

# The Fundamentals of Commercial Leases

# Net Rent

| Net Rent Per Square Foot Per Year |                    |
|-----------------------------------|--------------------|
| Gross Rent                        | \$30.00 psf        |
| Cost Recoveries                   | \$5.00 psf         |
| Maintenance and Operating Costs   | (\$10.00 psf)      |
| Amortized Free Rent               | (\$3.00 psf)       |
| Amortized Tenant Improvements     | (\$4.00 psf)       |
| Amortized Leasing Commissions     | (\$0.60 psf)       |
| <b>Effective Rent</b>             | <b>\$17.40 psf</b> |

# Commercial Leases

- Utilities, Insurance, Property Taxes (CAM)
- HVAC
- Security and Property Maintenance
- Tenant Improvements

# Commercial Leases (cont'd)

- Signage
- Going Dark
- Hours and Days of Operation
- Length of Lease
- Expansion Rights
- Usage Restrictions
- Recourse and Security Deposit