

Renting a Business Location Checklist

Choosing and leasing a location for your business is critical. The type of your business will dictate many of your decision making factors. For example, a retail business that is dependent on walk-in traffic means that you must have a location where there are many people who have an interest in your product or service.

Here are some additional factors to consider in choosing a location.

Location issues

Item	Comments
Is there adequate space for current and future levels of business?	
Is the space appropriate for your business? Does it have enough private offices, work areas and storage space?	
Is there adequate parking available for customers and employees?	
Is traffic congestion a problem?	
Does the location suite the commuting needs of employees?	
What types of communication services are available? If your business uses the Internet, are high speed services (T-1 lines, DSL or cable modem) available? Ask other tenants what they are using.	
Is the space conducive to your type of business?	

Lease issues

The checklist below addresses some of the most common issues that arise when a lease is being negotiated. Understanding all the lease terms can make the negotiation process easier for both you and the landlord. Depending on your level of comfort, you may want to have a qualified attorney help you work through the leasing process.

Lease provision	Issues	Comments
Nature and duration of the lease.	Be sure to understand the term of the lease and the mechanics of any renewal options. Also be sure to completely understand when you are entitled to possession and use of the property.	

Lease issues (Continued)

Lease provision	Issues	Comments
Rent	In the lease contract, make sure it is clear when the rent is due and how it is to be paid, along with the actual amount to be paid. You should also be sure to understand if there is any "pass-through" of increased property taxes or maintenance costs.	
Competition	If the space is being used for retail purposes, such as in a mall or strip shopping center, are there any restrictions on the landlord's ability to lease to your competitors. What are your remedies if a competitor moves in close-by?	
Subletting	Do you have the right to sub-lease space if you find you don't need the space within the duration of the lease?	
Physical condition	You may want the landlord to make certain improvements before you move in. This may include changing walls or electrical connections. What will be the general condition of the space when you move in and what condition must you leave it in when you move out?	
Improvements	You may wish to make improvements to your space during your lease. You may need additional offices or just want new carpet. Be sure your lease allows you to make the improvements and try to get compensated for these improvements at the termination of your lease.	
Landlord's financial condition	Will the landlord be able to deliver on all of his obligations for maintenance and up-keep? The real estate market is usually cyclical and some protections in the lease for your rights may be attractive.	

This checklist is not all-inclusive. You may want to use checklists found in many reference books or on the Internet to make sure all of your issues are covered. Your lease is important. So is the relationship with the landlord. A good working relationship will make the call about the leaking roof easier to make, and a good relationship may get the air conditioner repaired just a little sooner.