5 commercial lease tips during COVID-19.



The COVID-19 pandemic forced many businesses to temporarily close their doors and shift operations. Even as we resume some normalcy, businesses have learned invaluable lessons that will shape their future decisions and spaces. One of those lessons is in the commercial lease. COVID-19 can add a layer of complication to leasing commercial real estate if you don't know what to look for. With a few helpful commercial lease tips, you can avoid costly risks and find the right space for your business.

To better position your workspace for the future and keep safety top of mind, business owners should look at these aspects of the commercial lease:

1. **Social distancing capabilities.** Re-evaluate how much space you might need to accommodate social distancing for your employees or customers. Do you have space to install physical barriers between workstations? Do you have enough room at the register to distance customers six feet apart? With all these safety protocols in mind, determine if you're safely able to stay in your existing space or if you should start pursuing somewhere new.

2. **Operational changes.** If your landlord is responsible for building cleaning and maintenance, you'll likely see additional COVID-19 precautions like no-touch antibacterial hand soap dispensers, hand sanitizer dispensers, increased maintenance and guidelines for the janitorial staff. Depending on your lease agreement, your landlord may be required to share these changes with you. There also may be a lease addendum should someone on staff contract COVID-19. Make yourself aware of these policies in advance so you can react appropriately.

3. **Lease length and flexibility.** Whether you're staying in your existing lease, looking to break contract early or pursuing a new space altogether, business owners should look for key term points in any contract. First, clearly understand the term-end and break dates of the contract. Then, inquire about a shorter lease time frame or additional flexibility should your business needs shift in the future.

4. **COVID-19 clauses.** Because of the pandemic, lessors and tenants could expect to see new COVID-19 clauses within leases. For example, global pandemics traditionally have not been incorporated in "insured risks" in past policies but new lease terms or the acceptance of tenant requests may be items to review moving forward. Negotiating commercial lease agreements can be complex. If you have questions, your insurance agent may be able to help. Your agent can review the insurance provisions within the commercial lease. By reviewing the lease with your agent, you can mitigate risk and uncover who's responsible for insuring what.

5. **Open dialogue between lessors and tenants.** In light of the pandemic, lessors may modify future commercial leases. Whether you're planning to renew or you are a potential new tenant, closely reviewing the commercial lease agreement is important. Lessors and tenants should have open lines of communication. The lessor should be able to answer your questions about insured risks, safety protocols and any new guidelines. Transparent, open communication will help to protect everyone involved and foster commercial lease best practices.

At the end of the day, you can avoid confusion and added costs when leasing commercial real estate by reviewing the lease in advance. Read the agreement closely, understand the terms entirely, ask questions and set up your business for future success.

After finding the perfect space, talk to an agent about protecting your business with the right business insurance.