TEMPLATE

Commercial Lease Agreement

This is a template, not legal advice

This document is a general-purpose template provided for information only. It is not legal advice, it does not create a lawyer–client relationship, and nobody has reviewed it against your situation.

Laws differ by country, state and province, and they change. A clause that is standard in one place can be unenforceable — or illegal — in another. Terms that are ordinary between two businesses can be void in a consumer or employment context.

Read every clause before you use it, fill in every blank, and delete anything that does not apply. For anything high-value, unusual, or that you could not afford to lose a dispute over, have a qualified lawyer in your jurisdiction review it before it is signed.

This kind of document is regulated differently almost everywhere. Many places require specific notices, disclosures or statutory wording, and some make clauses like these unenforceable outright. Treat this template as a starting point to take to a local lawyer, not as a document to sign as-is.

How to use this template

1. Read it end to end and delete any clause that does not apply to you. Blanks are shown as a grey label on a line.
2. Need the other party to sign too, with an audit trail and a tamper-evident seal? That is what the paid product does.

Commercial Lease Agreement

This Commercial Lease Agreement (this "Lease") is made on [Date] between [Landlord's full legal name or registered business name] of [Landlord's address for notices] (the "Landlord") and [Tenant's full legal name or registered business name, and entity type, e.g. "Acme Retail LLC, a California limited liability company"] of [Tenant's address for notices] (the "Tenant"). Each is a "Party" and together they are the "Parties".

The Landlord agrees to let, and the Tenant agrees to rent, the commercial premises described below, for the term and on the terms set out in this Lease. This is a lease of business premises. It is not a residential tenancy, and clause 11 explains what that means.

1. The Premises

The Landlord lets to the Tenant the commercial premises located at [Full premises address, including suite or unit number and postal code], comprising approximately [Floor area, e.g. 2,400 square feet] (the "Premises"), within the building or property known as [Building or property name, or write "the Building"].

The Tenant's use of common areas — including [List shared areas the Tenant may use, e.g. parking, lobby, loading dock, shared restrooms, or write "none"] — is non-exclusive and shared with other tenants of the Building, and is subject to the Building rules the Landlord notifies in writing from time to time.

2. Term

This Lease is for a term beginning on [Lease start date] and ending on [Lease end date] (the "Term"), unless ended earlier under this Lease or renewed under the paragraph below.

The Tenant may renew this Lease for [Number of renewal options, e.g. one, or write "no"] further term(s) of [Length of each renewal term, e.g. 3 years] by giving the Landlord written notice at least [Notice period required to exercise a renewal option, e.g. 90 days] before the end of the then-current term, on the same terms except that Base Rent for the renewal term is [How renewal rent is set, e.g. the amount stated in Schedule A, or "the then-current market rent as agreed by the Parties or set by appraisal"].

If the Tenant remains in occupation after the end of the Term without a new written lease or exercised renewal, the tenancy continues month-to-month at [Hold-over rent amount or percentage of Base Rent, e.g. 150% of the last monthly Base Rent] until either Party ends it by giving the other [Notice period to end a month-to-month hold-over tenancy, e.g. 30 days] written notice, without prejudice to the Landlord's right to treat the hold-over as a default and pursue any other remedy available under applicable law.

3. Permitted Use

The Tenant shall use the Premises only for [Stated business purpose, e.g. "retail sale of women's apparel" — be specific, not "general commercial use"] (the "Permitted Use"), and for no other purpose without the Landlord's prior written consent, which the Landlord shall not unreasonably withhold if the proposed use is compatible with the Building, does not increase the Landlord's insurance premium, and does not breach an exclusive-use right the Landlord has already granted to another tenant.

The Tenant shall not use the Premises in any way that violates applicable zoning law, the certificate of occupancy for the Premises, or any exclusive-use covenant the Landlord has granted to another tenant of the Building and disclosed to the Tenant in writing before signing. The Tenant is responsible for confirming, before signing, that the Permitted Use is lawful at this address.

The Tenant shall keep the Premises open for business during the following hours, unless the Landlord agrees otherwise in writing: [Required operating hours and days, or write "none required"] . The Tenant shall comply with all applicable laws affecting the Permitted Use, including licensing, health, safety and accessibility requirements specific to that use.

4. Base Rent

The Tenant shall pay the Landlord base rent of [Monthly base rent amount and currency] per month ("Base Rent"), in advance, on the [Day of the month rent is due, e.g. 1st] day of each month, without deduction or set-off except as this Lease or applicable law expressly allows. The first payment of [First payment amount] is due on [Date the first payment is due] . Where the Term begins or ends part-way through a month, Base Rent for that month is prorated on a daily basis.

Base Rent [Escalation over the Term, e.g. "increases 3% on each anniversary" or "remains fixed"] . Rent must be paid by [Accepted payment method, e.g. bank transfer to the account the Landlord notifies in writing] . A payment is made when the Landlord actually receives cleared funds.

5. Triple Net (NNN) Charges

In addition to Base Rent, the Tenant shall pay the Landlord the Tenant's pro-rata share of property taxes and assessments on the Building, the Landlord's property insurance premium for the Building, and common-area maintenance costs (collectively, "Operating Expenses"), on the terms of this clause (the "Triple Net" or "NNN" charges).

Common-area maintenance costs mean the reasonable cost of maintaining, repairing, cleaning, insuring, lighting, landscaping, and providing security and management for the common areas of the Building, but exclude capital improvements except as this Lease states otherwise, costs the Landlord recovers from another tenant or from insurance, and the Landlord's own income taxes.

The Tenant's pro-rata share is [Tenant's pro-rata share, expressed as a percentage — typically the Premises' floor area divided by the Building's total leasable floor area] of Operating Expenses. The Landlord shall give the Tenant a written estimate of Operating Expenses for each calendar year, and the Tenant shall pay [How NNN charges are paid, e.g. "1/12th of the estimate each month together with Base Rent"] . Within [Period after year-end for the Landlord to reconcile actual Operating Expenses, e.g. 120 days] after the end of each calendar year, the Landlord shall give the Tenant a statement of actual Operating Expenses for that year; the Tenant shall pay any shortfall within [Period to pay a shortfall, e.g. 30 days] of that statement, and the Landlord shall credit or refund any overpayment within the same period.

The Tenant, on reasonable prior written notice and no more than once per calendar year, may inspect or audit the Landlord's records supporting an Operating Expenses statement during normal business hours. This clause introduces the Tenant's share of Operating Expenses as a charge separate from Base Rent, and Base Rent under clause 4 does not include it.

6. Security Deposit

On or before [Date the deposit is due, usually the start date] the Tenant shall pay the Landlord a security deposit of [Deposit amount] (the "Deposit") as security for the Tenant's performance of this Lease. The Deposit is not rent and the Tenant shall not treat it as payment of any rent or NNN charge falling due during the Term.

The Landlord may draw on the Deposit to cure a Tenant default, in which case the Tenant shall restore the Deposit to its full amount within [Period to restore the Deposit after a draw, e.g. 10 days] of written demand. Within [Period after lease end to return the Deposit, e.g. 30 days] after the Tenant vacates and returns possession of the Premises, the Landlord shall return any remaining balance of the Deposit, together with a written statement of any deduction. Commercial security deposits are not subject to the caps, interest requirements or fixed return deadlines that apply to residential deposits in some jurisdictions — see clause 11.

7. Maintenance and Repairs

The Landlord shall maintain and repair the structure of the Building — the roof, exterior walls, foundation, and the Building's shared electrical, plumbing, fire-safety and HVAC systems outside the Premises — and shall keep common areas in good repair, the cost of which is recovered from tenants as Operating Expenses under clause 5.

The Tenant shall, at its own cost, keep the interior of the Premises, its fixtures, and any HVAC unit, plumbing or electrical system serving only the Premises in good repair and working order, and shall promptly repair any damage caused by the Tenant, its employees, contractors, customers or invitees, ordinary wear and tear excepted. The Tenant shall report any defect in a system the Landlord is responsible for to [Name, phone number and email for maintenance requests] promptly after becoming aware of it, and immediately if it is an emergency.

Neither Party shall make a structural alteration to the Premises or the Building without the other's prior written consent. The Tenant may install trade fixtures needed for the Permitted Use and shall remove them and repair any resulting damage before the end of the Term, unless the Parties agree in writing that a fixture stays.

8. Assignment and Subletting

The Tenant shall not assign this Lease, sublet the Premises or any part of it, or grant any license or occupancy right in the Premises, without the Landlord's prior written consent, which the Landlord shall not unreasonably withhold, condition or delay where the proposed assignee or subtenant is creditworthy and intends a use consistent with clause 3.

A request for consent must be in writing and include the proposed assignee or subtenant's identity, financial standing and intended use. The Landlord shall respond within [Period for the Landlord to respond to an assignment/sublet request, e.g. 30 days] of a complete request; no response within that period is treated as [State "consent" or "refusal" if the Landlord does not respond in time] . An assignment or sublet, even with consent, does not release the Tenant from its obligations under this Lease unless the Landlord agrees in writing to release it.

A transfer of a controlling interest in the Tenant, where the Tenant is a company, partnership or other entity, is treated as an assignment under this clause. Any purported assignment or sublet made without the required consent is void and is a default under clause 10.

9. Insurance and Indemnity

The Landlord shall keep the Building insured against fire and other perils customary for a building of its type, the cost of which is recovered as an Operating Expense under clause 5. That insurance does not cover the Tenant's own property, fixtures, or business, and does not cover the Tenant's liability to any other person.

The Tenant shall obtain and keep in force for the whole of the Term commercial general liability insurance with a combined single limit of at least [Minimum general liability cover, e.g. $1,000,000 per occurrence] , and property insurance covering the Tenant's own fixtures, equipment and inventory at full replacement value, naming the Landlord as an additional insured on the liability policy, and shall give the Landlord a certificate of insurance before taking occupancy and on renewal.

Each Party shall indemnify the other against claims, losses and expenses arising from the indemnifying Party's negligence or breach of this Lease, except to the extent caused by the other Party's own negligence or breach. Each Party waives, and shall have its property insurer waive, any right of subrogation against the other to the extent of the insurance each carries under this clause.

10. Default and Remedies

The Tenant is in default if the Tenant fails to pay Base Rent, an NNN charge or any other sum within [Grace period before rent is in default, e.g. 5 days] of its due date, breaches any other obligation under this Lease and does not cure it within [Cure period for a non-monetary breach, e.g. 15 days] of written notice, uses the Premises for a purpose other than the Permitted Use without consent, or becomes insolvent or makes an assignment for the benefit of creditors.

On a default the Landlord may give any notice applicable law requires and, if the default is not cured within the period that law allows, may terminate this Lease and recover possession by lawful process, re-let the Premises and hold the Tenant liable for the difference between the rent recovered and the rent due under this Lease for the remainder of the Term, and recover the cost of re-letting and of repairing any damage, in each case subject to the Landlord's duty to mitigate where applicable law imposes one.

The Landlord is in default if the Landlord fails to perform an obligation under this Lease and does not cure it within a reasonable time of written notice from the Tenant, and the Tenant may then pursue any remedy applicable law provides. Accepting a late or partial payment does not waive a default unless the Landlord waives it in writing.

11. No Residential Tenancy Protections

This is a commercial lease of business premises, not a residential tenancy. The Parties acknowledge and agree that statutory protections that apply to residential tenants in many jurisdictions — including caps on the amount or handling of a security deposit, implied warranties of habitability, and minimum notice periods before eviction or non-renewal — generally do not apply to a commercial lease such as this one, and this Lease is drafted on that basis.

Where a specific statutory protection for commercial tenants does apply in the jurisdiction where the Premises are located — for example around lease termination, relocation, or a right of first refusal on renewal — that protection applies regardless of anything in this Lease, and nothing in this clause waives a protection the Parties are not legally permitted to waive.

12. Surrender and Holding Over

On the end of the Term or earlier termination the Tenant shall vacate the Premises, remove its trade fixtures and personal property, repair any damage caused by that removal, return all keys and access devices, and leave the Premises in the condition required by clause 7, ordinary wear and tear excepted.

Any property the Tenant leaves behind after vacating may be treated by the Landlord as abandoned and disposed of after [Notice period before abandoned property is disposed of, e.g. 15 days] written notice to the Tenant at the address for notices stated in the preamble, unless applicable law requires a different procedure, in which case that procedure applies. The Tenant shall pay the reasonable cost of removing, storing and disposing of it.

13. Governing Law and General Provisions

This Lease and any dispute arising out of it are governed by the laws of [Governing law, e.g. the State of Texas] , and the Parties submit to the jurisdiction of the courts of [Jurisdiction where the Premises are located] . Where any term of this Lease conflicts with a mandatory requirement of the law governing commercial tenancies at this location, that law prevails and the rest of this Lease continues in force.

This Lease is the entire agreement between the Parties about the letting of the Premises and replaces any earlier understanding, promise or representation about it. It may be amended only in writing signed by both Parties. If any provision is held unenforceable, the rest continues in force. Notices under this Lease must be in writing and delivered by hand, by post to the address stated for that Party, or by email to [Landlord's email for notices] and [Tenant's email for notices] .

This Lease may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement. It takes effect on the date of the last signature below. Where the Tenant is a company, partnership or other entity, the person signing below must be authorised to bind it. Until each Party has signed, this Lease is a draft and binds no one.

In agreement with the terms above, the parties have signed below on the dates written beside their signatures.

Landlord

Signature: ____________________

Printed name: ____________________

Company: ____________________

Title: ____________________

Date: ____________________

Tenant

Signature: ____________________

Printed name: ____________________

Company: ____________________

Title: ____________________

Date: ____________________