

## **Top Five Priorities for E-Commerce Tenants**

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The trend of locking-in an e-commerce tenant is seemingly becoming the “it” transaction for landlords who own industrial, or even to-be-converted retail, properties. While the popularity is increasing, and many landlords think they have the “perfect” property for an e-commerce tenant, it’s not as easy as it may appear. Here are the top-5 property attributes that e-commerce tenants look for:

1. **Accessibility:** Many e-commerce tenants look for properties with manageable access. Freight trucks, and the like, are commonly present at e-commerce buildings, so having the physical access to accommodate trucks and other large delivery vehicles on a constant basis is very important. Additionally, fairly easy access to major highways and roadway is a plus, so the distribution chains of the e-commerce tenant can run seamlessly.
2. **Building size & height:** The desired building size for an e-commerce tenant can vary, say from 100,000 square feet to upwards of 600,000 square feet. Certainly, e-commerce tenants are looking for large building footprints. E-commerce tenants also look for certain building heights in order to house equipment and inventory. Over the past year or so, the demand for increased height is on the rise – typically between 30-40 feet.
3. **Open floorplan:** E-commerce tenants typically look for open floorplans in order to provide adequate space for the tenant’s logistical equipment and staff. Additionally, a square or rectangular shaped footprint is a plus to create the space to best fit the tenant’s needs.
4. **Avoid environmental liability:** It is a common desire of e-commerce tenants to avoid liability or indemnification obligations with respect to the property, especially since the typical e-commerce use is not one to present environmental issues. Landlords should be prepared to face this issue.
5. **Understand tenant’s personal property rights:** E-commerce tenants seek to make it clear that any personal property or fixtures installed at the property are to remain the property of the tenant upon the expiration of the lease. As an example, e-commerce

tenants typically install and use sophisticated logistical equipment in their spaces. These tenants will want the ability to remove such equipment upon the expiration of the lease without being subject to landlord's rights to ownership of such equipment. Landlords, however, can obligate the tenant to repair any damage to the property that may be caused by the removal of such equipment or other personal property.

Hinckley Allen has significant experience with negotiating e-commerce leases, and can assist with navigating the above-referenced issues, along with any other issues that may arise with industrial properties.

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For any questions, please contact the Hinckley Allen attorney with whom you regularly work, or one of our [Real Estate](#) attorneys. Follow Hinckley Allen on [Twitter](#) and [LinkedIn](#) for the latest news and updates.

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