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I am about to sign a lease. I have spent a lot of time selecting the perfect space and location for my business. I fully understand the rent and term provisions. What else should I be thinking about? I don't want any surprises once I've moved in.

Good question. A lease is a complex legal document with many provisions that can impact your bottom line in addition to rent. Here are a few to watch for:

Leased Premises

An overly broad definition of what is included as part of the premises can result in greater maintenance responsibilities than anticipated. (Does the premises include: exterior walls? The roof? The HVAC system? The windows? The basement?, etc.)

Operating Expenses

The lease should specify in detail what is included and what is excluded. Watch out for management fees, debt service, capital improvements, and brokers' commissions.

Rent Commencement Date

In a build-out scenario, the lease should clearly specify when you must begin to pay rent (Lease execution? Occupancy? C/O? After a specified fit up period)?

Free Rent Periods

What is free and what must be paid. (Base Rent? Taxes? Insurance? Utilities? Other operating expenses?). If the tenant subsequently defaults, is the free rent forfeited?

Rent Escalators

Watch out for compounding in later years.

Tenant Improvement Allowances

How and when is the allowance money paid or credited? Must the money be used for actual building improvements? Equipment? Furniture? Other?

Extension Rights

If rent for extended terms is tied to fair market rent - how is fair market rent calculated?

End of Lease Term

What can stay and what must be removed (i.e., wiring, cabling, fixtures, tenant improvements, etc.).

Major Capital Improvements

Who is responsible and under what circumstances? What if a major repair is needed during the last year of the lease? Is the cost of the capital improvement amortized over the balance of the lease term? Over the useful life of the improvement? Some other period?

Fire/Casualty

If the premises are damaged and can no longer be used, must the landlord rebuild? If so, within what period of time? May you terminate the lease if the premises are not restored? Does rent abate?

Assignment/Subletting

Can the lease be transferred to a new tenant if you sell your business? Can you sublet some of the Premises if your space needs change during the lease term?

Compliance with laws

If the building needs to be upgraded or retrofitted, who is responsible to bring building and premises into compliance with new laws or changes in existing laws such as ADA, building and life safety codes?

These are just a few examples of issues that can result in surprise or hidden costs.