

Understanding Types of Commercial Leases

So, you're ready to take the next step and move your business out of the basement and into a professional office—but what happens next? Acquiring professional space for business purposes is oftentimes a point of confusion when it comes to understanding the required lease agreements. **It's time to dispel the notion that commercial lease agreements are too complicated to understand for the average person.**



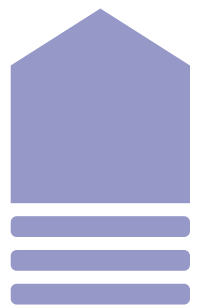
Base Rent

bare minimum amount that is required each month, independent of any other additional fees



Double Net Lease

tenant pays taxes and insurance in addition to base rent



Triple Net Lease

base rent with three additional costs—typically common area maintenance, taxes and insurance



Net Lease

a net lease does not limit the number of additional costs



Full Service/Gross Lease

landlord pays for any extra costs that may arise beyond base rent



Load Factor

the amount of space for which a tenant pays vs. what is used



Percentage Lease

based on tenant's percentage of monthly sales (i.e. malls)



Rentable Square Footage

based on usable square footage of the available space



Each type of commercial lease has its purpose and place within the real estate industry. A basic understanding of the parameters associated with each kind of agreement takes the guesswork out of finding the perfect fit for your company's office requirements.

Chris Falk is an expert in office lease types and has a broad understanding of how to best guide his clients into arrangements that are most beneficial to their needs.

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