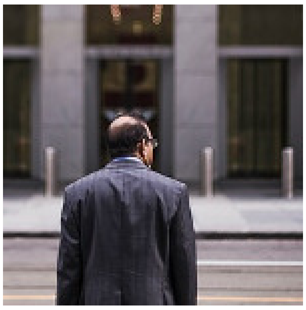
Small-Firm Office Leasing Reality Check



An office lease is a pivotal tool for small law firms to attract better clients and expand their practices. But it is also frequently a small firm’s largest fixed capital expense and longest commitment. Negotiating favorable lease terms is critical to ensure that a lease contributes to, and does not hamper, a firm’s success, writes **Laura Drossman** of **Drossman Law** in San Francisco.

Small firms may not be able to compete financially with their market competitors, who will pay higher rents and prepaid rent upon demand, according to **her article**, originally published by the Bar Association of San Francisco. Failure to maintain adequate financials brings creditworthiness into question and kills tenant’s leverage in lease negotiations.

While base rent and escalations seem like an obvious starting point, due to sky-high demand and flush competition, prospective tenants better serve their interests by focusing on other points.

Those points can include space improvements, commencement date, pass-through costs and tempering spikes, security deposits and letters of credit, subleasing and assignment, maintenance costs and HVAC, and relocation rights.

Read the article.