictions	Who else occupies the property, and whether existing exclusives or restrictions may affect your use.
Ownership and management	How the property is managed and what we can learn about ownership and management during the leasing process.

Touring with Purpose

A tour is an opportunity to learn what a listing can't convey. We approach each one with your business in mind.

Questions we ask

- Why is the space available, and how long has it been on the market?
- What is included in the space as it stands today?
- What work, if any, would ownership consider completing?
- What have operating expenses looked like in recent years?
- Are there exclusives or use restrictions from other tenants?
- When could the space realistically be delivered?

What we observe

- The condition of the storefront, entry, and common areas
- How customers and deliveries would reach you
- Visible signs of wear or deferred maintenance
- Foot and vehicle traffic at the times that matter to you
- Restrooms, ceilings, lighting, and natural light
- Neighboring tenants and the overall feel of the property

WORKING WITH SPECIALISTS

Throughout the leasing process, ROAM works collaboratively with your attorney, architect, contractors, and other qualified professionals to help you evaluate a property's suitability for your business. When a question calls for specialized expertise, we'll recommend bringing the right professional in early.

Making the most of each tour

Photos and notes are helpful, as is picturing a typical day in the space from opening to close. If others share in the decision, including them on the tour or sharing photos the same day keeps everyone aligned. Afterward, we'll talk through your impressions, both what appealed to you and what didn't. Those insights sharpen every search that follows.

From the Right Space to a Strong Offer

Finding a space you're excited about is a wonderful moment. Next, we make sure the deal behind it works as well as the space itself.

Before preparing an offer, we take a thoughtful look at the opportunity as a whole. This is where strong decisions take shape.

01 **Compare the true cost**
We review total occupancy cost side by side with your other options, not only the asking rent.

02 **Confirm the space can work**
If your use has specialized requirements, this is an ideal time to invite early input from your architect, contractor, or attorney on use, systems, and approvals.

03 **Estimate the work**
If the space needs improvements, we develop a preliminary sense of scope and cost so the offer reflects it.

04 **Plan the timeline**
We work backward from your opening date and map out what comes first: approvals, construction, licensing, and the move.

05 **Define your priorities**
Together we identify the terms that matter most to you, so the letter of intent leads with what counts.

> ROAM INSIGHT
>
> Thoughtful preparation between finding a space and making an offer leads to a stronger, clearer letter of intent and a more productive negotiation.

The LOI: Your Offer in Writing

The letter of intent, or LOI, is where your interest in a space becomes a formal proposal.

What it is

An LOI is a concise document outlining the principal business terms of a proposed lease: the space, the rent, the length of the term, the work to be completed, and the timing. It allows both sides to align on the key points before attorneys draft the full lease.

Most of an LOI is typically non-binding, serving as an outline of intent rather than a final commitment. Certain provisions, such as confidentiality or exclusivity, can be binding. Your attorney can confirm how a specific LOI should be interpreted.

What it accomplishes

- Presents your proposal to ownership clearly and professionally
- Opens the negotiation on the terms most important to you
- Aligns both sides before time and resources are invested in a full lease
- Becomes the foundation from which the lease is drafted

How it typically unfolds

We draft it together › You review and approve › We submit it › Ownership responds › We negotiate › Terms are agreed

Ownership may accept, counter, or decline. Counteroffers are a normal part of the process, and several rounds of discussion are common. We'll review each response with you and share our recommendation.

The LOI: Your Offer in Writing

Key business terms, defined simply

Premises and size	The space being leased and its square footage, often stated as rentable square feet.
Term	The length of the lease, usually stated in years.
Base rent and escalations	The starting rent and how it increases over time, often by a set percentage each year.
Rent abatement	A period of reduced or free rent, often at the beginning of the lease.
Key dates	When you receive possession, when rent begins, and when the lease commences.
Operating expenses	Which costs you share and how they're calculated, based on the lease type.
Tenant improvement allowance	Funds ownership contributes toward building out your space.
Landlord's work	Any work ownership agrees to complete before or after you take the space.
Security deposit	The amount held by ownership as security under the lease.
Guaranty	Whether a personal or corporate guaranty is requested, and its terms.
Permitted use	The business activities allowed in the space.
Exclusive use	Whether ownership agrees not to lease nearby space to a direct competitor.
Renewal options	Your right to extend the lease, and how rent is determined if you do.
Signage	Where and how your business can be identified on the building or property.
Contingencies	Conditions to be satisfied, such as permits, licensing, or financing.

Negotiating the Right Terms

Many lease terms are open to discussion. The most effective negotiations focus on what matters most to your business.

The flexibility available on any given term depends on the market, the property, and ownership's objectives. These are the areas we most often negotiate on our clients' behalf:

- Rental rate
- Annual escalations
- Free or reduced rent
- Tenant improvement allowance
- Length of the term
- Security deposit
- Guaranty terms
- Renewal options
- Caps on certain operating expenses
- Condition of the space at delivery
- Exclusive use protection
- Signage and early access

Viewing the lease as a whole

A lease is a package, and terms are often connected. A lower rent may come with a more modest build-out contribution. A longer term may support a larger allowance or additional free rent. A strong financial position may reduce the deposit ownership requests.

The objective is an agreement that serves your business on the terms that matter most to you, and that sets the foundation for a productive, long term relationship with your landlord.

> ROAM INSIGHT
>
> Effective negotiation begins with clear priorities. We help you weigh the trade-offs and evaluate each proposal as a complete package.

From LOI to Lease

Once the LOI is signed, attention turns to the lease itself. Here's how that phase typically unfolds.

01 **LOI signed**
Both sides agree on the principal business terms.
ROAM CONFIRMS TERMS AND NEXT STEPS WITH YOU

02 **Ownership review**
Ownership completes its review of your financials and may seek internal or lender approval.
ROAM KEEPS INFORMATION MOVING BETWEEN BOTH SIDES

03 **Lease drafting**
Ownership's attorney typically prepares the first draft of the lease.
ROAM REVIEWS THE DRAFT AGAINST THE AGREED BUSINESS TERMS

04 **Your attorney's review**
Your attorney reviews the lease and advises you on the legal terms and risks.
ROAM SHARES DEAL HISTORY AND BUSINESS CONTEXT

05 **Lease negotiation**
The attorneys refine the lease language, often over several rounds.
ROAM HELPS RESOLVE OPEN BUSINESS POINTS

06 **Lease signed**
You sign the final lease and any guaranty, and ownership countersigns.
ROAM HELPS COORDINATE SIGNATURES AND DELIVERABLES

07 **Deposits and insurance**
You deliver the security deposit, any initial payments, and proof of insurance.
ROAM HELPS YOU TRACK WHAT IS DUE AND WHEN

08 **Possession**
You receive the keys or access to the space.
ROAM STAYS INVOLVED THROUGH HANDOVER

09 **Build-out and approvals**
As needed, construction, permits, and licensing move forward.
ROAM HELPS KEEP THE TIMELINE COORDINATED WITH YOUR TEAM

10 **Rent commencement and opening**
Rent begins under the lease terms, and you open your doors.

Order and timing vary by transaction. Some steps overlap, and some may not apply to your deal.

Understanding the Pace of a Deal

Every transaction has its own rhythm. Understanding what influences timing makes it easier to plan with confidence.

A commercial lease involves several parties, each with its own review and approval process. When one party needs additional time, the overall schedule adjusts accordingly. These pauses are a natural part of the process.

Common factors that affect timing

Financial information	Ownership is awaiting documents or has follow-up questions.
Ownership approvals	Partners, investors, or asset managers are completing their sign off.
Lender requirements	Ownership's lender is reviewing the lease or requesting additional agreements.
Attorney review	Each round of lease comments takes time on both sides.
Construction pricing	Drawings and bids take time, and scope may evolve as pricing comes in.
Financing	Your own loan or funding is being finalized.
Permits and licensing	Municipal and agency timelines follow their own schedules.

Keeping momentum together

Early financial preparation, engaging your attorney before the LOI is signed, and prompt responses to open questions all help the process flow smoothly. Keeping us informed of any changes on your side allows us to adjust quickly.

> ROAM INSIGHT
>
> A quiet stretch is a normal part of most transactions. We'll keep you informed about what's happening behind the scenes and share any steps that can help move things forward.

Planning Your Build-Out

Some spaces are ready to go, while others call for significant work. Most fall somewhere in between.

LITTLE TO NONE

Turnkey

The space is ready, or ownership delivers it finished. Furniture, equipment, and signage may be all that's needed.

LIGHT

Second generation

The space was built for a similar use, and existing improvements may work with cosmetic updates.

MODERATE

Improvements

Some walls, finishes, lighting, or systems are updated to suit your layout and use.

SIGNIFICANT

Major build-out

The space is a shell or needs extensive work, often with full design, engineering, and permitting.

One possible path

Space planning › Design and drawings › Pricing › Ownership approval › Permits › Construction › Inspections › Occupancy approval

Every project follows its own path. Some steps overlap, some repeat, and some may not apply to your space.

Who does what

Your architect or designer plans the space, and your contractor prices and builds it. In some transactions, ownership's team handles part or all of the work. Building permits and inspections are handled through the applicable authorities, typically with your architect, contractor, or other project professionals coordinating the process.

While construction and project management are handled by the appropriate professionals, ROAM helps facilitate communication and coordination throughout the leasing process. We make sure the business terms surrounding the work, including the allowance, landlord's work, and delivery timing, are clearly reflected in your deal, and we help keep information flowing between you, ownership, and your project team.

Licensing and Business Approvals

Approval to build your space and approval to operate your business are two separate processes. Understanding both early supports a smooth opening.

Building permits cover the construction of your space. Licensing and business approvals cover your right to operate there. They're managed by different agencies on different timelines, and each is obtained independently.

Approvals your business may need

- A local business license
- Health department approval for food service
- A liquor license
- State or professional licenses for your industry
- Fire department review
- Sign permits
- Special use or zoning approvals
- Other approvals specific to your use

The value of starting early

Some approvals are issued quickly. Others take several months, involve public hearings, or require a specific address before an application can be filed. When your business depends on a particular license, understanding the process before committing to a space is a valuable step.

APPROVING AUTHORITIES

Each agency determines its own requirements and approvals. Your attorney or a licensing consultant can guide you through the process, and we're glad to coordinate with them.

How ROAM helps

We raise licensing considerations early in the search, help you incorporate approval timelines into your plans, and, where appropriate, discuss with you and your attorney whether the LOI should include a contingency tied to a key approval.

Getting Ready to Open

The final stretch before opening moves quickly. This checklist brings the remaining details together in one place.

- [ ] Insurance in place, and certificates delivered to ownership
- [ ] Utilities set up in your name
- [ ] Keys, access cards, and alarm codes received
- [ ] Walkthrough completed and any punch list documented
- [ ] Sign permits approved and signage ordered
- [ ] Internet and phone service scheduled
- [ ] Security and alarm system arranged
- [ ] Furniture and equipment delivery scheduled
- [ ] Required licenses received and posted
- [ ] Move date coordinated with building management
- [ ] Loading dock or elevator reserved, if needed
- [ ] Business address updated with vendors, banks, and customers
- [ ] Staff schedule set for opening week
- [ ] Rent start date and first payment confirmed

A NOTE ON YOUR WALKTHROUGH

Before taking possession, a careful walkthrough of the space is worthwhile. Noting any items that are incomplete or not working, sharing that list with ownership in writing, and keeping a dated copy creates a clear record. Your lease outlines the items ownership is responsible for.

Moving Forward Together

A strong working relationship makes every stage of the process more productive. These are the practices our most successful searches share.

1

Preparing financials early

Organizing your financial documents at the outset means you're ready to move forward the moment the right space appears, and it positions your offer favorably with ownership.

2

Keeping an open dialogue on budget and criteria

A shared understanding of your budget and priorities helps us focus the search with precision. As your plans evolve, we'll refine the search together.

3

Coordinating through a single point of contact

When a property catches your interest, we'll handle the research and outreach on your behalf. One consistent voice keeps communication clear and allows us to represent you effectively throughout the search.

4

Engaging your attorney early

Involving your attorney before the LOI is signed allows the lease review to begin promptly and keeps the process moving.

5

Sharing impressions as we go

Your thoughts after each tour, along with a sense of when you're ready to move forward, help us respond quickly in a market where the best spaces often draw strong interest.

Questions Clients Often Ask

Answers to the questions we hear most often.

Should I have my own attorney?

Yes, we recommend working with an attorney experienced in commercial leasing. Your attorney advises on the legal terms of the lease and any guaranty, and we work closely with them throughout the process.

How is ROAM compensated?

ROAM's compensation is established in your representation agreement. In many commercial lease transactions, the landlord or listing brokerage offers compensation to the tenant's broker. When that compensation satisfies the amount agreed upon with ROAM, the tenant generally does not pay an additional brokerage fee. We'll explain the compensation structure that applies to your transaction.

How long does the process take?

Timing depends on the market, the space, financial review, attorney review, and whether construction or licensing is involved. We'll share a realistic timeline as your deal takes shape.

Is an LOI binding?

Most of an LOI is typically non-binding, though certain provisions can be. Your attorney can confirm how a specific LOI should be interpreted.

Can the asking rent be negotiated?

Often, along with many other terms. The flexibility available depends on the market and the property.

When is the best time to begin?

Earlier than many expect, especially when your space will need construction or your business requires specialized licensing.

What if I find a property myself?

Simply share it with us. We'll research the property and reach out to the listing broker on your behalf.

When do financials come into play?

Usually around the time an LOI is submitted, and occasionally sooner. Having them prepared is a clear advantage.

What if ownership counters or declines?

Counteroffers are a normal part of negotiation, and a declined offer is simply one step in the search. We'll review the response with you and recommend a path forward.

Signing, possession, rent, and opening?

These are often different dates. Signing is when the lease is executed. Possession is when you receive the space. Rent commencement is when rent begins. Opening is when you welcome your first customers.

Commercial Leasing Glossary

A through M

Abatement	A period of free or reduced rent.
Assignment	Transferring your lease to another party, usually with ownership's consent.
Base Rent	The fixed rent amount before operating expenses and other charges.
CAM	Common area maintenance. Shared costs of maintaining common areas such as lobbies, parking lots, and landscaping.
Certificate of Occupancy	A municipal approval confirming a space can be legally occupied for its intended use.
Commencement Date	The date the lease term officially begins.
Contingency	A condition to be satisfied for the transaction to proceed, such as a permit or financing.
Escalation	A scheduled increase in rent, often a set percentage each year.
Estoppel Certificate	A signed statement confirming the current terms and status of a lease, often requested by lenders or buyers.
Exclusive Use	A lease provision that limits ownership from leasing nearby space to a direct competitor.
Gross Lease	A lease in which most operating costs are included in the rent.
Guaranty	A commitment by an individual or company to stand behind the tenant's lease obligations.
Landlord's Work	Improvements ownership agrees to complete in the space.
Load Factor	The percentage added to usable square footage to account for shared areas.
LOI	Letter of intent. A document outlining the principal business terms of a proposed lease.
Modified Gross	A lease in which some operating costs are included in the rent and others are paid separately.

Commercial Leasing Glossary

N through Z

NNN	Triple net. A lease in which the tenant pays base rent plus a share of taxes, insurance, and CAM.
Operating Expenses	The costs of operating a property, some of which may be passed through to tenants.
Percentage Rent	Additional rent based on a share of sales, common in retail.
Permitted Use	The specific business activities allowed in the space under the lease.
Possession Date	The date you receive access to the space.
PSF	Per square foot. The standard way commercial rent and costs are quoted.
Punch List	A list of incomplete or outstanding items to be addressed after construction.
Renewal Option	Your right to extend the lease for an additional term.
Rent Commencement	The date rent payments begin, which may differ from the possession date.
RSF	Rentable square feet. Usable space plus a share of common areas.
Second Generation Space	A space previously built out for a similar use.
Security Deposit	Funds held by ownership as security for your lease obligations.
SNDA	Subordination, non-disturbance, and attornment agreement. Defines the relationship between tenant, landlord, and the landlord's lender.
Sublease	Leasing all or part of your space to another party while you remain responsible under your lease.
TI Allowance	Tenant improvement allowance. Funds ownership contributes toward building out your space.
Turnkey	A space delivered ready to occupy, with improvements completed by ownership.
USF	Usable square feet. The space you actually occupy.

Your Starting Checklist

Your business and your search

A helpful reference for the materials you'll want on hand as your search begins.

Your business

- [ ] Legal business name and entity type
- [ ] Articles of incorporation or organization
- [ ] Operating agreement or bylaws
- [ ] A brief description of your business and concept
- [ ] Resumes or bios of the principals
- [ ] Franchise documents, if applicable
- [ ] Government issued ID for each principal

Your search

- [ ] Your Search at a Glance worksheet completed
- [ ] Target areas identified
- [ ] Size range confirmed
- [ ] Total monthly budget set
- [ ] Ideal opening date identified
- [ ] Must haves and deal breakers listed
- [ ] Parking, signage, and special use needs noted

Your Starting Checklist

Your financials and your team

Your financials

- [ ] Business tax returns, last two to three years
- [ ] Personal tax returns for the principals
- [ ] Year to date profit and loss statement
- [ ] Current balance sheet
- [ ] Recent business bank statements
- [ ] Personal financial statement for each principal
- [ ] Business plan and financial projections (new businesses)
- [ ] Funding information, such as loan approvals or investor commitments
- [ ] Voided check (often requested at lease signing)

Your team

- [ ] Commercial real estate attorney
- [ ] Accountant or CPA
- [ ] Lender, if financing
- [ ] Insurance agent
- [ ] Architect or designer, if your space needs work
- [ ] Contractor, if your space needs work
- [ ] Key decision makers identified

A Note to Close

Thank you for trusting us with your search.

Finding a home for your business is a meaningful decision, and we approach it with great care. Every space you consider represents your plans, your investment, and the future you're building.

Our commitment is simple. We'll listen carefully, share our honest perspective, and remain engaged throughout your transaction, from the first conversation through occupancy.

We hope this guide serves as a helpful companion along the way. Whenever a question arises that isn't covered here, we'd love to hear from you. Early conversations are always welcome.

We look forward to the work ahead, and to seeing your business thrive in its new space.

Lia Caton

FOUNDER AND MANAGING BROKER · ROAM COMMERCIAL

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