

South Florida Commercial Lease Checklist

25 terms every South Florida tenant should negotiate before signing.

Justin Crow · Commercial Tenant Representative · Mattis Advisors · Boca Raton, FL

justincrowcre.com · (561) 571-8245 · justin@mattisadvisors.com

How to use this checklist: Review each item before signing any letter of intent (LOI) or lease. Items marked with ■ are negotiation points — not boilerplate. If your landlord's form doesn't address a term on this list, that's a gap in your protection. Use a tenant representative to address all items before executing.

RENT & ESCALATION

0 ■ Base rent per SF/year (gross vs. NNN)

1 Confirm whether quoted rate is gross or NNN. NNN adds \$9–\$18/SF in South Florida. Always compare apples-to-apples.

0 ■ Annual rent escalation rate

2 Push for 2–3% fixed escalations. Avoid CPI-tied bumps — they have no ceiling. Cap any CPI clause at 3–4%.

0 ■ Free rent period negotiated

3 Standard is 1–6 months depending on lease term and market conditions. Longer term = more free rent leverage.

0 ■ Delivery condition: cold dark shell vs. warm vanilla shell

4 Landlord-delivered condition has a major impact on your TI needs. Get it in writing before you negotiate TI.

TENANT IMPROVEMENT ALLOWANCE (TI)

0 ■ TI allowance per SF confirmed in LOI

5 Do not leave TI negotiation to the lease. Lock the number in the LOI. South Florida ranges: \$25–\$75/SF office; \$30–\$120/SF retail.

0 ■ TI paid as cash allowance vs. turnkey build

6 Cash TI gives you contractor control and cost visibility. Turnkey gives the landlord control. Prefer cash TI for larger builds.

0 ■ Permitted uses of TI confirmed

7 Confirm TI can cover FF&E, cabling, and soft costs — not just hard construction.

0 ■ TI disbursement schedule & lien waiver requirements

8 Understand when and how you get reimbursed. Many leases require project completion before any TI is released.

0 ■ Unused TI: does it revert to landlord?

9 Negotiate to keep unused TI or convert it to rent abatement.

PERSONAL GUARANTY

- **1 Full guaranty vs. limited/burn-down guaranty**
 - 0 Push for a burn-down structure: full guaranty for Year 1–2, stepping down to 12 months remaining obligation by Year 3–4.
- **1 Guaranty cap (dollar or time limit)**
 - 1 Try to cap exposure at a fixed dollar amount (e.g., 6–12 months of base rent + NNN).
- **1 Spousal/co-guarantor requirement**
 - 2 Resist spousal guaranty unless unavoidable. If required, request a separate spousal carve-out for personal assets.
- **1 Guaranty burn-down milestone clearly defined**
 - 3 The burn-down trigger should be objective — consecutive months of on-time payment — not landlord discretion.

RENEWAL OPTIONS

- **1 Number and length of renewal options**
 - 4 Request at least two 3–5 year options. This protects your investment in the space and prevents holdover exposure.
- **1 Renewal rent: fixed rate vs. fair market value**
 - 5 Fixed renewal rent (or capped FMV) is far better than open FMV. At minimum, negotiate a FMV floor/ceiling.
- **1 Notice period for exercising renewal**
 - 6 Typically 6–12 months. Make sure it appears in your tickler system — missed notice = lost option.
- **1 Right of first offer/refusal on adjacent space**
 - 7 Valuable if you anticipate growth. Request ROFO on any contiguous space that becomes available.

NNN COSTS & CAP EX

- **1 NNN expense categories fully disclosed**
 - 8 Request a full breakdown of estimated operating expenses before signing. Ask for last 2 years of actuals.
- **1 CAM reconciliation process and audit rights**
 - 9 You have the right to audit CAM charges. Include a 90–120 day window to audit the prior year's statement.
- **2 NNN cap or expense stop**
 - 0 Try to cap annual NNN increases at 3–5% per year, or negotiate an expense stop on controllable expenses.
- **2 Capital expenditure exclusion from NNN**
 - 1 Roof, HVAC replacement, and structural repairs should be landlord's responsibility. Confirm these are excluded from CAM.

EXCLUSIVITY & USE

- **2 Permitted use clause broad enough**
 - 2 Overly narrow use clauses can restrict your business evolution. Make it as broad as you reasonably need — now and in 3 years.

- **2 Exclusivity scope and remedy**
 - 3 Define the competing use broadly. Include a rent-reduction remedy if exclusivity is violated and not cured within 30 days.

- **2 Co-tenancy protection (retail tenants)**
 - 4 Name anchor tenants that trigger co-tenancy rights. Include right to pay percentage-only rent until cure, then termination right.

- **2 Radius restriction review**
 - 5 Understand any restrictions on opening other locations. Push for a carve-out for existing locations.

ASSIGNMENT & EXIT

- **2 Assignment rights for business sale**
 - 6 Lease must allow assignment to a business acquiror without landlord consent (or with reasonable consent only). Non-consent = landlord can hold your exit hostage.

- **2 Subletting rights**
 - 7 You should be able to sublet to a qualified subtenant. Landlord profit-sharing on sublease rent is negotiable — resist above 25%.

Need help negotiating these terms?

Justin Crow represents commercial tenants exclusively across Broward, Miami-Dade, and Palm Beach counties. Free consultation — no obligation.

justincrowcre.com
(561) 571-8245
justin@mattisadvisors.com

This checklist is for informational purposes only and does not constitute legal advice. Consult a licensed real estate attorney before executing any commercial lease.